

UNITED STATES MARITIME COMMISSION

REPORT TO CONGRESS

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OCTOBER 25
1940**



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UNITED STATES MARITIME COMMISSION

OFFICE: COMMERCE BUILDING
WASHINGTON, D. C.

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LETTER OF TRANSMITTAL

UNITED STATES MARITIME COMMISSION,
Washington, D. C., January 2, 1941.

To the Congress:

I have the honor to present herewith the report of the United States Maritime Commission for the year ending October 25, 1940.

This report is submitted pursuant to section 208 of the Merchant Marine Act, 1936, as amended, which provides that "the Commission shall, at the beginning of each regular session, make a report to Congress, which shall include the results of its investigations, a summary of its transactions, its recommendations for legislation, a statement of all receipts under this act, and the purposes for which all expenditures were made."

The Commission is not submitting at this time its recommendations for legislation. Consideration is being given to certain suggestions which the experience of the Commission indicates would facilitate the administration of the Merchant Marine Act, 1936, as amended. These will shortly be presented to the Congress for its consideration. Certain other proposals dealing with the broader aspects of merchant marine policy in these times of international stress are under consideration and will be submitted to the Congress as the occasion may arise.

The accompanying report covers the remaining activities of the Commission for the period under review.

E. S. LAND, *Chairman.*

UNITED STATES MARITIME COMMISSION

INTRODUCTION

The major portion of the Commission's activities and the policies which it has followed during the past year have been influenced by the European war and its repercussions throughout the world. The passage of the Pittman Act and Presidential proclamation issued thereunder brought about the immediate cessation of the American-flag services to all European ports from the north coast of Spain to Bergen, Norway. As the conflict spread during the course of the year, the area available to vessels of United States registry in the transportation of European cargo was successively reduced until with the declaration of war by Italy, which closed the Mediterranean to American-flag vessels, only the north coast of Spain and ports in Portugal remained open. Despite this block-out of an area which normally handles over 40 percent of our total foreign commerce, American shipping has prospered during the past year.

The close of the year finds an exceptionally heavy movement of cargo between the United States and all countries not affected by neutrality legislation, except for the outward voyages to the Antipodes and certain ports of South America. Owing to the close control exercised by the British Government over its own vessels and those of neutrals or belligerents which have come within its jurisdiction, the immunization of a considerable amount of Scandinavian tonnage and the complete cessation of all cargo movement on German and Italian vessels on world-trade routes, opportunity has been offered for those American-flag vessels prohibited from engaging in their regular service to European countries to find remunerative employment.

While the increased demand for vessel tonnage which customarily occurs upon the outbreak of a war has resulted in rate increases throughout the major world-trade areas, there has not been the spectacular rise which took place in the World War, 1914 to 1918. In many trades there have been no increases established for a large number of commodities and the Commission has been diligent in carefully checking the increases in rates filed by the various conferences. Increased operating costs due to higher wage and labor costs, advances in the price of fuel oil, and the additional burden of war-risk insurance, justify to a large extent the higher rate level established during the past year. A further mitigating factor is the present size of the United States merchant marine compared with its

position in 1914, at which time only a handful of vessels were available for transportation of our foreign commerce. In addition to the large number of craft remaining from this Government's wartime construction, the Maritime Commission program for replacement of this aging tonnage comprises 177 new vessels to date; 47 of these ships have already been delivered for operation.

The problem of maintaining rates at a reasonable level cannot be considered apart from the requirements and characteristics of a given service. Where the movement of cargo in a specific trade is unbalanced and the established operators depend to a greater or lesser extent on chartered tonnage, regular service can be preserved by these operators only if the freight rates are sufficiently remunerative to permit the payment of the world price for vessel tonnage. As the world charter rate advances, the owners of available tonnage naturally seek employment for their vessels in the more profitable trades, and shipments of cargo in an unbalanced trade will suffer unless a satisfactory adjustment of rates is made.

The demand for vessel tonnage, as reflected in the world charter rate and the prices received from the sale of cargo vessels, has fluctuated considerably in the past year. The rising trend which set in after the outbreak of the European war was maintained until the spring of 1940 when the charter market eased. Losses of tonnage suffered by the belligerent nations and continued demand for cargo space since that time have brought rates up again almost to the spring peak.

The maintenance of a reasonable freight-rate structure cannot be secured unless there is an adequate supply of tonnage available for operation on world-trade routes. The availability of tonnage in turn is governed not only by the demand for cargo space but also by the amount of new tonnage placed in operation. During the past year the Commission has been confronted with the delicate problem of adjusting the program which it had formulated for the replacement of old commercial tonnage to include possible defense needs which would become immediate demands in the event of a national emergency. In addition to the added strain placed on the merchant marine for the transportation of cargo under such conditions, the adoption of a program for a two-ocean Navy, which calls for a large number of auxiliary vessels, as well as the additional transportation facilities required by the War Department, make it imperative for our national defense that an adequate merchant marine be available. The fact that the Navy and War Departments have already acquired over 40 merchant vessels, including a number of new ships constructed under the Commission's program, stresses the importance of this factor.

Organization.

The composition of the Commission has been altered in the past year by the resignation of E. C. Moran, Jr., and the expiration of the term served by Rear Admiral H. A. Wiley, United States Navy retired. Commander Howard L. Vickery was appointed to fill the unexpired portion of Mr. Moran's term. Commissioner Vickery had formerly supervised the Commission's construction program. The nomination of the Hon. John J. Dempsey to fill the vacancy created by the retirement of Commissioner Wiley has been confirmed by the Senate. There has been some increase in the staff of the Commission consequent upon the development of the Commission's construction program. The principal increases have taken place in the technical staff required to prepare plans and specifications for the vessels under construction and to supervise their construction in the 17 shipyards throughout the country where the vessels are being built. Besides the technical staff an increased number of auditors and accountants is necessary to supervise the financial aspects of the construction program.

Studies and Investigations.

Two major studies have been prepared by the staff of the Commission during the past year. In the first one the Commission turned its attention to the inland waterways as a sequel to the two previous studies, entitled, "The Economic Survey of the American Merchant Marine" and the "Survey of Coastwise and Intercoastal Shipping," which have previously been submitted to the Congress. The study on inland waterways is now being revised in final form.

The second major study deals with the agenda for the Inter-American Maritime Conference, held on November 25, 1940. Extensive material was prepared by the Maritime Commission in collaboration with the State Department for the use of the delegates at the conference, which was originally scheduled to convene on October 2, 1940. The items on the agenda dealt with many important phases of maritime transportation between the countries of this hemisphere and provided a basis for a better mutual understanding of the respective interests of each country in promoting its development.

In addition to these more extensive reports, a considerable number of special reports are prepared on various aspects of our foreign trade and shipping for the use of the Commission's staff, other governmental departments, and in response to specific requests from private citizens whose interests are affected. Of particular importance are the studies relating to the transportation of strategic and critical raw materials and the daily position chart of American flag vessels.

Legislation.

Many important legislative enactments affecting the Commission's activities were passed during the second and third sessions of the

Seventh-sixth Congress. These included not only modifications or amendments of the Merchant Marine Act, 1936, and other basic shipping laws, but also enactments of broader scope, some provisions of which affect the Commission's activities, such as the Neutrality Act of 1939 (Public Res. No. 54), the Second Supplemental National Defense Appropriation Act (Public, No. 781), and the Transportation Act of 1940 (Public, No. 785), under which the regulatory jurisdiction of the Maritime Commission over water carriers engaged in commerce between the States was transferred to the Interstate Commerce Commission.

The necessity of adjusting the Commission's program to the exigencies of the European war and the national-defense program occasioned modifications of the Commission's authority in the following respects:

Congress authorized the establishment of an insurance fund to provide American shipping with the protection necessary and adequate to maintain the flow of our export and import trade in any national emergency. The Commission was granted authority, expiring not later than March 10, 1942, to provide marine war-risk insurance and reinsurance and marine reinsurance for American ships, their cargoes and crews, whenever such insurance cannot be obtained on reasonable terms and conditions from the private companies which comprise the American insurance market. Up to the present time, the necessity for utilizing this governmental fund has not arisen.

In the case of vessels which can no longer be operated in regular service because of the provisions of the Neutrality Act or for considerations of national defense, the Commission was authorized to make adjustments of the mortgage indebtedness on such vessels and to make arrangements for their maintenance during such period.

Another enactment was designed to relieve the problem of the replacement of obsolete vessels in the coastwise and intercoastal trade and in the nonsubsidized foreign trade. During the previous year, at the recommendation of the Commission, Congress enacted a law whereby old or obsolete tonnage could be turned in to the Commission and a credit received for new construction. After the outbreak of hostilities in Europe the world market price for tonnage increased so much that this turn-in provision was not availed of by domestic operators. While high prices were received for old tonnage, the cost of new construction and the burden of high taxes kept the problem of replacements for these trades acute.

The legislation enacted to alleviate this situation permits American shipowners to deposit in a construction reserve fund, administered jointly by the Maritime Commission and the Treasury Department, the proceeds received from the sales of vessels and earnings from the

operation of vessels for use in the construction or acquisition of new tonnage. Any deposits so used which represent a capital gain on the sale of an old vessel are exempt from the taxes on capital gain, but the tax basis of the new vessel will be reduced by the amount of such capital gain not taxed on the sale of the old vessel.

When the "turn-in and build" amendments to the Merchant Marine Act, 1936, referred to in the preceding paragraph were passed by Congress, the Commission recommended that a restriction be placed on the sale of over-age vessels in the Commission's laid-up fleet in order that they might not be placed in competition with vessels presently engaged in the domestic trade. At the outbreak of the war, however, it became desirable to suspend this provision in order that the Commission might have full authority to cope with any urgent demands for increased tonnage in both domestic and foreign trade. Congress, therefore, authorized for the duration of the war the disposition of vessels in the Commission's laid-up fleet subject to such restrictions as may be necessary or desirable to protect the public interest.

In order that shipyards engaged in naval as well as merchant-marine construction might preserve similar working schedules for their employees engaged on these two types of work, Congress authorized the Commission, until June 30, 1942, notwithstanding existing restrictions of law, to permit the employment of persons engaged on the work covered by Commission contracts for the construction, alteration, or repair of vessels for more than 8 hours in any one day, provided that pay for overtime in excess of 8 hours per day or 40 hours per week be paid at one and one-half times the basic rate. In another enactment, provision was made for funds to be used by the Commission in the construction of housing projects at or near industrial plants engaged in Commission activities.

The authority for the training of merchant seamen previously granted to the Commission were broadened by Reorganization Plan No. IV, effective June 30, 1940. Under this plan the functions of the Secretary of the Navy with respect to State nautical schools, operated under the act of March 4, 1911, were vested in the Commission. These schools are presently operated in California, Massachusetts, New York, and Pennsylvania. As a necessary corollary to this authority, the Commission was authorized to examine, inspect, rate, and certify schools in the United States offering instruction for service in the merchant marine to persons quartered on board any vessel.

Rules and Regulations.

Under the power granted by section 202 (b) and pursuant to specific instructions in other sections of the act, the Commission has adopted various rules and regulations to carry out the powers, duties, and functions vested in it by the Merchant Marine Act, 1936, as amended.

These are issued in the form of general orders and are published in the Federal Register.

A number of supplements to general orders previously issued have been adopted by the Commission during the past year to take care of particular conditions resulting from the general application of the orders to all the companies involved. These included the modification of the regulations governing reports of vessels included under subsidy agreements and the definition of lay-up periods.

After giving the opportunity to members of the industry to comment on the proposed rules, the Commission in General Order No. 31 prescribed rules and regulations for the establishment and maintenance of the capital and special reserve funds and the definition of "capital necessarily employed in the business" and "net earnings" as required by Title VI of the Merchant Marine Act, 1936. Another general order, No. 34, established regulations governing the charter of vessels of United States registry to aliens.

During this period the Commission has completed a proposed revision of its rules of procedure for persons practicing before it. Extensive study on the part of the Commission's staff of appropriate administrative procedure resulted in a proposed revision being submitted to all its practitioners for their comments thereon. A formal hearing on this matter will be held by the Commission in January, 1941.

At the present time 473 attorneys and 269 other qualified persons have been granted permission to appear before the Commission.

VESSEL CONSTRUCTION

The Commission's program for the construction of new tonnage for replacements and additions to the American merchant marine, as prescribed under section 210 of the Merchant Marine Act, 1936, as amended, embraces 177 vessels to date. A summation of the contracts and progress as of October 1, 1940, is set forth in the following table:

Summation of contracts and progress as of Oct. 1, 1940

Type of vessel	Contracted for	Keels laid	Launched	Delivered
Passenger.....	1	1	1	1
C-1.....	38	25	7	0
C-2.....	40	22	19	17
C-3.....	30	18	15	11
C-3 passenger and cargo.....	18	12	2	0
Passenger and cargo.....	6	3	3	2
Cargo.....	21	13	7	5
Tankers.....	23	14	12	11
Total.....	177	108	66	47

The Commission had previously adopted a general policy of contracting for the construction of 50 new vessels a year. This program

was accelerated in August 1939, when the outbreak of war was imminent. The increased rate of construction was maintained by the Commission in additional findings adopted on August 27, 1940, which stepped up the program to include the construction of 200 vessels by July 1, 1941. This represents a 6-months advance over the program originally contemplated by the Commission in 1938.

The 177 vessels referred to above gross 1,407,281 tons. With the exception of 2 ships, which the Commission found were not required for operation on an essential foreign-trade route and were therefore sold for domestic operation, and excluding the tankers, all of these vessels are destined for operation in foreign commerce.

Comparison of the carrying capacity and speed of the vessels presently being constructed by the Commission with the old tonnage in operation prior to inauguration of the Commission's program indicates that the carrying power of the merchant marine today is superior to that of the merchant marine of 1938, despite a decrease in the number of vessels and total tonnage. This is due to the fact that the new ships generally have a minimum speed of 15½ knots as compared with an average of 10 knots for the vessels constructed in the Shipping Board's World War program. The other factor which brings about this result is the increased cubic capacity of the new vessels.

Almost 100 of the cargo and combination ships being constructed by the Commission have been contracted for by private operators under Title V of the Merchant Marine Act, 1936, as amended. Commitments have been made for the charter under Title VII of 35 additional vessels for operation on essential trade routes. Twenty-three of the vessels are national defense tankers, in which the Commission participates only to the extent of the national defense features. Of the first group of 12 tankers which were contracted for by the Standard Oil Co. of New Jersey, 7 have already been purchased by the Navy Department and the remaining 5 will probably be acquired in the near future. The Navy Department has also arranged for the purchase of 7 C-2 and C-3 cargo vessels, which were already in private operation or were nearing completion under the Commission's program.

The acquisition of this new tonnage by private operators has been facilitated to a large extent by the increased earnings of the past year and a half and the sale of old vessels at the high price currently prevailing for tonnage in the world market. Deposits in the reserve funds established by subsidized operators amounted to over \$59,000,000 on the first of October 1940. This figure is composed of depreciation, excess profits, and proceeds from the sale of old vessels. Withdrawals to the extent of approximately \$34,000,000 have been made for the purpose of payment on construction loans, ships' sales notes, progress payments for new construction, and the outright purchase of vessels.

The total cost of the 177 ships comprising the Commission's construction program to date amounts to \$438,318,000, on which progress payments to the shipyards have been made in the sum of approximately \$172,000,000 or 39.2 percent of the total construction cost. The proportionate share of the operators who have purchased vessels under Title V comes to \$26,700,000. Full details are set forth in appendix D.

Characteristics of each vessel in the Commission's program, including both those designed by the Commission and those designed by private operators, are set forth in a pamphlet entitled "New Ships for the Merchant Marine."

Construction-Differential Subsidy.

The problem of securing accurate data on foreign shipbuilding costs was intensified by the outbreak of the European war. Not an easy task under the most favorable conditions, the shift to a wartime economy by the European countries made it virtually impossible to obtain any reliable information on which the Commission could determine the estimated cost of foreign construction as required by section 501 of the Merchant Marine Act. In recognition of the difficult situation confronting the Commission, Congress authorized the Commission for the duration of the war to make its determinations with respect to foreign construction costs upon the basis of conditions existing prior to September 3, 1939. In seeking this temporary relaxation of the law, the Commission pointed out that the policy of the act contemplated parity for operators of American flag vessels with their foreign competitors. Because of the impracticability of obtaining information on current foreign shipbuilding costs, the Commission was placed in the position of either being unable to fix any differential at all or of fixing a differential at an extremely conservative figure in view of the probable increase in European construction costs. An operator purchasing a new vessel under those conditions would immediately be placed at a disadvantage upon the termination of hostilities when new construction in the European countries would probably be placed in operation at greatly reduced costs.

OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS

There has been a slight change in the composition of the subsidized lines during the past year. Failure of the South Atlantic Steamship Co., whose operations were suspended by passage of the Pittman Act, to reach a satisfactory agreement with the Commission for the replacement of its old vessels with new tonnage led to the termination of this operator's subsidy agreement. For a similar failure to adopt an adequate replacement program the operating-differential subsidy agreement with the Pacific Argentine Brazil Line was also terminated. This service is now maintained by the Pacific Republics Line.

Two companies have been added to the list of subsidized operators. The American Mail Line was the successful bidder for the Puget Sound Orient service and has entered into a replacement program for this route. During the past year the Commission also entered into a long-term operating-differential subsidy agreement with the American South African Line. This company, which had received a temporary subsidy agreement and had then operated without a subsidy, proposed a program for the construction of three new combination cargo and passenger vessels to meet the requirements of its trade route. This application received favorable consideration by the Commission and the company was granted an operating-differential subsidy agreement on March 22, 1940.

While the foregoing cases represent the only changes in the companies receiving an operating subsidy, there has been considerable modification of the services maintained by the subsidized lines prior to the establishment of combat zones after the outbreak of the war in Europe. The European services of the United States Lines Co., with the exception of a greatly restricted operation by the America France Line to ports in Spain with vessels chartered from the Commission, have been suspended. The sale to a Belgian corporation of the seven "B" boats and the *President Harding*, and the sale of the *President Roosevelt* to the War Department, left only the passenger liners, *Manhattan* and *Washington*, and the new ship *America*, which was delivered to the company on July 2, 1940. These vessels were especially constructed for the North Atlantic trade and it was therefore difficult to find a trade in which their large passenger capacity could be successfully utilized. The company, therefore, applied to the Maritime Commission for relief under the provisions of Public Resolution No. 89, Seventy-sixth Congress, approved June 29, 1940. The Commission authorized the temporary and emergency employment in lieu of lay-up of the *Manhattan* and *Washington* in the intercoastal trade and of the *America* in a series of cruises to the West Indies. After completion of the first few voyages the question of continuing the operation of the vessels in these routes was again considered by the Commission at a public hearing. Authority was granted to maintain the intercoastal and West Indies cruise services, including the right to interchange the steamship *America* in the intercoastal service for one of the other two vessels.

The extensive Mediterranean services of the American Export Lines, which were continued until the entrance of Italy into the war in the early summer of 1940, has now been curtailed to a fortnightly service to Lisbon, Portugal, by the combination passenger and cargo vessels known as the "Four Aces." Although one of these ships has recently been sold to the Navy Department, its place has been taken by a chartered passenger vessel. The company has increased the

number of vessels engaged in its India service, which it purchased from the Maritime Commission in 1939. The remainder of its vessels for the most part are chartered by American flag operators engaged in other trade routes.

The vessels formerly operated by Moore-McCormack Lines, Inc., in its American Seantic Line service to Scandinavia and Baltic seaports were transferred to the American Republics Line route to the east coast of South America, where they have proved valuable in supplying the increased demands for tonnage in this important trade.

The Lykes Bros. Steamship Co. was likewise forced to suspend operation of its services to the United Kingdom and continental Europe, including the Mediterranean area. A number of these ships have subsequently been sold to foreign purchasers. Others have been operated in this company's services to nonbelligerent areas, and still others have been chartered for operation in trade routes where the withdrawal of tonnage by foreign flag vessels offered the opportunity for remunerative employment of American flag ships.

The American President Lines has continued the operation of its trans-Pacific and round-the-world services. The closing of the Mediterranean to vessels of United States registry has compelled this operator to route its vessels home-bound from the Far East round the Cape of Good Hope where they have provided additional passenger and refrigerated cargo space.

The remaining subsidized operators have continued to serve their regular trade routes and in certain cases, notably that of the South African trade, have utilized a number of the American flag ships blocked out of the European trade to take care of increased tonnage demands.

The following tabulation sets forth the approximate operating-differential subsidy for the fiscal year 1940. The sums indicated are not the amounts which have been paid to date. They represent the subsidy accrued during the period as submitted by vouchers of the operators. In all cases 10 percent of the subsidy accruing on each voyage is held until completion of the year-end audit.

Accrued operating-differential subsidy voyages and inactive periods, July 1, 1939, to June 30, 1940

	Number of voyages	Accrued sub- sidy
American Export Lines, Inc.	96	\$1,578,741.37
American Mail Line, Ltd.	1	20,392.72
American President Lines, Ltd.	48	2,061,593.62
Grace Line, Inc.	38	1,130,367.99
Lykes Bros. Steamship Co., Inc.	163	1,422,001.98
Mississippi Shipping Co., Inc.	42	419,335.16
Moore-McCormack Lines, Inc.	110	1,387,588.19
New York and Cuba Mail Steamship Co.	128	370,407.46
Oceanic Steamship Co.	13	688,871.76
Pacific Argentine Brazil Line, Inc.	2	36,701.85
Seas Shipping Co., Inc.	14	212,270.29
United States Lines Co.	90	2,143,005.35
Total	785	12,104,590.74

The amount of subsidy accrued during the fiscal year 1940 represents an increase of approximately 10 percent over the previous year, despite a slight decrease in the number of subsidized voyages completed. This increase in subsidy is a direct result of increased operating costs which have taken place since the outbreak of the European War. Although vessels of United States registry are not permitted to engage in trade with belligerent countries, their operating costs cannot be kept to peacetime levels when world-wide costs are rising. The increases in freight rates bring about increased demands for higher wages. Rising fuel prices and the payment of war-risk insurance, as well as the increased cost of repairs due to the present crowded conditions in the repair yards, are all reflected in wartime operating costs. Although war-risk insurance has not been required by the Maritime Commission on vessels in which it holds mortgages in trades to nonbelligerent areas, the operators in most instances have assumed this extra burden as protection against possible loss.

There is set forth in appendix H an interesting analysis of the final accounting under the temporary operating-differential subsidy agreements which were entered into by the Commission with 18 steamship lines. Two of the agreements were later canceled, and, as one was extended repeatedly until its termination in August 1939, the final accounting has not been completed. The remaining 15 indicate the method in which the Merchant Marine Act worked during this trial subsidy period. The allocation of the total subsidy approved under these 15 agreements, which is more fully set forth in appendix H, might briefly be stated as follows:

		<i>Percent</i>
Total subsidy accrued	\$6,541,799.67	100
Total amount of subsidy recaptured by the Commission	1,552,090.01	23.73
Total amount of deposits required to be made in the capital reserve funds	3,203,780.56	48.97
Total amount for other purposes	1,785,929.10	27.30

Aid to Vessels Over 20 Years of Age.

Under section 605 (b), Merchant Marine Act, 1936, as amended, the Commission is directed to report the cases in which an operating-differential subsidy has been paid to vessels which have attained the age of 20 years. As the Commission has indicated in previous reports, the majority of the cargo vessels in the merchant marine were constructed under the wartime building program initiated in 1917. Although replacements for most of these vessels which are now part of the subsidized fleet have been contracted for by the operators, sufficient time has not elapsed since inauguration of the Commission's construction program for more than partial replacement at this time. The Commission, therefore, has found it to be in the public interest to

grant financial aid for the operation of vessels over 20 years of age in cases where the operator has executed contracts for new tonnage to replace them. A list of these vessels is set forth in appendix E.

TRAINING

An important section of the policy of the United States with respect to its merchant marine is set forth in section 101, Merchant Marine Act, 1936, as amended, wherein it is stated that the merchant marine shall be manned with a trained and efficient citizen personnel. As the Commission proceeds with the construction of new tonnage it has kept in mind this corollary requirement. During the 4 years since the creation of the United States Maritime Commission, the Commission has on several occasions received authority from Congress to broaden the scope of its training program so that at the present time the Commission is now able to point out that the Congressional mandate in this respect is being carried out. It is the ultimate objective of the Commission to have available facilities for training men in all branches of the merchant marine. This will include short courses for men with previous experience at sea, the training of an adequate number of apprentices to fill a reasonable proportion of the vacancies in the unlicensed personnel due to annual turn-over, and to provide trained men through its cadet and cadet-officer program to join those who come up through the ranks in positions among the licensed personnel on merchant vessels.

The United States Maritime Service, operated for the account of the Commission by the Coast Guard, is in charge of training activities for men with previous experience at sea. Stations have been established at Hoffman Island, New York Harbor, and at Government Island, Alameda, Calif., to provide a 3-months' training course and a 1-months' freshening course eligible to those men who have completed an initial training course and served an addition period at sea during the following years. The facilities of the Coast Guard at Fort Trumbull, New London, Conn., and at Alameda, Calif., are utilized for licensed personnel with previous experience. During the 2-year period ending September 20, 1940, 962 licensed and 3,956 unlicensed personnel were enrolled in the Maritime Service. The cost of maintaining this service per man-month ranges from approximately \$175 for the unlicensed to \$275 for the licensed, the variation being largely attributable to the more advanced instruction offered to the licensed personnel.

The site selected by the Commission for its first training station for apprentice seamen is located at St. Petersburg, Fla., on land ceded to the Commission by the city of St. Petersburg. The first class of enrollees, selected principally from the rolls of the Civilian

Conservation Corps, has completed its 1-year training course. It is expected that the training period for subsequent courses will be somewhat reduced in length. Slightly over 1,000 men without previous experience at sea have enrolled in this apprentice-training program to date.

In order to conduct the training course under conditions similar to those encountered on board merchant-marine vessels, the Commission converted one of its old cargo vessels into a training ship now known as the *American Seaman*. In addition to this vessel, the sailing vessel *Tusitala* has been assigned to St. Petersburg as a station ship. A square-rigger, *Joseph Conrad*, is likewise a valuable adjunct to the training program. The Commission is also converting another old cargo vessel into a training ship similar to the *American Seaman*. This vessel will be known as the *American Sailor* and assigned to the Hueneme training station.

The cost of running this service is estimated at approximately \$175 per month per man. Arrangements have been made for the employment of a considerable number of these trainees in the merchant marine and an additional percentage of these men have been retained for a course in radio operation at Gallups Island, Boston, Mass. This site was originally acquired by the Commission after the outbreak of the European war to provide a training station for the Maritime Service for those seamen whose employment was affected by the passage of the Neutrality Act, 1939.

In addition to the training station at St. Petersburg, Fla., the Commission is constructing an additional training station at Hueneme, Calif. It was felt desirable to obtain this additional station on the Pacific coast rather than to increase the facilities at St. Petersburg. This provides a better geographical distribution of the Commission's activities in this field.

The third phase of the Commission's training program embraces a cadet and cadet-officer system on board vessels actively engaged in the merchant marine. The course extends for a period of 4 years, 3 of which are spent at sea and one at a shore establishment. The Commission has established supervisors of this system in an important port on each of the coastal areas. A constant course of study is maintained for each cadet and cadet officer and periodic examinations are held for promotion to a better rating in the system. To date 355 cadet officers and 544 cadets have been enrolled at an average cost of approximately \$30 per month per man.

Additional opportunity for obtaining the benefit of training while engaged in active duty is offered through the medium of correspondence courses. All merchant-marine personnel are permitted to enroll in these courses regardless of their participation in any other

branch of the Commission's training activities. At the end of the fiscal year 1941, 265 cadets, 64 cadet officers, 934 members of the Maritime Service, and 126 additional seagoing personnel had taken advantage of this opportunity.

INSURANCE

Section 10 of the Merchant Marine Act, 1920, authorizes the United States Maritime Commission (successor to the Shipping Board) to insure any legal or equitable interest of the United States in any vessel constructed or in process of construction. The section was designed to remedy the deficiencies of the existing American commercial market which was of insufficient size to cope with the volume of tonnage released by sale of the Government's wartime fleet.

The majority of the vessels sold under the 1920 act as well as those later constructed for private accounts under the 1928 act were not purchased outright. The Government retained a lien in the form of ship's-sale note and mortgage which represented the interest of the United States. The insurance fund provided a market wherein the private operator could obtain the coverage required to protect the Government's interest when the commercial market was not adequate.

With the growth of the American commercial market and the gradual reduction of the Government's interest in individual vessels, the total amount of insurance underwritten in the fund has gradually diminished, but due to the present conditions resulting in the restriction of the foreign market and the increase in the number of new vessels sold by the Commission, it has been imperative during the past year for the fund to increase the total amount it insured. Its coverage on some of the large vessels has necessarily been abnormal with the result that the total amount underwritten on 62 privately owned vessels amounted to \$35,418,590. In addition the fund has been called upon to carry war-risk insurance on vessels entering danger zones and this insurance has amounted to approximately \$71,000,000. This is exclusive of war-risk insurance covering vessels employed in repatriating American citizens from danger zones.

As the American Marine Insurance Syndicate, which constitutes practically the entire American market, at the request of the Commission increased its capacity early in 1938 to \$4,000,000 on any one vessel the Commission determined to carry only a small portion of certain risks in order to preserve a fair and open market and to supplement the syndicate when necessary. At the present time the Commission has limited its participation in any insurance to 20 percent of the value of any one vessel but not in excess of \$400,000. The unsettled condition of the foreign market brought about by hostilities and the desire of certain steamship companies to make increased use of

the American market led the Commission to relax this limitation. At the present time the insurance fund may, when necessary, underwrite marine insurance up to the amount of the unpaid balance of the lien on any vessel.

During the year numerous claims arose under the insurance policies which the fund had issued and these were negotiated and paid in a total amount of \$566,785.10. Owing to the conditions surrounding some of the accidents in which these vessels were engaged there was recovered on claims in favor of the Commission an amount of \$100,907.38.

The operators of all subsidized vessels are required to carry insurance in an amount, form, and with companies satisfactory to the Commission. This coverage is available in three markets: The British, the commercial American, and the Commission fund. The Commission has encouraged development of the American market in which the syndicate is the chief participant, but has permitted use of the British market when it redounds to the advantage of the owner, provided that the interest of the United States is adequately protected. Under the present international conditions the Commission requires that all insurance protecting its interest in mortgaged and chartered vessels, as well as those under construction, shall be placed with companies doing business in this country and with foreign companies having deposits in this country for the protection of American policyholders. Twenty-four British companies and the underwriters at Lloyd's have made such deposits in trust funds in New York providing for the payment of claims in dollars. As indicated by the following tabulation, the division has fluctuated in the neighborhood of 50 percent in recent years.

	Fund	American	Foreign
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
June 30, 1935.....	6.897	45.38	47.73
Oct. 26, 1936.....	5.72	43.78	50.5
Oct. 25, 1937.....	5.1	41.5	53.4
Oct. 25, 1938.....	5.2	46.5	48.3
Oct. 25, 1939.....	6.1	46.2	47.4
Oct. 1, 1940.....	16.8	50.45	32.72

¹ NOTE.--The fund percentage is unusually high and the foreign percentage is unusually low because at the time 3 high valued vessels were insured a large section of the British market could not be used as it had not made deposits in this country. If the fund could have been limited to its usual participation its percentage would have been 7.1 percent instead of 16.8 percent.

The preceding tabulation applies to insurance on mortgaged vessels. Distribution of the \$158,800,000 insurance on subsidized vessels follows the same pattern, as the same vessels appear for the most part under both categories.

The insurance fund has insured 100 percent of the war-built merchant vessels owned by the Commission and chartered to operators. As of October 1, 1940, there remained 28 such vessels on which the

hull and machinery insurance was underwritten in the insurance fund to the value of \$12,362,000. New vessels built by the Commission, which were chartered, numbered 9, on which the fund underwrote, from 10 to 15 percent of the insurance for a total amount of \$2,250,220. In addition the fund carried a line of 10 percent on the 3 passenger vessels of the "Good Neighbor" fleet, which amounted to \$1,152,000. This makes a total of 40 vessels owned by the Commission, all operated under charter, which were partially or totally insured in the fund for an amount of \$15,764,220.

Passage of the Neutrality Act in November 1939 eliminated the necessity of supplying war-risk insurance on American vessels proceeding to Europe and the United Kingdom but the Commission was faced with the problem of providing such protection on passenger vessels which made special voyages for the purpose of repatriating American citizens. The operators of such vessels were unwilling to maintain European sailings without war-risk protection, and as the commercial rates were deemed excessive, the Commission determined that the interest of the United States in those vessels engaged in repatriation as a service to the National Government equaled the full commercial value of the vessels. War-risk insurance was provided by it at a rate below the commercial rate for the voyages necessary to bring the thousands of Americans then in Europe back to the United States.

Effective June 29, 1940, title II of the Merchant Marine Act 1936, as amended, was further amended by Public, No. 677, so as to authorize the Commission, prior to March 10, 1942, to provide marine insurance and reinsurance against loss or damage by the risks of war and reinsurance against loss or damage by marine risks when it appeared to the Commission that such insurance adequate for the needs of the water-borne commerce of the United States could not be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States. The Commission has not begun any activities under this amendment as sufficient war-risk insurance is being supplied by the commercial markets at rates which it has deemed to be reasonable.

FEDERAL SHIP MORTGAGE INSURANCE

During the period October 26, 1939, through October 1, 1940, four applications, involving \$2,549,625, have been filed with the Commission for commitments to insure preferred ship mortgages. The Commission has approved one of these applications in the amount of \$300,000 as well as a \$50,000 application pending at the commencement of the period. Three of the four applications submitted during the period, which involve \$2,249,625, are in process of staff examination and have not been submitted to the Commission for its approval.

On October 1, 1940, the four approved applications under title XI of the act, with respect to which either a commitment to insure or a contract of insurance is outstanding, involved an aggregate of \$1,325,000, but principal mortgage payments of \$58,496.49, as reported by the respective mortgagees, have reduced the Commission's outstanding current commitments to a net total of \$1,266,503.51.

Of the total of \$1,000,000 authorized to be appropriated by section 1109 of the act to establish a revolving fund created by section 1102, as a Federal ship-mortgage insurance fund, the sum of \$500,000 was provided in the Appropriation Act (Public, No. 723, 75th Cong.), title I, page 6, approved June 25, 1938. Subsequent collection of charges and premium payments pursuant to section 1104 (c) and (d), totaling \$12,538.77, result in an October 1, 1940, balance of \$512,538.77 in the Federal ship-mortgage insurance fund.

LITIGATION AND CLAIMS

The office of the general counsel is charged with investigation of all claims by and against the Commission and, subject to the supervision of the Attorney General, with conducting all litigation in which the Commission is involved. During the period under review 81 cases in litigation involving approximately \$3,200,000 were disposed of, while 82 cases involving approximately \$1,300,000 were added to the docket. The number of cases pending as of October 25, 1940, was 196, involving more than \$30,000,000. A considerable number of the 82 cases added during the past year involved personal injuries arising out of the emergency operation of vessels to evacuate American citizens stranded in the war zone. The Commission has endeavored to dispose of all old litigation involving the former United States Shipping Board and Fleet Corporation, predecessors of the Maritime Commission, and a considerable number of such cases are included in the cases disposed of. The present docket of cases is, with few exceptions, composed of current cases.

The above figures cover only the cases in which the Commission is directly involved, and do not include litigation handled by the Maritime Commission for other departments of the Government, as authorized under the Public Vessels Act of 1925 (U. S. C., title 46, 791-790). The vessels involved in such litigation include those operated by other departments of the Government such as the War, Navy, and Commerce Departments and the Coast Guard. During the past year 10 such cases were closed and 11 new cases were added. The total number of such cases pending on October 25, 1940, was 38, involving approximately \$857,000.

Litigation and claims pending in foreign countries have been inactive due to conditions abroad.

In previous annual reports the Commission has reported the progress of certain important cases in litigation. One such case was that growing out of ship construction during the last world war, and involved a judgment against the Government in the District Court of more than \$5,000,000. During the period covered by this report, the Circuit Court of Appeals affirmed the decree of the District Court. The Government filed a petition for a writ of certiorari to the Supreme Court of the United States, which was granted on October 14, 1940.

In another case, of considerable importance, the receiver of a national bank sought to recover a secured deposit which was paid by that bank to the Fleet Corporation after the bank closed. During the period covered by this report the case was disposed of when the Supreme Court of the United States reversed a decision of the Court of Appeals of the District of Columbia affirming the judgment of the District Court against the Government in the amount of approximately \$200,000.

Several cases in litigation involved the power and authority of the Maritime Commission in regulatory cases. In each of these cases the action of the Commission was upheld.

Thirty-four claims (not in litigation) involving approximately \$81,000,000 were pending on October 25, 1940. During the period October 26, 1939, to October 25, 1940, 91 claims involving approximately \$40,000 were disposed of and 68 claims involving approximately \$37,000 added, or a net decrease of 23 claims.

REGULATORY FUNCTIONS

Under the terms of the Transportation Act, 1940, approved September 18, 1940, the Commission's regulatory jurisdiction over carriers by water in interstate commerce has been vested in the Interstate Commerce Commission, except that regulation of such carriers engaged in transportation between continental United States and the Territory of Hawaii, Alaska, and the various possessions of the United States remains with this Commission. The Commission retains its jurisdiction over common carriers by water in foreign commerce. Furthermore, the provisions of the Shipping Act, 1916, as amended, insofar as such act provides for the regulation (by this Commission) of persons included within the term "other person subject to this act," as defined in such act, were not repealed. Transfer of employees, records, property, and appropriations from this Commission to the Interstate Commerce Commission is provided for, and representatives of both Commissions are now perfecting the details of such transfer. As to water-carrier regulation, the act becomes effective January 1, 1941, with the proviso that the Interstate Commerce Commission may by order postpone the effective date to a time not later than April 1, 1942.

Formal Dockets.

Decision was rendered in the intercoastal investigation finding respondents' port equalization rules unreasonable, their proportional rates not unlawful, and prescribing for the first time a minimum reasonable level of rates to be observed in west-bound intercoastal commerce. *Intercoastal Rate Structure*, 2 U. S. M. C. 285. In another investigation involving the reasonableness of an entire rate structure, *Rates of Inter-Island Steam Navigation Co., Ltd.*, 2 U. S. M. C. 253, 334, the Commission, after determining fair value of respondents' property, a fair rate of return of 7 percent, and finding that respondents' net income represented a return of only 4.18 percent, found the rates as a whole not unreasonable.

In several cases agreements between carriers or contracts made thereunder were found discriminatory, unfair, and/or detrimental to commerce. In *Contract Routing Restrictions*, 2 U. S. M. C. 220, contracts which restricted routing of shipments via North Atlantic lines so as to prohibit direct shipment from Great Lakes ports to Europe were found unlawful. In *Waterman S. S. Corp. v. Arnold Bernstein Line*, 2 U. S. M. C. 238 and *Cosmopolitan Shipping Co. v. Black Diamond Lines et al.*, 2 U. S. M. C. —. it was found that defendants' refusal to admit complainants to conference membership was not justified. Disapproval of the conference agreement was indicated if full and equal membership were not accorded complainants.

An agreement regulating competition between Matson Navigation Co. and Dollar Steamship Lines (now American President Lines) was disapproved in report on further hearing in *Dollar-Matson Agreements*, 2 U. S. M. C. —. The agreement stipulated, among other things, that 50 percent of Dollar's gross revenue on Hawaiian traffic should be paid to Matson, Dollar retaining 50 percent for its services as Matson's agent. The Commission found that in view of changed conditions since the agreement was made, in 1930, it had become unfair as between carriers and detrimental to commerce. A similar finding was made in *Grace Line, Inc., and West Coast Line Pooling Agreement*, 2 U. S. M. C. —, regarding an agreement between these lines regulating sailings from United States Atlantic ports to west coast of South America and providing for pooling of freight revenues derived therefrom. Withdrawal of Danish tonnage from the trade made it necessary for West Coast Line to charter additional ships to maintain its agreed number of sailings. However, it was unable to comply with the provision of the agreement requiring it to furnish 25 percent of the additional tonnage necessitated by the trade. Grace furnished all of the additional tonnage and the Commission held that it would be unfair to require it to pay 25 percent of its revenue therefrom to West Coast Line.

An extensive investigation was made, after suspension of their effective date, of the lawfulness of rates on wool from Pacific to Atlantic coast ports. These rates were permitted to become effective upon a finding that they were not excessive for the services rendered. Answering the chief objection urged against the proposed increases, i. e., economic distress of the industry, the Commission stated that, under the law, it could not require of carriers the establishment of rates which assure to a shipper the profitable conduct of its business. *Wool Rates to Atlantic Ports*, 2 U. S. M. C. —.

Jurisdiction again was exercised over State-owned terminals in *Wharfage Charges and Practices at Boston, Mass.*, 2 U. S. M. C. 245. The practice of terminals, owned by the Commonwealth of Massachusetts, of collecting wharfage charges on freight interchanged between vessel and pier, which moved to or from points within a prescribed area, while exempting from such charges freight to or from points beyond that area, was found prejudicial and preferential and condemned.

The status of carriers was determined in two proceedings. In *New York Marine Co. v. Buffalo Barge Towing Corp.*, 2 U. S. M. C. 216, the Commission held that carriers operating between the Great Lakes and the Atlantic seaboard who did not hold out to transport for all, or to transport except upon terms made pursuant to privately negotiated contracts, even though their patrons are considerable in number, were not common carriers subject to the Shipping Act, 1916. In *New Automobiles in Interstate Commerce*, 2 U. S. M. C. —, it was determined that bulk freighters renting deck space to common carriers were not carriers subject to the Shipping Act, 1916; also that common carriers who accord each other special rates for the transportation of automobiles, which are lower than rates accorded the general public, in the absence of proof of prejudice or discrimination, do not thereby violate section 2 of the Intercoastal Act, 1933.

In *Cargo to Adriatic, Black Sea, and Levant Ports*, 2 U. S. M. C. —, the Commission found, under section 19 of Merchant Marine Act, 1920, that the practice of quoting rates differentially under rates of other carriers in the trade was a condition unfavorable to shipping in the foreign trade. Drastic reduction in rates was found unreasonable and detrimental to commerce. Also, payment by carriers of a commission based on freight revenues to agents who are also shippers or who have an interest in the cargo transported was found to be in violation of section 16 of the Shipping Act, 1916.

Twenty formal complaints were filed and 14 investigations instituted upon the Commission's own motion in addition to the 49 cases pending on October 25, 1939. Twenty-eight hearings were conducted in 28 cases and 19 proposed reports were issued. Eleven oral arguments were had in 14 cases. Forty-four cases were disposed of by

final report or order. A complete list of cases decided, together with abstract of opinion, is shown in appendix F. Thirty-seven cases were pending on October 1, 1940.

Shortened Procedure.

There were nine cases handled under the shortened procedure whereby complaints are disposed of by the submission of evidence under oath by memoranda, thereby avoiding the need of a hearing. Two of such cases were decided.

Informal Dockets.

Fifteen complaints were filed under the informal docket which is maintained to adjust controversies without a formal complaint. Fourteen were closed and four are pending.

Special Dockets.

Fifty-nine cases were filed under the special docket. Under this procedure the carrier admits the unlawfulness of the rate charged and if a sufficient showing is made of unreasonableness authority is granted to award reparation. One-hundred and ten cases were closed and seven are pending.

Interstate Filings.

During the period 7,355 tariff schedules containing the actual rates charged were received for filing. After examination 11 were rejected for failure to comply with the notice requirements of the law or with the Commission's rules governing the construction and filing of tariffs, and 422 letters were written to carriers relating to errors in the schedules. Under authority granted by the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, 392 special-permission applications requesting permission to make changes in rates on less than statutory notice or to modify the tariff requirements were granted, 17 were denied, 3 were granted in part and denied in part, 3 were withdrawn, and 18 were filed without action.

Thirty-eight rate adjustments proposed by common carriers were protested. Of this number 9 were suspended by the Commission pending an investigation of the lawfulness of the proposed changes. Suspension was denied in 19 cases, 8 were filed without action, 2 were withdrawn, and 1 is pending.

Agreements Filed Under Section 15, Shipping Act, 1916.

Section 15 of the Shipping Act, 1916, requires that every common carrier by water, or other person subject to the act, file with the Commission agreements among themselves fixing rates, controlling competition, apportioning earnings or traffic, and regulating the volume or character of traffic.

Agreements filed under this section are carefully examined before approval for evidence of unjust discrimination or unfairness, detriment to our commerce, or violations of the shipping acts. The approval of these agreements may be protested, and approved agreements are also subject to protest. In either event, a formal hearing is granted at which all interested parties are given an opportunity to be heard. Objectionable provisions of agreements are frequently removed through negotiations between the Commission's staff and the parties to the agreement, thus obviating the necessity of incurring the delay and expense incident to formal proceedings.

No conferences—associations of water carriers formed principally for the establishment of agreed freight rates and passenger fares—were formally disbanded during the year as a direct result of the European war. The war has, however, caused many of the conferences whose approved agreements embrace territory within the combat area temporarily to suspend active operation under the agreements. This is also true of several agreements covering the pooling and apportionment of freight revenue. Carriers generally, however, have evidenced a desire to resume operations under these agreements when conditions return to normal, a recognition of the benefits and privileges conferred upon the shipping industry through the exception accorded their approved agreements from the anti-trust statutes.

Many American vessels, barred from the combat area by the Neutrality Act and the President's proclamations, were transferred to unrestricted trades and operated therein under charter or otherwise, in some instances, supplementing the fleets of carriers normally engaged in those trades. The operation of this tonnage has enabled some conferences to offer service more nearly approaching normal than would otherwise be the case, as the American vessels have replaced foreign vessels withdrawn for war service elsewhere.

New agreements including modifications and cancellations totaling 914 were approved during the period under review, while 2 agreements were disapproved as a result of findings made after full formal hearings had been held. On October 1, 1940, there were on file 1,759 effective agreements, 126 of which were conference agreements, and 27 pool agreements.

Foreign Rates and Bills of Lading.

During the period under review 8,282 rate filings were made pursuant to an order dated July 12, 1935, requiring every common carrier by water in foreign commerce to file their rates and charges on cargo transported from United States ports to foreign destinations. There were also 63 rate filings made pursuant to a similar order dated January 26, 1939, requiring such carriers to file their rates and charges

on cargo transported from ports on the east coast of South America to ports on the Pacific coast of the United States. In addition, 876 conference filings were received covering homeward and other trades not subject to the above mentioned orders.

Four new and 18 revised bill of lading forms were filed under regulations prescribed by the Commission.

Following the outbreak of war in Europe, many of the conferences added surcharges to their rates or otherwise made increases having general application to their entire tariffs. While freight rates continued an upward trend throughout the entire period, the later increases were confined more particularly to individual commodity rates. Rate increases in the trades between the United States and the other American republics have generally been proportionately less than for other world trade routes—for some of the Latin American trades, no general increases were made.

Wherever rate increases have brought about differences between carriers and shippers, continued effort has been made to assist in adjusting such differences without recourse to formal action. In a number of instances informal negotiations have resulted in carriers voluntarily adjusting rates, particularly when such adjustments assist exporters to meet foreign competition.

Special Investigations.

The Commission maintains a small force of special examiners to conduct field investigations into alleged violations of its orders and the various shipping acts. During the period involved 16 investigations were made. The more important investigations have disclosed apparent violations of the Shipping Act, 1916, in the false billing and misdescription of cargo shipped from Japan to the United States and from New York, N. Y., to the Philippine Islands; also in the practices of certain terminals located in the San Francisco Bay area. Formal investigations on our own motion have been instituted in these cases and hearings therein have been completed. (See Docket No. 561, *Rates, Charges, Etc., of Carriers in Trades from Japan to U. S.*; No. 585, *Rates, Practices, Etc., Carriers & Shippers—U. S. to Philippine Islands*; and No. 555 *Practices, Etc., of San Francisco Bay Area Terminals*.)

The Commission has endeavored to expedite the handling of regulatory proceedings to a degree not inconsistent with the rights of parties and to avoid a dilatory manner of handling regulatory proceedings which may result not only in injustice to the parties and the public but tend to defeat the purposes of regulation. The salutary effect of expedition of the Commission's proceedings is indicated by the foregoing discussion.

TRANSFER OF VESSEL REGISTRY AND SALES TO ALIENS

The increase in the value of tonnage occasioned by the outbreak and continuation of the European war is reflected in the increased number of applications for sale alien and transfers to foreign registry submitted for the Commission's approval. This approval is required by section 9 of the Shipping Act, 1916, and in exercising its veto power the Commission takes into consideration the commercial and national-defense value of the vessel to our merchant marine, the use for which it is destined by the purchaser, the interest displayed by other American citizens in acquiring the vessel and the owner's plans for replacements in the case of cargo vessels.

The tabulation set forth below reveals that applications for the transfer to alien ownership of 167 vessels of 1,000 gross tons and over were approved by the Commission during the period October 26, 1939, through October 25, 1940. Forty-five of these vessels were owned by companies receiving an operating-differential subsidy from the Commission. In these cases approval was conditioned upon the application of the proceeds received from the sale of old vessels to the purchase of new tonnage. A similar requirement was fixed in the case of 11 vessels owned by domestic operators. In many cases, however, particularly with respect to vessels engaged in the coast-wise and intercoastal trades, the Commission has permitted the sale alien and transfer to foreign registry of the older vessels engaged in these trades. Surveys made by the Commission indicated that the domestic trades were over-tonnaged and that up to a certain point no barrier should be placed in the way of operators desiring to dispose of vessels engaged in a trade which had not proved generally profitable over a period of years.

Owing to the prohibition against American vessels engaging in trade with the belligerent countries, as defined by the Pittman Act and the Executive proclamations issued thereunder, the Commission in approving the transfers to foreign registry of a number of cargo vessels has required that the vessels engage in trade between the United States and the blacked-out areas. This requirement was designed to benefit American shippers by providing them with sufficient tonnage to facilitate the carriage of their goods and to prevent undue congestion at domestic ports.

The following tabulation contains a summary of the transfers which were approved by the Commission during the period October 26, 1939, to October 25, 1940, inclusive. During the same period the Commission rejected applications for the transfer of 13 vessels to alien ownership and registry.

Statement showing type, number, gross tonnage, average age of vessels approved by U. S. Maritime Commission for transfer to alien ownership and/or registry and flag under sec. 9 of the Shipping Act, 1916, as amended, for period Oct. 26, 1939, through Oct. 25, 1940

	Num- ber	Total gross tonnage	Average age
Sailing vessels.....	11	13,329.00	24.18
Tugs and barges.....	13	12,051.00	28.23
Pleasure vessels (yachts, etc.).....	33	15,594.00	17.12
Tankers.....	18	100,486.00	23.5
Commercial vessels under 1,000 gross tons (fishing vessels, motor-boats, etc.).....	45	8,216.00	15.96
Commercial vessels over 1,000 gross tons (cargo, combination cargo/passenger):			
(a) Subsidized (proceeds reserved for new construction).....	45	292,727.29	20.68
(b) Nonsubsidized (proceeds reserved for new construction).....	11	57,449.00	22
(c) Nonsubsidized.....	91	388,809.00	23.8
(d) U. S. Maritime Commission vessels.....	20	117,122.00	21.05
Total.....	287	1,005,783.29	21.25

Statement showing nationality, number, and tonnage of vessels approved by U. S. Maritime Commission for transfer to alien ownership and/or registry and flag under sec. 9 of the Shipping Act, 1916, as amended, for period Oct. 26, 1939, through Oct. 25, 1940.

	Num- ber of vessels	Total gross tonnage		Num- ber of vessels	Total gross tonnage
Bahamian.....	1	45	Norwegian.....	1	2,647
Belgian.....	9	68,677	Panamanian.....	41	184,965
Brazilian.....	17	50,822.29	Peruvian.....	2	1,355
British.....	113	415,302	Philippine.....	7	30,245
Canadian.....	35	59,230	Portuguese.....	1	277
Chinese.....	1	1,764	Spanish.....	2	25,191
Colombian.....	1	67	Thailand (formerly Siamese).....	4	11,292
Cuban.....	2	1,128	Uruguay.....	1	1,782
Estonian.....	1	2,437	Venezuelan.....	5	4,664
French.....	19	49,229	Total.....	285	1,005,755.29
Greek.....	10	42,112	Sale alien only.....	2	28
Honduran.....	5	6,991	Grand total.....	287	1,005,783.29
Italian.....	3	9,275			
Mexican.....	2	65			
Newfoundland.....	2	193			

Upon the outbreak of the war in Europe and issuance of the President's proclamation declaring a limited national emergency, the Commission on September 9, 1939, rescinded General Order No. 18, under which the charter of American flag vessels to aliens was permitted under certain circumstances without Commission approval. Thereafter the approval of the Commission was required for all charters to aliens of vessels of United States registry. The Commission has approved 370 charters of American vessels to aliens during the period under review. The greater part of these charters involve tanker operation for one voyage by a foreign subsidiary of an American oil company, principally in nearby foreign trades.

Under section 30, subsection 0 (a), Merchant Marine Act, 1930, the approval of the Commission is also required for the surrender of the marine document of a vessel of United States registry covered by

an approved mortgage whenever a change in ownership or the home port of the vessel is named, or other cause such as readmeasurement of the vessel, necessitates such surrender. During the period under review the Commission has approved the surrender of the marine documents of 157 vessels. This is a routine matter for the preservation of an accurate record of each documented vessel.

GOVERNMENT-OWNED LINES

For the first time since the Merchant Fleet Corporation initiated the large-scale operation of Government-owned tonnage upon termination of the World War in 1918, the Government is not engaged in direct operation of steamship lines in essential services in our foreign trade. During the past year the few remaining lines operated by the Maritime Commission have been disposed of in accordance with the provisions of section 705, Merchant Marine Act, 1936, as amended, which enunciates the policy that the Commission shall encourage private operation of essential steamship lines by the sale or charter of such lines to American citizens.

At the commencement of the period under review the only services being operated for the Commission's account were the Australia and Orient services of the American Pioneer Line and the Puget Sound Orient Line, which was established by the Commission on September 6, 1939. On February 21, 1940, the Commission accepted the bid of United States Lines Co. for the purchase of the trade name of the American Pioneer Line services to Australia and the Orient and the charter of the vessels engaged in these routes, with the requirement that an adequate replacement program be undertaken by the successful bidder. Shortly thereafter invitations were issued for the charter of the vessels engaged in the Puget Sound Orient Line with similar requirement for replacement of the old vessels with new tonnage. The American Mail Line, Ltd., was the successful bidder for this service.

When the Pacific Argentine Brazil Line failed to reach a satisfactory agreement with the Commission for the replacement of the vessels which it employed in the service from Pacific coast ports to the east coast of South America and notified the Commission that it would suspend operation on this route, the Commission issued invitation for the charter of four old vessels to maintain service on this route pending replacement by certain new vessels being constructed by the Commission. Upon receipt of competitive bids the offer of Moore-McCormack Lines, Inc., was accepted by the Commission on May 3, 1940.

The tabulation of operating results of the Commission-owned lines during the fiscal year 1940 is set forth in appendix C. It will be noted that the results of certain services already disposed of by the Commission are included. This is due to the fact that a number of voyages were still in progress when the line was turned over to the private operator.

LAIID-UP FLEET

The Maritime Commission's laid-up fleet as of October 25, 1940, consists of 63 vessels classified and located as follows:

	Class I	Class II	Total
Solomons, Md.....		2	2
Fort Rustis, Va.....	12	22	34
New Orleans, La.....	1	24	25
Bremerton, Wash.....	1	1	2
Total.....	14	49	63

These ships are being maintained in a sufficient state of preservation with respect to hulls, boilers, machinery, and other essential operating equipment to make them readily available in the event of an emergency. Owing to the present congested condition of the ship repair yards, however, the task of placing them in service would have to be spread over a period of months.

During the past year 5 vessels were placed in lay-up and 55 were withdrawn, thus making a net deduction of 50 vessels during the past year. A total of 47 ships withdrawn from the laid-up fleet were sold by the Commission. Twenty-one of these vessels were offered for sale without any restriction as to the use of the vessel by the purchaser and with the privilege of transfer to foreign registry and flag. In order to provide service on essential trade routes in the foreign trade the Commission sold 11 vessels from its laid-up fleet under conditions requiring replacement with new tonnage by the operator. The remaining vessels were disposed of by sale or loan to the War and Navy Departments for use in domestic trades, for conversion into a bulkliquid carrier, and for scrap.

TERMINALS

As indicated by the statement of revenues and expenses in the table inserted at the end of this section, the gross revenue for the year ending September 30, 1940, increased approximately 12 percent over the receipts for the preceding year. Owing to the expenditure of \$154,023.00 for dredging at the Norfolk Terminal and \$68,924.00, repre-

senting 80 percent of the cost of construction and installation of two new gantry cranes at the Boston Terminal, the net revenue decreased approximately 52 percent. Excluding these two extraordinary items of expense, the cost of maintenance and administration remained at about the same level as in the previous year. It should be pointed out that the cost of improvements referred to above was charged against the year's operations in accordance with the accounting procedure established by the Maritime Commission. In commercial practice, however, it is customary to set up an equalization reserve to take care of such major improvements, thus prorating the burden over a period of years.

Boston Terminal.

Two new gantry cranes were erected and placed in operation July 25, 1940, the cost of which was approximately \$85,000. The gantry crane girder was extended 320 feet into the open berth between the wharf and south pier sheds for the purpose of permitting vessels to load and unload bulk materials without tying up berthing space at the wharf shed. The cost of this work was \$11,126.

The basin around the terminal and the area between the basin and the channel were dredged to a depth of 30 feet mean low water. All of the above-mentioned work has added immensely to the value of the property from the national defense standpoint.

Brooklyn Terminal.

Pursuant to the action of the Secretary of War, revoking the Maritime Commission's permit covering the occupancy of the Brooklyn Terminal, pier 3 was returned to the War Department on November 1, 1939, and pier 4 on February 1, 1940.

Hoboken Terminal.

The Commission has continued the direct operation of this terminal during the past year. The only major change in its tenants has been the replacement of the American Pioneer Line, which was chartered to the United States Lines, by Moore-McCormack Lines, Inc. As a result of competitive bidding, this latter company has leased pier 3 for a period of 5 years at an annual rental of \$67,236.00.

Philadelphia Terminal.

There has been no major change in the operation of this terminal during the past year. It is noteworthy that approximately 60 percent of the foreign commerce handled in the port of Philadelphia moves over these docks and that the Commission's water terminal property has maintained its position as one of the most important in the port.

Norfolk Terminal.

Through competitive bidding the Transport, Trading & Terminal Corporation was awarded the lease covering the operation of the terminal for a period of 10 years commencing July 1, 1940, at an annual rental of 31 percent of the gross revenue but not less than \$125,000. Based on the rental received for the first 3 months of operation by the new lessee, the rental received by the Commission is approximately 2½ times that received under the terms of the old lease which expired June 30, 1940.

The terminal was dredged to a depth of 32 feet mean low water, requiring the removal of approximately 800,000 cubic yards of material which was deposited in the low areas of the terminal and which raised the elevation of about 10 feet in an area of approximately 110 acres.

Revenues and expenses, year ending Sept. 30, 1940

Terminal	Revenues			Maintenance, operations, and administrative expenses			Net revenues		
	1938	1939	1940	1938	1939	1940	1938	1939	1940
Boston.....	\$66,272	\$81,961	\$161,705	\$53,093	\$68,510	\$172,478	\$13,179	\$13,454	\$10,773
Brooklyn.....	111,000	111,000	³ 16,614	37,780	24,413	13,673	73,220	86,587	2,941
Hoboken.....	95,278	191,062	202,549	80,300	156,680	182,057	15,978	34,382	20,492
Philadelphia.....	162,500	205,670	250,490	116,366	78,455	67,862	46,134	127,215	182,628
Norfolk.....	121,637	122,324	⁴ 169,110	38,229	82,699	219,957	33,408	39,625	⁵ 60,847
Total.....	557,687	712,020	800,468	375,708	410,757	656,027	181,919	301,263	144,441

¹ Based on fixed rental, \$68,111—period Oct. 1, 1938, to June 30, 1939. 47 percent of gross revenue, period July 1, 1939, to Sept. 30, 1939.

² 47 percent of gross revenue, period Oct. 1, 1939, to Sept. 30, 1940.

³ Brooklyn Terminal returned to War Department as of Jan. 31, 1940.

⁴ Based on fixed rental, \$115,600—Oct. 1939, to June 30, 1940. 31 percent of gross revenue, period July 1, 1940, to Sept. 30, 1940.

NOTE.—Maintenance, operation, and administrative expenses, do not include the administrative expenses of the Washington office.

APPENDICES

30 REPORT OF THE UNITED STATES MARITIME COMMISSION

APPENDIX A

Assets and liabilities as at June 30, 1940

ASSETS

General funds with the Treasurer of the United States:		
Construction fund, U. S. Maritime Commission, act of June 29, 1936, revolving fund.....	\$69,859,253.21	
Federal ship mortgage insurance fund, U. S. Maritime Commission, revolving fund.....	512,438.77	
Securities deposited with Treasurer of the United States.....		\$70,371,691.98
Retirement and disability fund contributions (see contra).....		887,500.00
Accounts receivable—less reserve for collection losses.....		254,518.98
Notes receivable—less reserves.....		5,116,379.39
Secured by mortgages on vessels:		
Construction loans—U. S. Shipping Board Merchant Fleet Corporation (prior to Merchant Marine Act 1936).....	\$44,442,664.78	
Ship sales—U. S. Shipping Board Merchant Fleet Corporation (prior to Merchant Marine Act 1936).....	2,923,092.72	
Ship sales—U. S. Maritime Commission (Merchant Marine Act 1936).....	26,722,686.00	
		\$74,088,443.50
Miscellaneous.....		2,052,118.00
		76,140,556.50
Miscellaneous securities:		
Contracts for sale of vessels (accrued balances on estimated completions to June 30, 1940, on vessels under construction—Title V).....		9,294.18
Vessels under construction (Title VII) estimated completions to June 30, 1940.....		23,728,389.86
Vessels and floating equipment at book values:		23,855,790.14
New construction built by U. S. Maritime Commission (under charter) less reserve for amortization of construction differential (8 vessels).....	\$10,270,817.34	
Vessels acquired from U. S. Shipping Board on Oct. 26, 1936, and from others Oct. 26, 1936, to June 30, 1940 (137 vessels).....	13,292,600.00	
Training ships, drill and sailing boats, U. S. Maritime Service and State nautical schools (33 vessels).....	51,232.00	
Tugs (5 vessels).....	9,303.00	
Barges and launches (13 vessels).....	13.00	
		23,623,965.34
Stores, supplies and equipment.....		1,177,460.26
Terminals and training stations at nominal values.....		7.00
Housing and other real estate properties, at appraised values.....		2,675.00
Ground rent estate—Hog Island.....		2,550,000.00
Deferred charges and prepaid expenses.....		9,626,446.34
Total.....		237,345,074.97
LIABILITIES		
Accounts payable.....		\$42,937,970.91
Deposits on sales and other contracts.....		900,901.00
Retirement and disability fund contributions (see contra).....		254,518.98
Reserve for payment of claims:		
Claims under protection and indemnity insurance policies issued by former U. S. Shipping Board.....	\$125,000.00	
Claims under protection and indemnity insurance policies on vessels engaged in repatriation of American citizens from the war zone.....	26,190.00	
Unclaimed wages, salvage awards and unused passenger tickets.....	118,185.97	
		269,375.97
Reserve for marine insurance:		
Outstanding claims.....	1,062,011.19	
Contingencies.....	1,500,000.00	
		2,562,011.19
Deferred credits:		
Unearned marine insurance premiums.....	326,125.66	
Prepaid rentals.....	41.25	
		326,166.91
Voyages in progress:		
Unterminated voyage revenue.....	478,839.96	
Less unterminted voyage expense.....	241,895.32	
		236,944.74
Excess of assets over liabilities.....		189,857,185.27
Total.....		237,345,074.97
Commitments:		
Estimated liability for ship construction beyond June 30, 1940, on contract awards to June 30, 1940.....		140,279,682.75
Contingent liabilities:		
Suits pending or in litigation and claims asserted against Commission, as successor to the predecessor, U. S. Shipping Board Merchant Fleet Corporation as at Sept. 30, 1940 (of this amount \$136,000,000 represents claims of Foreign governments).....	\$144,418,808.56	
Suits pending or in litigation against the Commission in the U. S. Court of Claims as at Sept. 30, 1940.....	11,625,875.35	
		156,044,683.91
Federal ship mortgage insurance fund:		
Contracts.....	916,503.51	
Commitments.....	350,000.00	
		1,266,503.51

APPENDIX A-1

*Summary of income and expenses and charges applicable to the period July 1, 1939,
to June 30, 1940*

Income:		\$1,406,310.25
Charter hire.....		62,351.67
Real estate and terminal revenues—net.....		1,636,104.63
Interest earned.....		904,753.80
Excess of various insurance premiums earned over claims.....		1,010,209.98
Net profit from sales of vessels (old tonnage).....		623.46
Net profit from sale of miscellaneous assets.....		114,959.03
Excess profits on construction subcontracts.....		170,383.33
Miscellaneous.....		
Total income.....		5,305,696.15
Expenses and charges:		
Operations of vessels (including "spot" vessels expenses and repairs)—net.....		327,699.27
Laid-up fleet expenses—net.....		343,278.74
Seaman's training expenses, U. S. Maritime Service: Cadet training, Coast and Geodetic Survey, ships officers assigned to vessels under construction.....		4,953,014.75
Construction differential subsidies.....		46,432,974.44
Operating differential subsidies.....		12,104,590.74
Depreciation and revaluation of vessels—net.....		3,898,631.49
Uncollectible receivables.....		49,939.08
Transfer of vessels and other assets to other Government departments without exchange of funds.....		225,577.26
Increase in provision for marine insurance contingencies.....		500,000.00
Miscellaneous charges.....		435,882.80
General administrative expenses:		
Salaries and wages.....	\$3,209,467.26	
Fees and expenses for outside services.....	14,466.64	
Traveling expense and transportation.....	120,967.80	
Rent, heat, light and power.....	80,396.62	
Communication expenses.....	63,406.36	
Miscellaneous.....	143,633.44	
Equipment.....	97,257.29	
		3,729,595.41
Total expenses and charges.....		73,001,183.98
Excess of expenses and charges over income applicable to the period July 1, 1939, to June 30, 1940.....		67,695,487.83

APPENDIX B

Appropriations, transfers, collections, and disbursements, Oct. 28, 1936, to June 30, 1940

	Oct. 28, 1936, to June 30, 1937	July 1, 1937, to June 30, 1938	July 1, 1938, to June 30, 1939	July 1, 1939, to June 30, 1940	Total
Collections:					
Construction-loan notes receivable.....	\$6,347,479.05	\$12,951,517.97	\$6,736,231.52	\$5,317,436.48	\$31,352,665.02
Ship-sales notes receivable.....	1,999,375.25	4,273,470.61	637,536.94	604,087.55	7,910,520.35
Miscellaneous notes receivable.....	595,440.17	241,148.04	36,337.99	321,283.42	4,194,228.62
Interest on notes receivable, interest on deferred payments of insurance premiums, etc.....					
Cash payments on sales of vessels.....	1,946,566.29	1,976,747.60	1,138,268.55	1,219,825.73	6,281,408.17
Sale of other assets.....		3,778,688.24	393,559.26	6,790,437.05	10,962,684.45
Charter hire revenue.....	19,273.24	254,543.55	37,382.02	496,462.94	807,663.75
Operation of vessels revenue.....					
Real-estate rentals.....			174,386.21	1,432,345.62	1,606,731.83
Insurance premiums, loss recoveries, etc.....	6,245,465.02	10,323,367.85	8,340,612.17	6,742,597.96	31,692,083.00
Construction progress collections.....	426,045.64	649,796.00	668,607.00	771,492.68	2,515,941.32
Construction progress collections.....	266,398.99	223,335.04	293,256.77	792,116.01	1,575,145.81
Receipts in liquidation of receivables arising out of ocean-mail settlement agree- ments.....		69,528.38	307,861.14	4,358,427.90	4,735,817.42
Federal ship-mortgage insurance fund receipts.....		601,367.59			601,367.59
Sale of tankers and vessels to U. S. Navy.....			450.00	11,988.77	12,438.77
Miscellaneous.....	368,071.91	2,069,357.05	6,413,901.00	4,229,976.14	10,643,877.14
Total collections.....	18,214,124.95	37,418,867.93	25,421,590.93	33,753,317.65	114,807,801.08
Disbursements:					
General administrative expense.....					
Operation of vessel expense.....	1,222,402.59	2,374,402.00	3,026,642.50	3,776,645.16	10,403,092.25
Inactive vessels expense.....	6,060,942.78	11,498,122.38	10,158,332.48	6,070,389.47	34,417,187.41
Laid-up fleet expense.....			3,043,961.92	342,742.84	3,386,704.76
Real-estate operations, repairs, and betterments.....	232,433.50	448,708.83	847,278.09	860,509.66	1,388,930.08
Insurance losses, returned premiums, etc.....	253,372.25	263,792.02	415,202.87	478,984.75	1,411,353.89
Operating differential subsidy payments.....	230,594.40	647,532.05	192,646.20	312,111.14	1,382,883.80
Construction progress payments.....		4,030,618.10	7,742,789.79	10,241,080.47	22,014,498.26
Foreign ocean-mail contract payments.....		1,267,422.00	31,981,606.78	105,740,295.40	139,015,264.18
Dollar Steamship Lines, Inc., Ltd. (repair loan).....	4,128,634.07	9,015,748.10	912,539.13		14,056,921.30
Purchase of Munson Steamship Line vessels.....		3,518,979.32			3,518,979.32
U. S. Maritime Service.....			2,000,000.00		2,000,000.00
Seamen's training expenses, Coast and Geodetic Survey.....			391,000.00		391,000.00
Standard Oil Co. of New Jersey (transfer of tankers to U. S. Navy).....			2,652,625.00	3,389,550.60	6,072,205.60
Miscellaneous.....	185,797.45	2,283,875.44	22,801.12	31,568.41	34,369.53
Total disbursements.....	12,953,577.04	35,408,200.25	65,681,391.65	136,009,829.67	250,053,998.61

Summary:					
Total appropriations—"Construction fund" and miscellaneous allotments	104,381,110.40	723,579.11	4,100.00	100,000,000.00	205,117,789.51
Federal ship-mortgage insurance fund			590,000.00		590,000.00
Collections	18,214,124.56	37,418,867.93	25,421,500.93	33,753,317.66	114,807,901.08
Total appropriations, allotments, and collections	122,595,234.96	38,142,447.04	25,925,690.93	133,762,317.66	320,425,680.59
Total disbursements	12,953,577.04	35,409,200.25	65,681,391.65	136,009,829.67	250,053,993.61
Excess of receipts or disbursements					
Balance available at beginning of year			189,755,700.78	1,827,512.01	
			112,374,904.71	72,619,203.99	
Available funds at close of fiscal year					
Construction fund	109,641,657.92	112,374,904.71	72,118,753.99	69,859,253.21	69,859,253.21
Federal ship-mortgage insurance fund			500,450.00	512,438.77	512,438.77

1 NOTE.—Excess of disbursements shown in Italics.

APPENDIX C

Results of operation by Government-owned lines, July 1, 1939, to June 30, 1940

Managing agent	Trade	Num- ber of vessels	Num- ber of terms	Revenue voyage total	Expense			Operating profit/loss ¹ to U. S. Maritime Commission
					Operating	Allowance to managing agent	Total	
Cosmopolitan Shipping Company, Inc.: America France Line.	North Atlantic-French Atlantic	4	9	\$467,135.95	\$405,470.36	\$63,928.53	\$470,398.89	1 \$3,262.94
Southgate Nelson Corporation: America France Line.	do.							
American Hampton Roads-Yankee Line.	North Atlantic-United Kingdom & Conti- nent.	10	1	81,005.84	74,878.25	6,087.63	80,965.88	39.96
Orion Lines.	North Atlantic-West United Kingdom & Ireland.	9	9	532,922.54	814,596.13	67,113.49	881,709.62	1 348,737.08
				510,969.39	551,036.38	39,094.76	590,131.14	1 79,171.75
Total Southgate Nelson Corporation.		16	20	1,124,897.77	1,440,510.76	112,295.88	1,552,806.64	1 427,918.87
Roosevelt Steamship Company, Inc. American Pioneer Line.	North Atlantic-Australia.		8	1,689,670.04	1,100,300.20	50,801.09	1,151,101.29	538,568.75
Do.	North Atlantic-India.		8	1,265,417.49	957,518.26	44,648.44	1,002,166.70	633,250.79
Do.	North Atlantic-Orient.		10	1,885,021.82	1,292,531.35	63,083.13	1,360,634.48	524,387.34
Total Roosevelt Steamship Co., Inc.		16	26	4,840,109.35	3,350,369.81	163,532.66	3,513,902.47	1,326,206.98
Pacific Northwest Oriental Line, Inc.: Puget Sound Orient Line.	Seattle-Orient.	5	8	652,005.76	630,938.34	47,768.51	668,731.85	1 16,726.09
Consolidation of managing agents		41	99	7,094,138.83	5,818,289.27	387,550.58	6,205,839.85	878,298.98

¹ Operating loss to U. S. Maritime Commission.

APPENDIX D

Ship construction program as at Oct. 1, 1940

[(A) = Fixed price. (B) = Subject to adjustment on account of changes in cost of labor and material during construction cost]

Type of vessel	Con- structed under title	U. S. Maritime Commis- sion hull No.	Name of vessel	Builder	Operator	Contract price with estimated changes and outfitting	As at Oct. 1, 1940	
							Per- cent com- ple- tion	Payments
Passenger.....	V	MC-1	America.....	Newport News Shipbuilding & Dry Dock Co.	(c) United States Lines Co.	(B) \$17,586,478.00	100	\$17,017,881.45
Tanker (national defense features only).	V	MC-2	Cimarron.....	Sun Shipbuilding & Dry Dock Co.	(m) U. S. Navy...	880,250.00	100	880,250.00
Do.....	V	MC-3	Sea Kay.....	do.....	Standard Oil Co. of New Jersey...	880,516.70	100	880,516.70
Do.....	V	MC-4	Esso New Orleans	do.....	do.....	880,516.70	100	880,516.70
				Total Sun Shipbuilding & Dry Dock Co.		(A) 2,641,283.40		2,641,283.40
Do.....	V	MC-5	Markay.....	Federal Shipbuilding & Dry Dock Co.	Standard Oil Co. of New Jersey...	879,861.31	100	879,861.31
Do.....	V	MC-6	Nashua.....	do.....	(m) U. S. Navy...	880,250.00	100	880,250.00
Do.....	V	MC-7	Esso Trenton.....	do.....	Standard Oil Co. of New Jersey...	876,284.03	100	876,284.03
				Total Federal Shipbuilding & Dry Dock Co.		(A) 2,636,398.34		2,636,398.34
Do.....	V	MC-8	S. S. Platte.....	Bethlehem Steel Co.	(m) U. S. Navy...	880,250.00	100	880,250.00
Do.....	V	MC-9	Esso Annapolis	do.....	Standard Oil Co. of New Jersey...	875,812.41	100	875,812.41
Do.....	V	MC-10	Sabine.....	do.....	(m) U. S. Navy...	880,250.00	100	792,225.00
				Total Bethlehem Steel Co.		(A) 2,636,312.41		2,618,287.41
Do.....	V	MC-11	Esso Richmond.....	Newport News Shipbuilding & Dry Dock Co.	Standard Oil Co. of New Jersey...	886,706.37	100	886,706.37
Do.....	V	MC-12	Esso Raleigh	do.....	do.....	884,039.17	100	884,039.17
Do.....	V	MC-13	Esso Columbia	do.....	(m) U. S. Navy...	880,250.00	64.5	528,150.00
				Total Newport News Ship- building & Dry Dock Co.		(A) 2,690,995.54		2,239,895.54
				Total Standard Oil Co. of New Jersey.		10,504,989.69		10,064,861.69

Ship construction program as at Oct. 1, 1940—Continued

[(A) = Fixed price, (B) = Subject to adjustment on account of changes in cost of labor and material during construction cost]

Type of vessel	Con- structed under title	U. S. Maritime Commis- sion hull No.	Name of vessel	Builder	Operator	Contract price with estimated changes and outfitting	As at Oct. 1, 1940	
							Per- cent com- ple- tion	Payments
Cargo C-2	VII	MC-14	Challenge	Federal Shipbuilding & Dry Dock Co.	N. Y. & Cuba Mail Steamship Co.	\$2,186,593.01	100	\$2,106,428.30
Do	VII	MC-15	Red Jacket	do	Grace Line, Inc.	2,385,647.55	100	2,378,857.75
Do	VII	MC-16	Lightning	do	Moore-McCormack Lines, Inc.	2,352,123.93	100	2,300,561.10
Do	VII	MC-17	Flying Cloud	do	Grace Line, Inc.	2,116,339.03	100	2,062,050.25
Do	VII	MC-32	Flying Fish	do	Moore-McCormack Lines, Inc.	2,375,235.38	100	2,384,434.78
Do	V	MC-33	Comet	do	(J) N. Y. & Cuba Mail Steamship Co.	2,154,830.00	100	2,075,760.17
Do	V	MC-18	Donald McKay	Total Federal Shipbuilding & Dry Dock Co.	(B) 13,519,770.90			13,190,152.35
Do	V	MC-19	Areturus	Sun Shipbuilding & Dry Dock Co.	(i) Moore-McCormack Lines, Inc.	2,499,857.00	100	2,443,547.06
Do	V	MC-20	Mormacvren	do	do	2,483,736.06	100	2,440,993.52
Do	V	MC-21	Mormacvren	do	do	2,544,220.66	100	2,515,090.94
Do	V	MC-30	Mormacvren	do	do	2,561,220.66	100	2,514,980.34
Do	V	MC-31	Mormacvren	do	do	2,573,232.00	100	2,513,580.73
Do	V	MC-31	Mormacvren	do	do	2,573,232.00	100	2,514,704.32
Do	VII	MC-22	Sea Witch	Total Sun Shipbuilding & Dry Dock Co.	(A) 15,240,628.98			14,943,174.91
Do	VII	MC-23	Shooting Star	Tampa Shipbuilding & Engineering Co.	United States Lines Co.	1,882,602.10	100	1,797,162.48
Do	VII	MC-24	Surprise	do	do	1,928,052.10	98.9	1,718,121.18
Do	VII	MC-25	Sweepstakes	do	do	1,838,052.10	78.6	1,468,576.70
Do	VII	MC-25	Sweepstakes	do	do	1,838,052.10	70.61	1,319,399.65
Do	V	MC-26	Nightingale	Total Tampa Shipbuilding & Engineering Co.	(A) 7,696,758.40			6,304,237.01
Do	V	MC-27	Stag Hound	Newport News Shipbuilding & Dry Dock Co.	(f) Grace Line, Inc.	2,423,530.55	100	2,357,804.22
Do	V	MC-28	Santa Anna	do	do	2,428,979.91	100	2,391,275.07
Do	V	MC-29	Santa Teresa	do	do	2,590,692.00	100	2,504,912.71
Do	V	MC-29	Santa Teresa	do	do	2,590,692.00	100	2,504,604.13
Do	V	MC-29	Santa Teresa	Total Newport News Shipbuilding & Dry Dock Co.	(B) 10,033,804.46			9,720,586.13

Cargo	V	MC-34	Exporter	Bethlehem Steel Co.	(b) American Export Lines, Inc.	2,448,120.00	100	2,447,276.00
Do	V	MC-35	Explorer	do	do	2,449,720.00	100	2,439,720.00
Do	V	MC-36	Exchange	do	do	2,456,720.00	100	2,456,720.00
Do	V	MC-37	Express	do	do	2,456,720.00	100	2,441,720.00
				Total Bethlehem Steel Co.		(A) 9,821,280.00		9,785,436.00
Cargo C-3	VII	MC-38	Mormacport	Federal Shipbuilding & Dry Dock Co.	Moore-McCormack Lines, Inc.	2,540,853.02	100	2,431,497.00
Do	V	MC-39	Frederick Lykes	do	(g) Lykes Bros. Steamship Co., Inc.	2,543,086.00	100	2,431,137.91
Do	V	MC-40	Doctor Lykes	do	do	2,564,141.00	100	2,430,917.18
Do	V	MC-41	Almeria Lykes	do	do	2,621,499.00	100	2,444,920.92
Do	V	MC-42	Howell Lykes	do	do	2,624,332.31	100	2,444,076.96
Do	V	MC-43	Sea Wolf	do	(f) Moore-McCormack Lines, Inc.	2,707,387.23	62.3	2,493,170.54
				Total Federal Shipbuilding & Dry Dock Co.		(B) 15,601,498.56		12,675,720.51
Do	V	MC-44	Mormacpenn.	Sun Shipbuilding & Dry Dock Co.	(f) Moore-McCormack Lines, Inc.	2,997,888.98	100	2,939,543.57
Do	V	MC-45	Mormacyork	do	do	3,021,206.00	100	2,946,743.73
Do	VII	MC-46	Mormacland	do	do	3,012,007.63	100	2,947,400.97
Do	VII	MC-47	Mormacmail	do	do	3,018,705.55	100	2,953,338.04
				Total Sun Shipbuilding & Dry Dock Co.		(B) 12,049,898.16		11,787,036.31
Passenger and cargo	V	MC-48	Delbrazel	Bethlehem Steel Co.	(h) Mississippi Shipping Co., Inc.	3,131,359.50	100	2,939,893.95
Do	V	MC-49	Delorleans	do	do	3,175,884.32	100	3,082,793.58
Do	V	MC-50	Deltargentino	do	do	3,174,600.00	93	1,855,186.29
				Total Bethlehem Steel Co.		(B) 9,482,843.82		7,887,878.82
Cargo C-3	VII	MC-51	U. S. S. Tangier	Moore Dry Dock Co.	(m) U. S. Navy	3,038,120.24	100	2,855,530.89
Do	V	MC-52	Mormacstar	do	(i) Moore-McCormack Lines, Inc.	2,960,428.34	98.2	2,284,654.88
				Total Moore Dry Dock Co.		(B) 6,018,548.58		5,140,185.77
Passenger and cargo C-3	V	MC-53	President Jackson	Newport News Shipbuilding & Dry Dock Co.	(c) American President Lines, Ltd.	3,829,160.00	91.9	2,588,945.02
Do	V	MC-54	President Monroe	do	do	3,852,952.00	79.7	2,249,837.58
Do	V	MC-55	President Hayes	do	do	3,851,166.00	65.6	1,843,055.73
Do	V	MC-56	President Garfield	do	do	3,851,166.00	59.7	1,337,593.13
Do	VII	MC-57	President Adams	do	do	3,851,166.00	41.3	615,688.58
Do	VII	MC-58	President Van Buren	do	do	3,851,166.00	35.1	435,179.80
				Total Newport News Shipbuilding & Dry Dock Co.		(B) 23,186,736.00		9,170,269.84

Ship construction program as at Oct. 1, 1940—Continued

[(A) = Fixed price. (B) = Subject to adjustment on account of changes in cost of labor and material during construction cost]

Type of vessel	Con- structed under title	U. S. Maritime Commis- sion hull No.	Name of vessel	Builder	Operator	Contract price with estimated changes and outfitting	As at Oct. 1, 1940	
							Per- cent com- ple- tion	Payments
Passenger and cargo C-3.	V	MC-59	.....	Sun Shipbuilding & Dry Dock Co.	(i) Moore-McCormack Lines, Inc.	\$4,915,931.00	43.2	\$1,134,401.26
Do.....	V	MC-60	.....	do.	do.	4,915,931.00	37.4	549,307.26
Do.....	V	MC-61	.....	do.	do.	4,915,931.00	23.3	754,307.26
Do.....	V	MC-62	.....	do.	do.	4,915,931.00	25.4	714,307.26
				Total Sun Shipbuilding & Dry Dock Co.		(B) 19,663,724.00		3,452,323.04
Cargo C-3.....	V	MC-63	.....	Moormoon.....	(i) Moore-McCormack Lines, Inc.	2,786,372.50	90.1	2,019,163.34
Do.....	VII	MC-64	.....	Exenquet.....	(m) U. S. Navy	2,786,372.50	98.1	2,207,341.90
Do.....	V	MC-65	.....	do.	(i) Moore-McCormack Lines, Inc.	2,786,372.50	79.9	1,655,175.31
Do.....	V	MC-66	.....	do.	do.	2,786,372.50	60.7	1,448,454.37
				Total Ingalls Shipbuilding Corp.		(B) 11,145,490.00		7,330,146.21
Cargo C-1B.....	V	MC-67	.....	Federal Shipbuilding & Dry Dock Co.	(g) Lykes Bros. Steamship Co.	1,918,667.00	99.6	1,421,209.20
Do.....	V	MC-68	.....	do.	do.	1,918,667.00	89.2	977,149.35
Do.....	V	MC-69	.....	Reinpen Typoon.....	do.	1,918,667.00	67.1	710,775.40
Do.....	V	MC-70	.....	Fred Morris.....	do.	1,918,667.00	34.1	621,727.88
Do.....	V	MC-71	.....	John Lykes.....	do.	1,918,667.00	32.6	355,905.88
				Total Federal Shipbuilding & Dry Dock Co.		(B) 9,593,335.00		4,086,361.41
Cargo.....	V	MC-72	.....	Robin Locksley.....	(b) Seas Shipping Co., Inc.	2,531,831.00	51.4	787,300.00
Do.....	V	MC-73	.....	do.	do.	2,531,831.00	38.5	430,000.00
Do.....	V	MC-74	.....	do.	do.	2,531,831.00	28.0	450,000.00
				Total Bethlehem Steel Co.		(F) 7,595,492.00		1,987,330.00
Cargo C-1B.....	VII	MC-75	.....	Consolidated Steel Corporation, Ltd.	N. Y. & Cuba Mail Steamship Co.	2,003,926.00	31.7	670,413.90
Do.....	VII	MC-76	.....	do.	do.	2,003,926.00	23.8	441,212.69
Do.....	VII	MC-77	.....	do.	do.	2,003,926.00	12.3	97,470.00

Do.	VII	MC-78	do	Total Consolidated Steel Corp., Ltd.	do	2,083,926.00	12.2	97,470.00
Do.	VII	MC-79	James Lykes	Bethlehem Steel Co.	Lykes Bros Steamship Co., Inc.	1,971,393.00	90.1	1,039,313.00
Do.	VII	MC-80	Lipscomb Lykes	do	do	1,971,393.00	82.3	514,553.00
Do.	VII	MC-81	Thompson Lykes	do	do	1,971,393.00	44.2	283,638.87
Do.	VII	MC-82	Solon Tyman	do	do	1,971,393.00	36.0	233,638.80
Do.	VII	MC-83	James McKay	do	do	1,971,393.00	15.3	233,288.83
Do.	VII	MC-84	Cape San Martin	Total Bethlehem Steel Co.		(B) 9,836,540.00		2,551,742.34
Do.	V	MC-85	Alcoa Pioneer	Bethlehem Steel Co.	American Mail Line Ltd	2,079,303.00	71.2	1,091,000.00
Do.	V	MC-86		do	do	2,090,033.00	51.1	700,700.00
Do.	V	MC-87		do	do	2,090,033.00	29.0	400,490.00
Do.	V	MC-88		do	do	2,090,033.00	21.1	200,290.00
Do.	V	MC-89		Total Bethlehem Steel Co.		2,090,033.00	19.3	200,290.00
Do.	VII	MC-89	Cape May	Bethlehem Steel Co.	American West African Lines	(B) 10,433,540.00		2,302,300.00
Do.	VII	MC-90		do	do	2,083,308.00	78.5	763,600.00
Do.	VII	MC-91		do	do	1,986,308.00	63.8	763,600.00
Do.	VII	MC-92		do	do	1,986,308.00	39.0	381,830.00
Do.	VII	MC-93		do	do	1,986,308.00	18.4	190,900.00
Do.	VII	MC-94	American Manufacturer	Total Bethlehem Steel Co.		1,986,308.00	16.7	190,900.00
Do.	VII	MC-95	American Leader	Western Pipe & Steel Co of Calif.	U. S. Lines Co.	(B) 9,933,540.00		2,290,800.00
Do.	VII	MC-96	American Builder	do	do	2,169,378.00	67.1	1,170,125.00
Do.	VII	MC-97	American Engineer	do	do	2,169,378.00	58.5	967,375.00
Do.	VII	MC-98		do	do	2,169,378.00	31.7	319,125.00
Do.	VII	MC-99		Total Western Pipe & Steel Co.		2,169,378.00	7.5	106,375.00
Cargo	V	MC-99		Bethlehem Steel Co.	(c) Seas Shipping Co., Inc.	(B) 10,846,890.00		2,659,375.00
Do.	V	MC-100		do	do	2,377,831.00	19.0	214,000.00
Do.	V	MC-101		do	do	2,377,831.00	11.8	
Cargo C-3E	V	MC-102	Reynolds	Total Bethlehem Steel Co.	(b) American Export Lines, Inc.	(B) 7,133,493.00		214,000.00
Do.	V	MC-103	Exhibitor	Bethlehem Steel Co.	do	2,482,281.00	100	2,380,000.00
Do.	V	MC-104	Executor	do	do	2,482,281.00	100	2,380,000.00
Do.	VII	MC-105	Examiner	do	do	2,513,930.00	87.5	972,000.00
Do.	VII	MC-106		Total Bethlehem Steel Co.		2,513,930.00	48.0	850,500.00
Do.	VII	MC-107				(B) 9,992,650.00		6,382,300.00

Ship construction program as at Oct. 1, 1940—Continued

[(A) = Fixed price. (B) = Subject to adjustment on account of changes in cost of labor and material during construction cost]

Type of vessel	Con- structed under title	U. S. Maritime Commis- sion hull No.	Name of vessel	Builder	Operator	Contract price with estimated changes and outfitting	As at Oct. 1, 1940	
							Per- cent com- ple- tion	Payments
Passenger and cargo C-3	V	MC-106		Inalls Shipbuilding Corporation	(d) American South African Line.	\$4,291,000.00	13.8	\$266,717.17
Do	V	MC-107		do	do	4,291,000.00	12.4	235,446.87
Do	V	MC-108		do	do	4,291,000.00	12.2	223,851.71
Do	V	MC-109		do	(f) United States Lines Co.	4,252,838.00	12.2	226,858.09
Passenger and cargo C-3A	VII	MC-110	President Polk	Total Ingalls Shipbuilding Corporation. Newport News Shipbuilding & Dry Dock Co. Sun Shipbuilding & Dry Dock Co.	American President Lines, Ltd.	(B) 17,155,838.00		952,373.34
Cargo C-2SU	VII	MC-111		do	American Mail Line, Ltd.	(B) 3,881,690.00	30.2	292,078.05
Do	VII	MC-112		do	do	2,386,335.00	1.5	
Do	VII	MC-113		do	do	2,386,335.00	1.5	
Do	V	MC-114		do	(f) United States Lines Co.	2,386,335.00	1.5	
Do	V	MC-115		do	do	2,386,335.00	1.5	
Do	V	MC-116		do	do	2,386,335.00	1.5	
Do	V	MC-117		do	do	2,386,335.00	1.5	
Do	V	MC-118		do	do	2,386,335.00	1.5	
Cargo C-1B	VII	MC-119	Cape Alva	Total Sun Shipbuilding & Dry Dock Co.	(B) 19,090,680.00			
Do	VII	MC-120	Cape Flattery	Seattle-Tacoma Shipbuilding Co.	American Mail Line, Ltd.	2,146,898.00	61.1	957,150.00
Do	VII	MC-121	Cape Cleare	do	do	2,146,898.00	61.0	957,150.00
Do	VII	MC-122		do	Alcoa S. Co., Inc.	2,146,898.00	23.4	319,050.00
Do	VII	MC-123		do	do	2,161,898.00	12.3	106,350.00
Cargo C-2T	VII	MC-124		Total Seattle-Tacoma Shipbuilding Co.	do	2,146,898.00	7.7	
Do	VII	MC-125		Tampa Shipbuilding & Engineering Co.	United States Lines Co.	(B) 10,734,492.00		2,339,700.00
				do	do	2,037,308.78	31.7	607,404.12
						2,037,308.78	26	502,836.68

Do.....	VII	MC-126	do	do	do	2,087,368.78	22	386,164.69
Do.....	VII	MC-127	do	do	do	2,067,368.78	22.2	361,760.60
Cargo C-2F	V	MC-128	Total Panama Shipbuilding & Engineering Co.	(f) Grace Lines, Inc.	(B) 8,269,475.12	22.5	1,898,166.09	
Do.....	V	MC-129	Federal Shipbuilding & Dry Dock Co.	(g) Lykes Bros. Steamship Co.	2,654,216.00	22.4		
Do.....	V	MC-130	do	do	2,217,689.00	20.4		
Do.....	V	MC-131	do	do	2,217,689.00	20.3		
Do.....	VII	MC-132	do	do	2,217,689.00	8.9		
Do.....	VII	MC-133	do	American Mail Line, Ltd.	2,232,689.00	8.5		
Do.....	VII	MC-134	do	do	2,232,689.00	8.1		
Do.....	VII	MC-135	do	do	2,232,689.00	8.1		
Cargo C-3M	VII	MC-136	Total Federal Shipbuilding & Dry Dock Co.	Moore-McCormack Lines, Inc.	(B) 18,223,073.00	72.6	1,643,246.42	
Do.....	VII	MC-137	do	do	2,804,240.00	59.8	1,369,753.93	
Cargo C-1A	VII	MC-138	Total Moore Dry Dock Co.	Lykes Bros. Steamship Co., Inc.	(B) 5,727,780.00	31.5	3,013,000.35	
Do.....	VII	MC-139	do	do	2,043,600.00	22.0	381,276.64	
Do.....	V	MC-140	Total Pennsylvania Ship- yards, Inc.	(e) A. H. Bull Steamship Co.	(B) 4,087,200.00	29.1	635,633.49	
Do.....	VII	MC-141	Pusey & Jones Corporation	Lykes Bros. Steamship Co., Inc.	2,137,548.00	15.0	369,675.00	
Tanker (national-defense features only).	V	C-142	Total Pusey & Jones Cor- poration	Socorey Vacuum Oil Co. of N. Y.	(B) 4,175,096.00	22.5	217,575.00	
Do.....	V	MC-143	Bethlehem Steel Corporation	do	556,000.00	18.0	587,250.00	
Do.....	V	MC-144	do	do	556,000.00	2.5	90,000.00	
Do.....	V	MC-145	do	do	556,000.00	2.5		
Do.....	V	MC-146	do	do	556,000.00	1.9		
Do.....	V	MC-147	do	do	556,000.00	1.9		
Do.....	V	MC-148	Total Bethlehem Steel Cor- poration.	Keystone Tankship Corporation.	(B) 3,336,000.00	0		
Do.....	V	MC-149	Sun Shipbuilding & Dry Dock Co.	do	300,800.00	0		
Passenger and cargo.	V	MC-150	Total Sun Shipbuilding & Dry Dock Co.	(h) Mississippi Shipping Co.	(B) 601,600.00	0		
Do.....	V	MC-151	Bethlehem Steel Co.	do	3,145,000.00	0		
Do.....	V	MC-152	do	do	3,145,000.00	0		
Do.....	V		Total Bethlehem Steel Co.	(B) 9,435,000.00				

Ship construction program as at Oct. 1, 1940—Continued

[(A) = Fixed price. (B) = Subject to adjustment on account of changes in cost of labor and material during construction cost]

Type of vessel	Con- structed under title	U. S. Maritime Commis- sion hull No.	Name of vessel	Builder	Operator	Contract price with estimated changes and outfitting	As at Oct. 1, 1940	
							Per- cent com- ple- tion	Payments
Cargo C-2-SA-1.	V	MC-153	Exceller	Bath Iron Works Corporation	(B) American Export Lines, Inc.	\$2,255,000.00	8.1	
	V	MC-154	Excalvia	do.	do.	2,265,000.00	8.1	
	V	MC-155	Excalvia	do.	do.	2,265,000.00	7.1	
	V	MC-156	Excalvia	do.	do.	2,265,000.00	7.1	
Tanker (national-defense features only).	V	MC-157		Total Bath Iron Works Cor- poration		(B) 9,000,000.00		
	V	MC-158		Sun Shipbuilding & Dry Dock Co.	Kaymar Tankers, Inc.	300,800.00	0	
	V	MC-159		do.	Seamar Tankers, Inc.	300,800.00	0	
	V	MC-160		do.	do.	300,800.00	0	
Cargo C-3-SA-1.	VII	MC-161		Total Sun Shipbuilding & Dry Dock Co.		(F) 902,400.00		
	VII	MC-162		Ingalls Shipbuilding Corporation	Isthmian Steamship Co., Inc.	3,005,000.00	0	
	VII	MC-163		do.	do.	3,005,000.00	0	
	VII	MC-163		do.	do.	3,005,000.00	0	
Passenger and cargo C-3.	V	MC-164		Total Ingalls Shipbuilding Corporation		(B) 12,020,000.00		
	V	MC-165		Ingalls Shipbuilding Corporation	(F) United States Lines Co.	4,282,838.00	0	
	V	MC-166		do.	do.	4,282,838.00	0	
	V	MC-166		do.	do.	4,282,838.00	0	
Cargo C-3-SA-1.	VII	MC-167		Total Ingalls Shipbuilding Corporation		(B) 12,949,514.00		
	VII	MC-168		Seattle-Tacoma Shipbuilding Cor- poration.	Isthmian Steamship Co., Inc.	3,030,000.00	0	
	VII	MC-169		do.	do.	3,030,000.00	0	
	VII	MC-170		do.	do.	3,030,000.00	0	
Do.	VII	MC-171		Total Seattle-Tacoma Ship- building Corporation		(B) 12,200,000.00		
	VII	MC-171		Western Pipe & Steel Co. of Cali- fornia.	Isthmian Steamship Co., Inc.	3,030,000.00	0	

APPENDIX E

Vessels over 20 years of age on which an operating-differential subsidy has been paid to Oct. 1, 1940

Name of contractor	Vessel	Date 20 years of age	Total number of vessels
American Export Lines, Inc.	Examella	Jan. 18, 1910	12
	Examiner	Oct. 20, 1939	
	Excello	July 27, 1939	
	Exermont	Feb. 27, 1940	
	Exford	Nov. 28, 1939	
	Exhibitor	Apr. 8, 1939	
	Exilona (ex Exchange)	June 15, 1939	
	Exna	Sept. 13, 1939	
	Exminster	May 16, 1939	
	Exmoor	Oct. 5, 1939	
American Mail Line, Ltd.	Exmouth	Mar. 18, 1940	1
	Estavia	Dec. 30, 1939	
American South African Line, Inc.	Collingsworth	Mar. 26, 1940	1
	Chucha	Sept. 29, 1932	
Lykes Bros. Steamship Co., Inc.	American Press	Feb. 27, 1940	32
	Aquarius	May 20, 1940	
	Chester Valley	Dec. 30, 1939	
	Cripple Creek	Oct. 20, 1939	
	Duquesne	Mar. 2, 1939	
	Effingham	Nov. 2, 1939	
	Eglantine	Nov. 19, 1939	
	Endicott	Sept. 23, 1939	
	Ethan Allen	Mar. 18, 1940	
	Genevieve Lykes	Sept. 14, 1939	
	Liberator	June 23, 1938	
	Margaret Lykes	Feb. 12, 1940	
	Nishmaha	Oct. 29, 1939	
	Patrick Henry	Apr. 27, 1940	
	Ruth Lykes	Nov. 10, 1939	
	Scottsburg	Nov. 28, 1939	
	Stella Lykes	Oct. 2, 1939	
	Tilbe Lykes	Apr. 29, 1940	
	Tripp	July 30, 1939	
	Velma Lykes	May 7, 1940	
	Volunteer	Aug. 22, 1938	
	Waban	Oct. 14, 1939	
	West Chafala	Aug. 17, 1939	
	West Cobalt	Dec. 27, 1938	
	West Cobas	June 28, 1938	
	West Ekonk	July 12, 1938	
	West Gambo	July 19, 1938	
	West Harshaw	July 28, 1939	
	West Hobomac	Aug. 16, 1938	
	West Quechee	May 23, 1939	
	West Tacook	Apr. 22, 1939	
	Western Queen	Apr. 24, 1938	
Mississippi Shipping Co., Inc.	Delalba	Apr. 10, 1939	7
	Delmundo	Dec. 1, 1939	
	Delnote	May 30, 1939	
	Dehio	Aug. 22, 1939	
	Deisud	July 9, 1939	
	Deiville	Nov. 17, 1939	
	Clearwater	Mar. 7, 1940	
	Seannail	Oct. 28, 1939	
	Seannenn	Sept. 28, 1939	
	Seanstates	Jan. 28, 1939	
Moore, McCormack Lines, Inc.	Seanyork	May 9, 1939	11
	Mormacport	Aug. 22, 1939	
	Mormacrey	Sept. 19, 1938	
	Mormacero	Oct. 30, 1939	
	Mormacsen	Dec. 30, 1939	
	Mormacstar	Sept. 5, 1939	
	Mormac tide	Mar. 23, 1939	
New York & Cuba Mail Steamship Co.	Southfolk	June 27, 1939	5
	Agwidale	Nov. 15, 1938	
	Agwistar	Feb. 14, 1939	
	Orizaba	June 4, 1938	
	Panuco	Jan. 18, 1937	
	Siboney	Apr. 7, 1938	
	Artigas	Apr. 30, 1940	
United States Lines Co.	Cold Harbor	Feb. 9, 1940	9
	Lehigh	July 29, 1939	
	McKeesport	Apr. 11, 1939	
	Orizaba	June 4, 1938	
	Pipestone County	July 18, 1939	
	Sarcoie	May 9, 1939	
Total	Schodack	May 6, 1939	78
	West Imboden	Mar. 14, 1939	

APPENDIX F

ABSTRACT OF FORMAL DECISIONS ENTERED OCTOBER 26, 1939 TO OCTOBER 1, 1940

West-Bound Alcoholic Liquor Carload Rates, 2 U. S. M. C. 198. Proposed west-bound intercoastal carload rates on alcoholic liquors not otherwise specified found justified. Suspension order vacated and proceeding discontinued.

Kerr Steamship Company, Inc. v. Deutsche Dampfschiff-Fahrts Gesellschaft "Hansa" (Hansa Line) et al., 2 U. S. M. C. 206. Issues rendered moot by dissolution of United States Persian Gulf Conference. Complaint dismissed.

Joseph E. Seagram & Sons, Inc., et al. v. Flood Lines, Inc., 2 U. S. M. C. 208. Rates on alcoholic liquors from Baltimore, Md., to Pacific coast ports not shown to be unreasonable. Complaint dismissed.

Citrus Fruit From Florida to Baltimore, Md., 2 U. S. M. C. 210. Rates and practices of common carriers by water in connection with transportation of citrus fruit from Florida ports to Baltimore, Md., found not unreasonable or otherwise unlawful. Proceeding discontinued.

In the Matter of Agreement No. 6630, 2 U. S. M. C. 215. Action of applicants relating to an agreement dated May 22, 1939, between the New York & Porto Rico Steamship Co. and Waterman Steamship Corporation limiting Gulf-Puerto Rico common-carrier service, submitted for approval under section 15 of the Shipping Act, 1916, as amended, having rendered action thereon unnecessary, proceeding discontinued.

New York Marine Company v. Buffalo Barge Towing Corporation et al., 2 U. S. M. C. 216. Defendants not shown to be subject carriers and their transportation of freight without schedules of rates on file not shown to be unlawful, as alleged. Complaint dismissed.

Contract Routing Restrictions Under Agreements Nos. 16, 147, 185, and 4490, 2 U. S. M. C. 220. Contracts made pursuant to respondents' Agreements 16, 147, 185, and 4490 found to be unjustly discriminatory, unfair, and detrimental to the commerce of the United States.

If the respondents do not modify their contracts to remove the discrimination found herein to exist, consideration will be given to the question of issuing an order disapproving the conference agreements.

In the Matter of Agreements 1438, 5260, 5261, 5262, 5263, and 5264, as amended, 2 U. S. M. C. 228. Agreements 1438 and 5264 found not unjustly discriminatory or unfair as between carriers or shippers, not detrimental to the commerce of the United States, and not otherwise in violation of the Shipping Act, 1916. Proceeding as to these agreements discontinued.

Waterman Steamship Corporation v. Arnold Bernstein Schiffahrtsgesellschaft M. B. H. (Arnold Bernstein Line), et al., 2 U. S. M. C. 238. (The report also embraces No. 520, *Same v. French Line et al.*, and No. 521, *Same v. American Line et al.*) Defendants' conference agreements and exclusive patronage contracts with shippers found to be unjustly discriminatory and unfair as between complainant and defendants and to subject complainant to undue and unreasonable prejudice and disadvantage.

If complainant be not admitted to full and equal membership in the conferences, consideration will be given to disapproval of the conference agreements.

In the Matter of Wharfage Charges and Practices at Boston, Mass., 2 U. S. M. C. 245. Certain respondents operating under agreements or working arrangements within the purview of section 15 of the Shipping Act, 1916, without approval as required by said section. Other agreements for furnishing terminal facilities to rail carriers not within scope of section 15 of the Shipping Act, 1916.

Practice of Department of Public Works of the Commonwealth of Massachusetts of collecting wharfage charges on freight interchanged between vessel and pier, which moves to or from points within a prescribed area, while exempting from such charges freight moving to or from points beyond that area, unduly preferential and prejudicial in violation of section 16 of that act.

Charging of different rates of wharfage by other respondents, operators of different wharves and piers, and practices of such operators not shown to be unduly preferential, prejudicial, unjust, or unreasonable.

In the Matter of Rates, Fares, Charges, Regulations, and Practices of Inter-Island Steam Navigation Company, Ltd., Between Points in the Territory of Hawaii, 2 U. S. M. C. 253, 334. Rate base, fair rate of return, and probable future revenues and expenses under present rates of respondent, determined.

Present rates found to yield less than fair return on rate base.

Respondent's rate structure as a whole and regulations and practices in connection therewith found not unreasonable or unduly prejudicial or preferential.

Proceeding discontinued upon receipt of additional evidence showing respondent's net income for 1939 was less than fair return on rate base.

Pacific American Fisheries, Inc. v. American-Hawaiian Steamship Company et al., and *Bellingham, Wash., Terminal Facilities*, 2 U. S. M. C. 270. Practice of restricting application of established rates for intercoastal transportation of canned goods from Bellingham Warehouse Co., pier B, to shipments of 250 tons or more not shown to be in violation of the Shipping Act, as alleged. Defendants not shown to have carried out an agreement in violation of that act, as alleged. Complaint dismissed.

Elimination of Bellingham Warehouse Co., pier B, from application of Bellingham terminal rate on eastbound canned goods in minimum lots of 250 tons not justified, and denial of such rate to such traffic is unreasonable and unduly prejudicial. Cease and desist order entered.

Hind, Rolph & Company, Inc., et al. v. Compagnie Generale Transatlantique, et al., 2 U. S. M. C. 280. (The report also embraces No. 504, *Same v. Same*, and No. 505, *Same v. Same*.) Upon rehearing, found that as a result of the withdrawal of complainants' vessels from the trades involved, the issues presented herein have become moot. Complaints dismissed without prejudice to complainants' right to petition for reopening of proceeding upon their reentry in the trade.

Baltimore, Md.—Virginia Ports Wine Rates, 2 U. S. M. C. 282. Proposed any-quantity port-to-port commodity rates on wine between Baltimore, Md., on the one hand, and Norfolk and Newport News, Va., on the other, found not justified. Suspended schedules ordered canceled without prejudice to the filing of new schedules in conformity with the findings.

Intercoastal Rate Structure, 2 U. S. M. C. 285. (The report also embraces No. 408, *American-Hawaiian Steamship Company et al. v. Shepard Steamship Company et al.*, No. 524, *Mixed Carload Rule—McCormack Steamship Company*, and No. 534, *Westbound Carload Commodity Rates*.) (1) Minimum reasonable level of rates and charges of common carriers by water in west-bound intercoastal commerce determined and prescribed. Rates and charges of certain respondents which are lower than such minimum reasonable level found unreasonable. (2) Respondents' system of proportional rates found not unlawful without prejudice to future conclusions that may be reached in proceedings involving specific rates. (3) Respondents' port equalization rules found unreasonable. (4) Respondents' practice of absorbing on-carrier costs and divisions of joint through rates not shown to be unlawful. (5) Nos. 514 and 524 assigned for further hearing for the sole purpose of determining a uniform mixing rule. (6) Reductions in certain west-bound rates proposed in No. 534 found unlawful. Schedules ordered canceled.

Gill Glass and Fixture Company v. American Caribbean Line, Inc., 2 U. S. M. C. 314. Defendant's measurement rate on glass lamp globes not shown to be unjust or unreasonable as alleged. Complaint dismissed.

Gill Glass and Fixture Company v. Alaska Steamship Company, 2 U. S. M. C. 316. Defendant's measurement rate on glass lamp globes or shades not shown to be unjust or unreasonable as alleged. Complaint dismissed.

Frankfort Distilleries, Inc. v. American-Hawaiian Steamship Company, et al., 2 U. S. M. C. 318. Rate on alcoholic liquors from Baltimore, Md., to Pacific coast ports, as applied alike to shipments in glass in cases and in bulk in barrels, not shown to be unduly prejudicial. Complaint dismissed.

Cosmopolitan Shipping Company, Inc., et al. v. Black Diamond Lines, Inc., et al., and *A/S J. Ludwig Mowinckels Rederi (Cosmopolitan Line) v. United States Lines Company (United States Lines) et al.*, 2 U. S. M. C. 321. Just and reasonable cause for defendants' refusal to admit A/S J. Ludwig Mowinckels Rederi to conference membership not shown.

Defendants' refusal to admit Mowinckels found unjustly discriminatory and unfair as between complainant Mowinckels and defendants and to subject Mowinckels to undue and unreasonable prejudice and disadvantage. If full and equal conference membership not accorded, consideration will be given to disapproval of conference agreements.

Warehouse Deliveries of Wool and Mohair at Boston, Mass., 2 U. S. M. C. 331. Schedules eliminating free delivery within the switching limits of Boston, Mass., on wool and mohair from Texas ports and New Orleans, La., found justified. Suspension order vacated and proceeding discontinued.

Rederiet "Ocean" A/S v. Yamashita Kisen Kabushiki Kaisha, et al., 2 U. S. M. C. —. Found that as a result of the cessation of operation by complainant due to the European war, the issues presented herein have become moot. Under agreement of parties, complaint dismissed without prejudice to complainant's right to petition for reopening of the proceeding and to use, in connection therewith, the record heretofore made.

Wool Rates to Atlantic Ports, 2 U. S. M. C. —. Proposed increased rates on east-bound wool from Pacific coast ports to Atlantic coast ports not shown unlawful. Order of suspension vacated and proceeding discontinued.

Cargo to Adriatic, Black Sea, and Levant Ports, 2 U. S. M. C. —. Practice of quoting rates differentially under rates of other carriers in the trade found to be a condition unfavorable to shipping in the foreign trade.

Drastic reduction of rate on flour from United States North Atlantic ports to Adriatic, Black Sea, and Levant ports found unreasonable and detrimental to commerce of the United States.

Payment of commission by common carriers by water in foreign commerce to agents who are also shippers or who have an interest in the cargo transported found to be in violation of section 16 of the Shipping Act, 1916, as amended.

Rules and regulations under authority of section 19 of the Merchant Marine Act, 1920, not promulgated due to present conditions in the foreign trade resulting from the European war which have rendered this issue moot.

United Bottle Supply Company, Inc. v. Shepard Steamship Company, 2 U. S. M. C. —. Rate charged on one shipment of second-hand bottles, in open-top crates, from Oakland, Calif., to New York, N. Y., found inapplicable. Applicable rate not shown to have been unreasonable. Reparation awarded.

Green Coffee Association of New Orleans v. Seas Shipping Company, Inc., et al., 2 U. S. M. C. —. Violations alleged of sections 15, 16, and 17 of the Shipping Act, 1916, as amended, in respect to proposed rate on shipments of green coffee of African origin to New Orleans via New York higher than on shipments to New York, not shown.

New Automobiles in Interstate Commerce, 2 U. S. M. C. —. Agreements of certain respondents engaged in transportation on the Great Lakes found to be subject to section 15 of the Shipping Act, 1916. Practices thereunder found not to result in departures from their tariffs in violation of section 2 of the Intercoastal Shipping Act, 1933, as amended, or to create undue preference in violation of section 16 of the Shipping Act, 1916.

Persons operating bulk freighters renting deck space to subject common carriers for the transportation of automobiles found not to be common carriers subject to the Shipping Act, 1916, as amended.

Proceedings discontinued.

Grays Harbor Pulp & Paper Company v. A. F. Klaveness & Co., A/S, et al., 2 U. S. M. C. —. Defendants' rates on printing paper from Grays Harbor, Wash., to ports in the Orient found unduly prejudicial and unjustly discriminatory but not otherwise unlawful.

Lora S. Gallagher v. Cunard White Star Limited, 2 U. S. M. C. —. Request to withdraw complaint denied. Complaint dismissed.

In Re Grace Line, Inc. and West Coast Line Pooling Agreement No. 5893, As Amended, 2 U. S. M. C. —. Under present conditions pooling agreement No. 5893, as amended, found to be unjustly discriminatory and unfair as between the parties thereto, and disapproved.

In the Matter of Dollar-Maison Agreements (Nos. 1253 and 1253-1), 2 U. S. M. C. —. Prior report and order (1 U. S. M. C. 750) affirmed as amended. Agreement also found to be unfair as between carriers.

APPENDIX G

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

CARGO DAMAGE

Vessel	Claimant or respondent	Method	Amount paid	Amount received
City of Flint.....	St. Paul Fire & Marine Insurance Co.	Settled.....	\$900.00	-----
Lehigh.....	Edward J. Colmant, assignee of	do.....	100.00	-----
Independence Hall.....	Schmoll Fils Associated, Inc.	do.....	(1)	-----
Pan America.....	American Coffee Corporation.....	do.....	(1)	-----
Do.....	Great Atlantic & Pacific Tea Co.....	do.....	(1)	-----
West Imboden.....	General Cocoa Co.....	do.....	115.92	-----

¹ Unknown.

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

COLLISION

Vessel	Claimant or respondent	Method	Amount paid	Amount received
Artigas.....	Wood Towing Co.	Settled.....	-----	\$240.75
Capulin.....	Manchester Ship Canal Co.	do.....	\$234.06	-----
City of Flint.....	Osborn M. Curtis, Jr.	do.....	326.25	-----
Jeff Davis.....	Tidewater Construction Corporation.....	do.....	9,333.00	-----
Lehigh.....	Wm. F. Roos, owner of auxiliary ketch Leimore.	do.....	13,500.00	-----
Liberty.....	Independent Pier Co.....	do.....	-----	1,493.00
Uruguay.....	Houder Linc, Ltd.	do.....	902.27	-----
West Cressey.....	Sun Oil Co. of Philadelphia.....	do.....	-----	214.00

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

DEMURRAGE

Vessel	Claimant or respondent	Method	Amount paid	Amount received
Crown City.....	Fu Hua Trading Co.....	Settled.....	\$341.41	-----

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

GENERAL AVERAGE

Vessel	Claimant or respondent	Method	Amount paid	Amount received
West Imboden.....	Underwriters of S. S. West Imboden.....	Settled.....	-----	\$9,610.87
West Cusseta.....	F. B. Hall & Co.....	do.....	-----	2,706.56

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

MISCELLANEOUS

Vessel	Claimant or respondent	Nature	Method	Amount paid	Amount received
Sag Harbor.....	W. D. Rockefeller..... <i>Sag Harbor</i> , her engines, etc., and Joseph F. O'Boyle.	Wharfage charges and electrical energy. Foreclosure of mortgage.	Settled do.....	..... .....	\$109.20 25,000.00

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940—Cases covered by outside protective and indemnity insurance

Vessel	Claimant	Nature	Method	Amount paid
Artigas.....	William Ruiz.....	Personal injury.....	Settled.....	\$750.00
Capillo.....	Alexander Bandoni.....	do.....	do.....	2,500.00
Capulin.....	Rade Tapisch.....	do.....	do.....	200.00
Challenge.....	John J. Deonan.....	do.....	do.....	(1)
Coldbrook.....	Walter Jensen.....	do.....	do.....	162.50
do.....	Joseph Woolsey.....	do.....	do.....	(1)
do.....	Steven W. Kraus.....	do.....	do.....	600.00
do.....	Edward Tomson.....	do.....	do.....	150.00
Collingsworth.....	William F. Ennis.....	do.....	do.....	500.00
Normanemar.....	Bethlehem Steel Ex- port Corporation.....	Breach of Contract and cargo damage.	do.....	(1)
do.....	do.....	do.....	do.....	(1)
Quaker City.....	Luther Ogburn.....	Personal injury.....	do.....	750.00
Sarcovie.....	French Worsted Co.....	Cargo damage.....	do.....	250.00
Tampa.....	Joseph Schweet.....	Personal injury.....	do.....	(1)
Unicoi.....	Max Larsen.....	do.....	do.....	(1)
Vincent.....	Henry J. Pape.....	do.....	do.....	100.00
West Calumb.....	Edmond R. Shelton.....	do.....	Final decree pursuant to settlement.	38,000.00

¹ Unknown.

NOTE.—Where amounts are listed as unknown, payment was made by the underwriter.

Claims arbitrated or settled under suits in Admiralty Act from Oct. 16, 1939, to Oct. 15, 1940

PERSONAL INJURY

Vessel	Claimant or respondent	Method	Amount paid	Amount received
Argentina.....	Ralph Tucker.....	Settled.....	\$150.00	.....
Brazil.....	E. Castella Capurro.....	do.....	241.25	.....
Orizaba.....	Antonio Perez.....	do.....	250.00	.....
Shawnee.....	John Dixon.....	do.....	50.00	.....
Sataria.....	Richard Merrigan.....	do.....	150.00	.....
St. John.....	Ernestina Marchi.....	do.....	225.00	.....
Uruguay.....	Gertrude Storman.....	do.....	75.00	.....

APPENDIX H

Results of final accountings under temporary operating-differential subsidy agreements

Name of operator	Period of agreement	Operating subsidy			Capital reserve fund deposits			Excess profits reversioning to operator ¹
		Total accrued	Amount recaptured	Net subsidy payable	Excess profits	Depreciation	Total	
American Diamond Lines, Inc.	July 1, 1937, to Feb. 28, 1938.	\$185,802.06	\$ 46,279.27	\$139,522.79	---	---	---	\$21,749.24
American Export Steamship Corporation	July 1, 1937, to Mar. 31, 1938.	508,103.39	111,532.82	456,560.47	\$26,370.30	\$240,261.54	\$266,631.84	---
American Mail Line, Ltd.	Sept. 34, 1937, to Aug. 31, 1938.	479,185.39	---	479,185.39	---	---	---	---
American Seacore Line, Inc. ²	July 1, 1937, to Aug. 31, 1938.	---	---	---	---	---	---	---
American South African Line, Inc.	July 1, 1937, to Sept. 30, 1938.	140,314.15	---	140,314.15	---	---	---	---
Atlantic & Caribbean Steam Navigation Co.	July 1, 1937, to Nov. 30, 1937.	63,503.64	45,493.77	17,212.87	---	---	---	13,485.74
Baltimore Mail Steamship Co., The	July 1, 1937, to June 30, 1938.	476,269.33	---	476,269.33	---	---	---	---
Dollar Steamship Lines, Inc., Ltd.	Jan. 28, 1938, to Nov. 30, 1938.	1,407,990.90	---	1,407,990.90	---	557,940.03	557,940.03	---
Grace Line, Inc. (Delaware):								
South American service:	July 1, 1937, to Feb. 28, 1938.	626,275.82	82,948.71	543,327.11	79,895.94	367,424.45	447,329.39	11,058.80
Caribbean service:	Nov. 4, 1937, to Feb. 28, 1938.	28,018.98	28,018.98	---	---	---	---	---
Lykes Bros.-Ripley Steamship Co., Inc.	July 1, 1937, to Mar. 31, 1938.	735,615.35	735,615.35	---	65,368.37	135,803.40	201,171.77	---
Mississippi Shipping Co., Inc.	July 1, 1937, to Mar. 31, 1938.	147,062.87	147,062.87	---	195,160.75	162,987.08	358,127.83	---
New York & Cuba Mail Steamship Co.	July 1, 1937, to Jan. 31, 1938.	215,320.80	---	215,320.80	---	368,230.25	368,230.25	---
Oceanic Steamship Co., The	July 1, 1937, to Jan. 31, 1938.	263,732.64	2,327.80	266,060.44	2,527.80	374,451.54	376,979.34	---
Pacific Argentine Brazil Line.	July 1, 1937, to June 30, 1938.	267,401.27	259,030.11	8,371.16	---	---	---	10,984.63
South Atlantic Steamship Co. of Delaware.	July 1, 1937, to Mar. 31, 1938.	96,373.72	93,588.03	2,785.69	8,204.84	5,421.16	13,626.00	---
United States Lines Co.	July 1, 1937, to Feb. 28, 1938.	901,111.14	---	901,111.14	---	613,633.11	613,633.11	---
Total		6,541,790.67	1,552,090.01	4,989,700.66	377,588.00	2,826,192.56	3,203,780.56	57,288.41

¹ These companies did not enter into a long-range agreement.² Final accounting not complete.

APPENDIX I

Report of the amounts of subcontracts placed by shipbuilders during the period from Jan. 1, 1940, to Oct. 9, 1940, for scientific equipment used for communication and navigation purposes which were exempted from profit limitations by U. S. Maritime Commission pursuant to Sec. 505 (b), Merchant Marine Act, 1936, as amended

Builder	Vendor	Order		Name of equipment	MC contract No.	Amount of order
		Number	Date			
Bath Iron Works Corporation	Mackay Radio and Telegraph Company		{Aug. 8, 1940 (Aug. 13, 1940 Aug. 7, 1940 Jan. 3, 1940	Main radio transmitters and spare parts. Fathometer equipment. Gyrocompass and gyroplot's equipment. do	847-880 847-880 847-880 422-436	\$21,590.00 13,160.00 42,844.00 54,840.00
Bethlehem Steel Co., Staten Island, N. Y.	do		do	Gyrocompasses.	422-436	34,035.00
Bethlehem Steel Co., Sparrows Point	do		Aug. 27, 1940	Gyrocompasses.	809-811	32,664.00
	do		Jan. 17, 1940	Fathometers.	303-5	12,676.35
	do		do	do	433-60	12,676.35
	do		Aug. 31, 1940	do	809-11	11,332.00
Bethlehem Steel Co., Baltimore	Submarine Signal Co.		July 5, 1940	Gyrocompass, pilot.	903	12,423.00
Bethlehem Steel Co., San Francisco	Radio Marine Corporation of America.		Dec 20, 1939	Fathometer.	427-431	17,610.00
			do	Radio transmitting, receiving and direction-finding equipment.	427-431	19,875.00
Consolidated Steel Co.	Sperry Gyroscope Co., Inc.		Jan. 3, 1940	Gyro equipment.	427-431	56,690.00
	Submarine Signal Co.		Apr. 11, 1940	Fathometer.	412-415	14,403.00
	Radio Marine Corporation of America.		May 7, 1940	Radio.	412-415	15,600.00
	Sperry Gyroscope Co., Inc.		June 26, 1940	Gyrocompass system, gyroplot system, and spare parts	412-415	45,112.00
Federal Shipbuilding and Dry Dock Co.	Radio Marine Corporation of America.		Mar. 12, 1940	Main and emergency radio transmitting and receiving equipment and radio direction finders.	302-386	20,500.00
Pennsylvania Shipyard, Inc.	do	20755-6	Apr. 11, 1940	Radio equipment, direction finder, and multicoupler antenna systems.	493-4	8,790.00
	Submarine Signal Company	22030	June 23, 1940	Fathometer indicator, amplifier including batteries, impact oscillator and mounting resistance unit phones, tank and mounting resistance unit switch, set of spare parts cable, etc.	493-4	8,234.00
		44149	Aug. 7, 1940	Master gyrocompasses, steering repeater, gyroplot equipment system.	493-4	21,804.00
Pusey & Jones Corporation	Radio Marine Corporation of America.		Apr. 16, 1940	Radio equipment.	528-9	8,200.00
Seattle-Tacoma Shipbuilding Corporation.	Submarine Signal Co.		Aug. 20, 1940	Fathometers.	528-9	8,076.00
	Radio Marine Corporation of America.		Apr. 15, 1940	Radio equipment including multicoupler antenna system.	466-470	19,500.00
	Submarine Signal Co.		June 7, 1940	Fathometers.	466-470	18,010.00
	Sperry Gyroscope Co., Inc.		July 23, 1940	Gyrocompasses systems and gyroplot systems.	466-470	56,135.00

Report of the amounts of subcontracts placed by shipbuilders during the period from Jan. 1, 1940, to Oct. 9, 1940, for scientific equipment used for communication and navigation purposes which were exempted from profit limitations by U. S. Maritime Commission pursuant to Sec. 505 (b), Merchant Marine Act, 1936, as amended—Continued

Builder	Vendor	Order		Name of equipment	M.C. contract No.	Amount of order
		Number	Date			
Sun Shipbuilding and Dry Dock Co.	Submarine Signal Co.	B-54301	Mar. 13, 1940	Fathometers	206-209	\$7,084.50
	do	B-66505	Aug. 23, 1940	do	480-7	27,708.00
	Sperry Gyroscope Co., Inc.	B-55283	Mar. 25, 1940	Gyroscope equipment	206-20	23,862.00
	do			Gyroscope equipment, etc.	206-20	13,400.00
	do			Gyrocompass system	500-512	27,436.00
	do			Gyrocompass system	500-512	14,684.00
	do			Gyrocompass system	488-401	23,272.00
	do			Gyrocompass system	488-401	13,000.00
	do			Antenna systems	401-5	18,010.00
	do			Antenna systems	401-5	1,475.00
	do			Gyrocompasses, pilots, and rudder angle indicators	401-5	57,435.00
	Radio Corporation	S-2705	Oct. 10, 1940	Radio equipment complete	461-5	20,500.00
Total						845,337.20