

Annual Report of the

FEDERAL MARITIME BOARD

MARITIME ADMINISTRATION

1952



UNITED STATES DEPARTMENT OF COMMERCE

Letters of Transmittal

UNITED STATES DEPARTMENT OF COMMERCE,
MARITIME ADMINISTRATION,
Washington 25, D. C., November 14, 1952.

To: *The Secretary of Commerce.*

FROM: *Chairman, Federal Maritime Board, and Administrator, Maritime Administration.*

SUBJECT: *Annual Report for fiscal year 1952.*

I am submitting herewith the report of the Federal Maritime Board and Maritime Administration for the fiscal year ending June 30, 1952. This report covers a year of activities which once again demonstrated the critical importance of the merchant marine in a period of national emergency, in addition to its contribution to the national economy.



A. W. GATOV,
*Chairman, Federal Maritime Board
and Maritime Administrator.*

SECRETARY OF COMMERCE,
Washington 25, D. C.

To the Congress:

I have the honor to present the annual report of the Federal Maritime Board and Maritime Administration of the United States Department of Commerce for the fiscal year ended June 30, 1952.



Acting Secretary of Commerce.

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**FEDERAL MARITIME BOARD
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UNITED STATES DEPARTMENT OF COMMERCE

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CHARLES SAWYER, *Secretary*

Washington, D. C.

FEDERAL MARITIME BOARD

A. W. GATOV, *Chairman*

ROBERT W. WILLIAMS, *Vice Chairman*

VACANCY

A. J. WILLIAMS, *Secretary*

MARITIME ADMINISTRATION

A. W. GATOV, *Maritime Administrator*

EARL W. CLARK, *Deputy Maritime Administrator*

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FISCAL YEAR ACTIVITIES

Introduction

The past fiscal year was one characterized by mobilization demands of an international emergency nature. Military needs, plus international aid and stock-piling programs, during the first three quarters of the year created problems involving selection, preparation, and use of ships from reserve fleets. During the last quarter the trend was in the opposite direction with respect to demands for ships, because of the reduction of Government aid cargoes, requiring withdrawal of ships with the least dislocation of existing services. At the same time it was necessary to keep in mind the policy to promote the best interests of the privately owned United States merchant fleet.

In this year progress was made in four directions: (1) Establishment of techniques for rapid mobilization and demobilization of the merchant fleet for emergency use; (2) administration of a modern cargo ship construction program; (3) adoption of improved procedures in determinations on applications for construction and operating subsidy contracts, and in processing amounts granted thereunder; and (4) elimination or reduction of backlogs inherited from the former United States Maritime Commission.

Merchant ships in action

In the past fiscal year the National Shipping Authority carried forward its basic job, that of coordinating the utilization of the Nation's merchant fleet in a period of emergency. The policy adopted in the preceding year, of using Government-owned ships only to fill needs which privately owned ships could not fill was continued. To handle these needs two methods were followed: Charters of Government-owned ships to enable liner services and others to handle increased requirements for transportation principally of Mutual Security Agency cargoes; and general agency agreements, under which ships withdrawn from reserve fleets were operated by private shipping companies for the account of the Government.

There was a material increase in the number of ships assigned to general agents, from 189 to 541 in the first three quarters of the year. As a result of the reversal in demand in the last quarter, the number of ships assigned was reduced rapidly to 183, all for military use. Government ships on charter decreased slowly in the first few months

from 232 on June 30, 1951, and then rapidly to 91 on June 30, 1952.

The average cost of reactivation repairs was held down to the relatively reasonable figure of \$156,000 per ship in spite of the high costs prevailing during the period. Also the cost of returning the ships to lay-up was kept to an average of \$19,000 per ship.

As evidence of the results of efforts to provide the needed transportation, there were 12,691,278 tons transported by general agency ships, exclusive of the vast military cargoes moved. Seventeen different countries were recipients of outbound cargoes.

In all of these efforts the Maritime Administration kept constantly in touch with the Military Sea Transportation Service, Mutual Security Agency, General Services Administration, Export-Import Bank, Department of Agriculture, and other departments which exert control in any manner over the transportation of commodities, to effectuate as large a participation by United States-flag carriers as possible.

Operations of the National Shipping Authority showed that ships in lay-up were available and in condition to be reactivated as rapidly as tonnage requirements dictated. It is also hoped that this program resulted in strong mutual confidence between the shipping industry and the Government, and provided a trained organization and adequate techniques of operation which can be used should a similar situation arise.

Basic preservation, except underwater, was virtually completed on all ships in reserve except those returned in the fiscal year. Bottom preservation was deferred while international conditions were unsettled, but will be resumed, it is hoped, on a large scale in the next fiscal year.

New ships are added

Delivery of the SS *United States* on June 20, 1952, and her entry into the trans-Atlantic service of United States Lines Company marked a new era in American shipping. Once again this country is represented in the company of the leading maritime nations with a ship faster and safer than any other passenger ship. This ship incorporates many unique national defense features and, while offering the best in qualities needed for passenger travel, is capable of economical and speedy conversion to a full troop transport.

With a capacity of 12,900 deadweight tons, a length of 563 feet, and a speed of 20 knots, the modern cargo ships known as the Mariners will be the largest and fastest class of dry cargo ships in service. During the year a contract was awarded for five additional Mariners, bringing the total to 35. Of this total five had originally been scheduled for delivery in the fiscal year. Material shortages, however, were instrumental in postponement of all five deliveries. On completion, the ships will be assigned to general agents of the National Shipping

Authority to carry their share of military cargoes. Eventually they should serve to replace older ships of American operators.

The first of three converted troopships was completed and delivered to the Military Sea Transportation Service. The prototype cargo ship SS *Schuyler Otis Bland* was placed in service early in the fiscal year under bareboat charter to a private operator.

Government aid

Prior to the delivery of the SS *United States* the sales price of the ship determined by the former U. S. Maritime Commission was criticized by the Comptroller General. However, acting on the advice of his General Counsel that the sales contract was binding and valid, the Secretary of Commerce directed delivery of the ship. The legality of the contract was referred by the President to the Attorney General. Operation of the SS *United States* was covered by execution of an addendum to the United States Lines Company's operating subsidy on the SS *America*.

Considerable effort was devoted to review of the construction allowances on the passenger ships SS *Independence* and SS *Constitution* sold to American Export Lines, Inc. Recalculation resulted in a subsidy rate of 27 percent, reduced from the 45 percent rate approved by the former U. S. Maritime Commission. At the request of the purchaser, final action was withheld and the proceedings were reopened to permit examination of new evidence in the Netherlands early in fiscal year 1953.

In all, 13 operating-differential subsidy contracts had been awarded, including one new postwar operator. Initial steps were taken by the Board which, if all requirements are met, will soon raise the total number of such operators to 15. As the year closed, applications were pending from three companies for construction subsidy aid and from eight operators, four of them not now subsidized, for operating aid. The calculation of operating subsidy rates was continued. The actual computations of wage rates were nearly completed for calendar years 1947 through 1950, and plans were well advanced for 1951. On subsistence and maintenance and repair rates, computations were substantially made for calendar years 1947 through 1949, with plans being laid for 1950.

A new formula was developed for processing applications for voluntary deposits by subsidized operators in capital reserve funds. The policy is intended to permit shipowners to conserve earnings in profitable years so they may procure new ships later to replace obsolete ships. During the year deposits of subsidized operators in reserve funds increased roughly 31 percent. Waivers of the statutory prohibition against ownership or operation by subsidized operators of competing foreign-flag ships were made subject to a newly adopted policy.

Such efforts were made to complete the program of providing marine war-risk insurance in the event of hostilities, when commercial insurance automatically terminates, that little remained to be done at the end of the fiscal year. Much effort was also expended on the so-called long-range shipping bill to secure modifications and improvements of present legislation contained in the bill. At the end of the fiscal year it was apparent that a bill would pass shortly that would accomplish many of the objectives.

Backlogs decline

During the year 3,046 unlitigated claims were settled. Considering 1,691 new claims received, the inventory of unlitigated claims was reduced from 3,808 to 2,453 claims. In addition, 1,257 claims on which administrative action had been completed, were tied up in litigation.

Progress was made in eliminating or reducing accounting and auditing backlogs. Liquidation of the few remaining wartime general agency accounts was in the final stages. Improved audit procedures facilitated reduction of the backlog of subsidy, charter, and construction audits. Audits of National Shipping Authority agents were being performed on a current basis.

Settlement of the Dollar Line (now American President Lines, Ltd.) litigation has ended a protracted controversy. The disputed stock was to be offered for sale, with the proceeds to be split equally with the Government. Another achievement was settlement of the controversy involving the SS *Mariposa* and SS *Monterey*. The Government purchased the SS *Monterey* and the SS *Mariposa* was bought by Matson Navigation Company.

Sales and transfers of ships

Ship sales in the fiscal year were few and, with one exception, were limited to ships for scrapping.

The Maritime Administration's policy on transfer of war-built ships to foreign ownership was expanded to encourage construction and documentation of modern, fast tankers in the United States in return for approval of foreign transfers of obsolete ships, primarily of the Liberty design. In all, there was relatively little activity in transfer to foreign registry of oceangoing ships; transfers were approved on 81 ships of 1,000 gross tons and over.

Domestic shipyards gained valuable business by the Maritime Administration's approval of construction of 30 large tankers for corporations of friendly foreign nations. In addition, conditions imposed in these approvals assure the availability of such tankers to the United States in the event of emergency.

Manning the ships and shipyards

Several work stoppages occurred both with maritime labor and with shipyard personnel. Shipyard workers on all coasts were gen-

erally successful in gaining wage increases. The year saw a significant decline in seafaring personnel, while employment in ship construction and repair yards nearly doubled.

To augment the ranks of well-trained merchant marine officers, the United States Merchant Marine Academy graduated a group of 140 officers. An additional 230 officers were graduated from State Maritime Academies.

The Ninth Congressional Board of Visitors gave the United States Merchant Marine Academy at Kings Point, New York, a highly commendable report following its annual inspection. In the United States Maritime Service special emphasis was given to electronics training, including Loran and radar. Special courses were offered to meet a critical shortage of radio officers in the winter. Special training was also provided for men in the steward's department of the SS *United States*. Correspondence courses were taken by 7,507.

Property utilization

A study by the Army Corps of Engineers of the reserve shipyard at Wilmington, N. C., was arranged, from which plans will be produced to permit redesign of the shipways and other facilities to permit accommodations of the Mariner and T5 tanker ships. When completed these plans will serve as a model for Government construction of shipyards which may be required in a future mobilization period. Increased attention was devoted to special studies of port capacity and development and cargo handling, as a part of continuing studies of shipping and shipbuilding trends and needs.

The obsolete piers at Hoboken, N. J., acquired by the Government after World War I, will soon be developed as a modern marine terminal under plans advanced by the Maritime Administrator. These plans call for a 50-year lease of the Hoboken terminal to the city of Hoboken and sublease to the Port of New York Authority for development.

More than 17 percent return was realized from the sale of surplus personal property with an original cost in excess of \$7 million. Procurement required for outfitting and repairing reactivated ships, for operating ships, for certain items for Mariner ships constructed, and for administrative and other operations approximated \$18.5 million.

Important regulatory developments

The Supreme Court handed down two important decisions affecting the regulatory functions of the Federal Maritime Board. One of these decisions sustained the primary exclusive jurisdiction of the Board under the Shipping Act, 1916. The other was an affirmance by a four-to-four vote of the District Court's decision holding illegal the spread between contract/noncontract conference rates established by the conferences involved in the case.

The trend toward increases in ocean freight rates continued in the early part of the fiscal year, but appeared to have reached its peak by

the end of the year. A marked number of increases in freight rates and passenger fares were also filed by off-shore domestic carriers.

International cooperation

The Maritime Administration continued its representation on the Planning Board for Ocean Shipping of the North Atlantic Treaty Organization, and its work with various other international organizations in the shipping field. Assistance was provided on a few maritime projects of the State Department's Technical Aid Administration Program. In several instances elimination of discriminations by foreign governments against American-flag shipping was secured in return for the right to carry United States Government-financed cargoes.

Ship Operations

The National Shipping Authority during the year ended June 30, 1952, fully discharged the responsibility placed upon it at the time of its establishment on March 13, 1951. This responsibility was basically one of full utilization of the Nation's merchant marine for a national emergency. At the beginning of the fiscal year there was a lack of available privately owned tonnage. Shipping demands of military and Mutual Security Agency programs, coupled with private shipping requirements, were unprecedented except for actual war and its aftermath.

The National Shipping Authority took the binary action of (a) utilizing to the maximum the privately operated American-flag merchant fleet, and (b) administering, as deficiencies arose in the number and type of privately owned ships, the operation of Government-owned ships through general agents. General agents selected were existing private operators having the facilities and know-how for an efficient operation. In conjunction with the foregoing were administered long-range activities involving ships in which the Government has an interest.

In discharging its manifold responsibilities, the National Shipping Authority exercised the following authorities:

- (1) to execute and administer agreements for activation, outfitting, operation, repairing, deactivation, and stripping of merchant ships, and employment of agents; and assign ships to agents;
- (2) to execute and administer agreements to charter out merchant ships, and deliver ships to and withdraw ships from charterers;
- (3) to establish general agents' compensation fees; evaluate agents' performance; and establish fees for services rendered NSA ships in foreign ports;
- (4) to execute contracts to carry out NSA functions;
- (5) to determine shipping requirements, allocate oceangoing merchant

ships, and schedule the movement of cargo to meet the needs of the Department of Defense and other federal programs;

(6) to prescribe transportation charges for cargo or passengers carried on, and for other services rendered by, ships operated for the Maritime Administration (in the fiscal year 40 formal and 60 special freight rates were established for coal, grain, ore, fertilizer, sugar, sulphur, coke, etc.); and establish per diem rates for ships carrying military cargoes;

(7) to authorize allowances on the purchase price for reconversion of and repairs to ships contracted for sale under the Merchant Ship Sales Act of 1946;

(8) to survey and inspect repairs and maintenance of ships participating in operating subsidies and ships in which the Government has a mortgage interest;

(9) to maintain custody and preserve Government ships in reserve fleets; and

(10) to issue general orders and regulations relating to NSA functions.

General agency activities

By July 1, 1951, the National Shipping Authority had appointed 41 general agents, to whom had been assigned or scheduled for assignment 189 ships. During the year the number of general agents increased to 48, and the number of ships assigned steadily increased during the first three quarters of the year to a total of 541 on March 28, 1952. In the last quarter there was a steady decrease in the number of ships under general agency because of a sharp decline in bulk cargo shipments, primarily coal, to western Europe. This situation created a surplus of ships and, in keeping with the basic policy of not using Government ships in competition with privately owned tonnage, it was necessary to lay up a substantial number of ships. By June 30, 1952, the number of ships assigned to general agents had decreased to 183.

The tremendous scope of cargoes transported is illustrated by the fact that during the year, exclusive of military cargoes, 12,272,271 tons of outbound and 419,007 tons of cross trade and inbound cargo were moved in NSA ships. Appendix A contains a breakdown of cargoes carried.

Charters

The upsurge of ship requirements for the transportation of Mutual Security Agency coal and grain cargoes also had its effect on liner service, and many private operators required additional ships. A number of companies applied for the bareboat charter of ships pursuant to Public Law 591, Eighty-first Congress, and after required hearings, 29 ships were chartered for various liner services.

As the fiscal year closed, the number of ships under charter or allocated for charter under the Merchant Ship Sales Act of 1946, as amended, was 72, a decrease of 140 from the total of the preceding fiscal year. Three prewar-built passenger ships, eight war-built cargo ships, one postwar-built cargo ship, six Great Lakes ships, and one ferry were also under charter or allocated under other laws for an overall total of 91, a decrease of 141 from the June 30, 1951, total. Of

the chartered ships redelivered from Military Sea Transportation Service and Mutual Security Agency programs, 134 were reassigned to general agents. The annual totals of chartered ships by types of service were:

	June 30, 1951	June 30, 1952
Offshore trades (including MSTs, MSA, and Alaska)-----	202	57
Coastwise-intercoastal-----	10	16
Philippine interisland service (Philippine Rehabilitation Act)---	8	8
Great Lakes and other services (Public Law 101, 77th Congress, and Merchant Marine Act, 1936)-----	12	10
Total-----	232	91

Ship repair and maintenance

All required subsidy surveys and 1,896 repair inspections were conducted on 251 ships operated under subsidy agreements, and 260 condition surveys were performed on ships previously sold on which the government holds mortgages. Inspections were made on 19 ships being scrapped.

A total of 313 ships were withdrawn from reserve fleets for operation by general agents. Surveys were conducted on these ships and all repairs were closely supervised. The total cost of reactivation repairs to these 313 ships was \$48,702,226. Repair inspections, as required, were made on ships in voyage status to ascertain repairs necessary to insure safe and proper operation; 1,400 specifications covering such repairs were reviewed.

Complete surveys were conducted on 38 ships delivered under bareboat charter and on 179 redelivered to the Maritime Administration. Redelivery surveys were reviewed to assure that charterers completed their obligations.

Six hundred assessments of customs duties on foreign repairs performed under jurisdiction of general agents were analyzed to determine that the assessments were in order or to request remission of duties when warranted. In addition, 139 sets of repair documents submitted by purchasers of ships were screened to verify the propriety and costs of repair work in order to arrange for reduction in the ship price in accordance with terms of the Merchant Ship Sales Act of 1946.

During the last quarter of the fiscal year more than 400 general agency ships were no longer required for operation and were returned to reserve fleets. These ships had such repairs as were necessary for safety, prior to lay up. In addition surveys were conducted of each ship to record defects requiring correction and estimated costs thereof should the need arise for subsequent withdrawal of the ships. Deactivation of ships during the period cost an estimated \$7,735,703.

Traffic activities

As a step toward increasing the traffic carried by United States ships in foreign trade, attention was devoted to United States-flag participation in movements financed by the Government. This

included contact with Mutual Security Agency, whose statutory mandate provides for 50 percent participation of United States ships; General Services Administration, which imports large quantities for the national stockpile and is not bound to use United States ships; Export-Import Bank; Department of Agriculture; and others.

Reserve fleets

Reserve fleet activities mirrored the changing ship operations picture. At the close of the fiscal year there were 1,853 ships in the reserve fleets. During the year 365 ships were withdrawn for general agency operation, charter, and transfer to other Government agencies, and 451 ships were taken into the fleets, for a net increase of 86. The ships returned to the fleets were principally those which became excess to military needs in Korea and to economic and military aid programs. Appendix B is a tabulation of ships in reserve fleets.

Administrative and supply functions, transportation of personnel and materials, and security patrol comprised a few of the important activities which supported the ship-preservation program. A total of 173 small craft were operated, including 24 tugs and 24 patrol-fireboats. Extensive training was given security personnel in fire fighting techniques and a fire and damage control program was established in which tugs, equipped to handle fire and other ship damage, were utilized to supplement smaller patrol fireboats.

The basic preservation of 1,402 of the 1,853 ships in the reserve fleets was completed except for minor work on a few. On the other hand, only a small amount of preservation work was accomplished on the 451 ships placed in the fleets in the fiscal year. These ships were returned in good condition, and certain lay-up and preservation work on them will be postponed until fiscal year 1954.

Prior to hostilities in Korea, the Maritime Administration planned measures to protect the underwater hulls of ships in reserve fleets against corrosion. Because of uncertainty as to the ships that would be required in service if hostilities increased, the bottom protection program was deferred during fiscal years 1951 and 1952. It is planned that about 700 ships will be given this protection in fiscal year 1953.

Tanker services

The principal tanker services were (a) administration of the Voluntary Tanker Plan for industry cooperation, and (b) development of plans for mobilization of private tanker capacity for national defense, if required. Under the Voluntary Tanker Plan the tanker industry, participating nearly 100 percent, made its tonnage available for military cargoes at compensation rates and fully met military needs for tanker space in excess of the capacity operated directly by the Military Sea Transportation Service. During the year 201 voyages were made by 89 participating companies, which provided 149,129,100 deadweight ton-days of service.

Shipbuilding

New Construction

At the beginning of fiscal year 1952, 35 ships were being constructed under Maritime Administration contracts. Three were for delivery to the Military Sea Transportation Service, having been selected by the Secretary of Defense for conversion during construction to dependent transports. One of the three, the USNS *Barrett*, was delivered on May 21, 1952, and the other two were scheduled for delivery late in calendar year 1952 and early in 1953.

The superliner SS *United States* was delivered June 20, 1952, for the trans-Atlantic service of the United States Lines Company. The highly successful trials indicated that this ship may readily be converted to the safest and fastest troop transport afloat. The SS *Schuyler Otis Bland* was delivered July 26, 1951, and entered the service of American President Lines, Ltd., under charter. This ship included a new type of Maritime Administration-designed cargo gear. Frequent reports indicated the superiority of this cargo gear, and it is proposed to incorporate it in other ships to be constructed.

The remaining 30 ships under contract were of the Mariner type authorized by special legislation. Five ships were being built by each of six yards. On August 1, 1951, a contract for five additional ships of this type was awarded to the Bethlehem-Pacific Coast Steel Corporation. Five of these 35 ships were originally scheduled for delivery during fiscal year 1952, but material delays prevented this. Some deliveries were expected during the first quarter of fiscal year 1953.

At the end of the fiscal year, 37 ships were being built under Maritime Administration contracts. Summaries of all ship construction may be found in appendixes C, D, E, and F.

Material control

Under the controlled materials plan of the National Production Authority, the Maritime Administration was the claimant for sea-going merchant ship construction. Material requirements to maintain scheduled shipyard construction were presented quarterly for approval to the Defense Production Administration, which then authorized the Maritime Administration to allocate materials to the building yards. Since the inception of the plan, an allocation of materials equal to requirements was received only for the fourth quarter of the fiscal year. The reduced allocations caused definite curtailment in production. Merchant shipbuilding enjoyed no special priority, and the shipyards were able to place only 85 percent of their allocations with steel producers. The loss of approximately 6 weeks of steel production because of strikes in the steel industry further delayed ship construction, approximately 4 months on some ships. Similar problems faced the industries manufacturing ship components

because of the loss of steel production and the absence of any priority position.

In coordination with the Joint Chiefs of Staff and the Department of the Navy, time was devoted to planning for merchant-ship construction in the event of full mobilization. In addition, requirements were developed for industrial facilities and critical major components to support such construction.

Conversions

Pursuant to a contract previously awarded to Gibbs & Cox of New York, plans and specifications were being prepared for conversion of the partially completed SS *Monterey* to a Navy-manned troop transport. Under the provisions of Public Law 856, Eighty-first Congress, three ships were sold to the Wisconsin-Michigan Steamship Company, two for conversion to bulk carriers and one to a package freight and/or passenger ship on the Great Lakes.

Building proposals

American President Lines, Ltd., and Oceanic Steamship Company submitted preliminary plans for construction of combination passenger-cargo ships. The proposed ships are of such size and type as to indicate the possibility of adapting the Mariner cargo ship design. Accordingly, technical investigations were underway to develop efficient conversion plans and specifications. Economies should be obtained in ship replacement if it is possible to utilize the Mariner design.

Preliminary plans of Moore-McCormack Lines, Inc., and the application from Grace Line Inc., were still pending. Since the ships proposed are of a type and size suitable for conversion to troopships, the Maritime Administration continued technical investigation leading to a design which would fulfill both peacetime and wartime requirements and be capable of speedy and economical conversion in an emergency.

Technical developments

The Maritime Administration continued its participation in the interdepartmental Ship Structure Committee, studying causes of ship fracturing and breaking in two. During fiscal year 1952 the committee directed its research efforts toward methods of hull steel fabrication to determine standards for appraising the soundness of welded connections. Following the structural failures of two T2 type tankers in February 1952, with loss of life and property, the Maritime Administration collaborated with the Coast Guard and the American Bureau of Shipping in establishing rules for strengthening existing ships of this design. In addition, cargo loading instructions were being developed based upon exhaustive technical analysis to prevent indiscriminate cargo stowage, which has featured some unfortunate operations in the past.

Contract plans and specifications were developed, with the advice of a committee representing the tanker industry, for 20-knot tankers of 20,000 deadweight tons suitable for commercial service, and for speedy and economical conversion for Navy use in event of an emergency.

Inspections were conducted at manufacturing plants covering 1,339 purchase orders on outfitting equipment, furniture, paint, and paint materials for new ship construction and preservation materials for reserve fleet ships. Twelve new material specifications were issued. Eighteen manufacturing plants were inspected for approval of facilities. Standard plans for ships' furniture were being revised to incorporate latest materials and designs.

Ship trial and guarantee surveys

Trials and acceptance surveys were conducted on the SS *Schuyler Otis Bland*, USNS *Barrett*, and SS *United States*. Final guarantee surveys were conducted on the SS *Constitution* and SS *Schuyler Otis Bland*; and a special survey, on the SS *La Guardia*. Responsibility for uncompleted, unsatisfactory, or defective work on ships reactivated from the reserve fleets was determined in accordance with the guarantee provisions of the contracts.

A special trial was conducted of the Raydist system for measuring ship's speed, developed by the Hastings Instrument Company. This system, which is a method of measuring distance by radio in lieu of using the standard measured mile course, was used successfully in measuring the speed of the SS *United States*.

Scientific equipment

Section 505 (b) of the Merchant Marine Act, 1936, as amended, states that profit limitation shall not apply to contracts or subcontracts for scientific equipment used for communication and navigation, nor to contracts under which the United States pays only for national defense features. The Sperry Gyroscope Company submitted a list (appendix G) of subcontracts covering gyrocompasses and gyropilots furnished for ships being built for the Maritime Administration. No contracts were made to pay only for national defense features.

Aids to Shipping

Construction-differential subsidy aid

In accordance with the recommendation of the Committee on Expenditures in the Executive Departments, House of Representatives, a redetermination was undertaken of the sales price of the SS *United States*, as set by the former U. S. Maritime Commission. The United

States Lines Company, as purchaser, however, held that it had a valid and binding contract. Title to the ship was delivered to United States Lines Company in June 1952, and the question of legality of the sales contract was referred to the Attorney General by the President. Two operating-differential subsidy contracts—one incorporating the superliner in the contract covering the SS *America* and the other applicable to cargo ships effective January 1, 1950—were executed June 30, 1952, on agreement by the company to the withholding of \$10 million of operating subsidy payable, without prejudice to the rights of either party, until the Attorney General completes his study.

Recalculations of the construction-differential and national defense allowances applicable to American Export Lines' ships, SS *Independence* and SS *Constitution*, were completed. After hearings were held the Board concluded that the applicable subsidy rate should be 27.07 percent of \$23,733,000, base domestic cost of each ship. This was a reduction from the 45 percent subsidy rate granted by the former U. S. Maritime Commission. The revised determinations would result in an increase of approximately \$10,500,000 in the sales price of both ships. Subsequently, this matter was the subject of hearings before a special subcommittee of the House Merchant Marine and Fisheries Committee, but the Committee had not rendered a report by June 30. American Export Lines requested new hearings to present new evidence available only in the Netherlands and the Board agreed.

Construction-differential rates applicable to reconstruction or reconversion of 20 ships of four operators were recomputed. In view of the hearings of the House subcommittee referred to above, American Export Lines, Inc., requested that hearings with respect to four ships be delayed until the report of the subcommittee is issued. Construction-differential subsidy rates applicable to reconstruction of three ships of American President Lines, Ltd., were recomputed and submitted to the Board. Recommendations to the Board with respect to betterments on three ships of Moore-McCormack Lines, Inc., were in the course of preparation. Recomputations were completed on six of ten ships of the Mississippi Shipping Company. In addition, construction-differential subsidies were computed, except for national defense features, on the SS *Schuyler Otis Bland* and the *Mariner* ships.

With respect to the contractual obligations of American President Lines, Ltd., and Moore-McCormack Lines, Inc., to acquire passenger or combination replacement ships for their subsidized services, the companies were not pushed in view of the shortage of materials for new construction and the questions pending with respect to construction-differentials applicable to certain passenger ships. However, both companies were urged to finalize plans for replacement ships and submit applications for construction aid. The obligations

of the Oceanic Steamship Company and the New York and Cuba Mail Steamship Company to acquire new ships cannot be invoked until a study is completed of whether passenger and combination ships are required.

An application by Standard Fruit and Steamship Corporation for aid to build three refrigerated ships was dismissed without prejudice because the applicant failed to correct substantial deficiencies in its application. At the close of the fiscal year the following applications for construction subsidy aid were pending:

1. American-Hawaiian Steamship Company for conversion of three C4 type ships to ore-carriers to be operated between Canada and U. S. Atlantic ports. This application cannot be processed until supplemental data are received from the applicant.

2. Grace Line Inc., for two combination passenger and freight ships for operation on Trade Route 4, contingent on the operator's receiving an operating subsidy. The ships are to replace two combination ships now being operated without subsidy.

3. Mississippi Shipping Company for one combination passenger and freight ship for operation from Gulf ports to the east coast of South America. This application cannot be processed until the Board determines whether foreign-flag passenger competition is substantial on Trade Route 20 and an operating subsidy is payable thereon, and questions with respect to procedure have been disposed of. Two applications by this company for subsidy aid covering reconstruction and reconditioning of 12 cargo ships were held in abeyance until legal questions relating to construction subsidy applicable to such cases were disposed of. These questions were resolved and processing of the applications will proceed as soon as the operator has revised the applications on a current basis.

Operating-differential subsidy aid

Postwar resumption-of-subsidy contracts have been executed by the 12 prewar subsidized operators and a contract was entered into with one new subsidized operator. In addition, a new cargo ship operating subsidy contract with United States Lines Company was executed.

A *Manual of General Procedures for Determining Operating-Differential Subsidy Rates* was completed and adopted by the Board. This manual established standards for estimating operating subsidy rates and delineated responsibilities of the subsidized operators and the Maritime Administration with regard to collection of data.

In the calculation of operating-differential subsidy rates, wage differentials were computed for calendar years 1948 and 1949 for all prewar subsidized operators, with the exception of five cases for 1949 and a few cases which required determination by the Board as to substantiality of foreign-flag competition. Considerable progress was made in the calculation of 1950 rates.

The Board approved recommendations establishing domestic meal-day costs for use in the calculation of subsistence subsidy rates for

calendar years 1947 and 1948 and a statistical committee recommendation with respect to indexing techniques and procedures. Subsistence differentials were computed for calendar years 1947 and 1948, with the exception of four cases for 1948. Progress was also made in the calculation of 1949 differentials.

The United States Salvage Association, Inc., completed collection of foreign cost estimates of maintenance and repair work. Maintenance and repair differentials were calculated for calendar years 1947 and 1948, with the exception of two cases in each year; 1949 differentials for four cases were computed and substantial progress was made on the remainder.

The program for obtaining pricing data for the calculation of subsidy rates for stores, supplies, and expendable equipment was completed, and the statistical committee made its recommendation with respect to indexing and sampling techniques and procedures to be used. Work was progressing in the determination of these rates for calendar years 1947 through 1949.

With regard to the above rates, recommendations were pending before the Board for decision as follows: two for wage rates for 1947, five for 1948, and three for 1949; two for subsistence rates for 1947 and three for 1948; and one for maintenance and repair rates for 1948 and two for 1949. In addition, there were being prepared for submission to the Board, three recommendations on wage rates for 1949, two on subsistence for 1948, and as to maintenance and repair rates, one recommendation for 1947, two for 1948, and one for 1949.

By June 30, 1952, a total of \$61,541,307.66 advance subsidy payments had been made to all subsidized operators, except the Oceanic Steamship Company, which amount represented payments on account through March 1952, for one operator, through 1951 for seven operators, through September 1951, for three companies, and through 1950 for one operator.

The application of Arnold Bernstein Line, Inc., for operating subsidy on Trade Route 8 was dismissed without prejudice because the company failed to provide for acquisition of ships to be substituted for those named in the application but no longer available. At the close of the year, applications for operating-differential subsidy were pending from the following subsidized companies:

1. Gulf & South American Steamship Company (jointly owned by Lykes and Grace), Trade Route 31: A report and recommendation was submitted to the Board in March 1952.

2. Grace Line Inc., Trade Route 4: In January the Board found that neither Section 602 nor Section 605 (c) of the 1936 Act created any bar to an operating subsidy contract. By the end of the year a report and recommendation was being finalized for presentation to the Board.

3. United States Lines, Inc., Trade Route 8: The Board issued its report of findings under Section 605 (c) in January 1952, and the application was being processed.

4. American President Lines, Ltd., Trade Route 17: The Board authorized public hearings but the dates were not set.

Applications for operating subsidy were pending from the following new operators:

1. South Atlantic Steamship Line, Inc., Trade Route 11: The former U. S. Maritime Commission approved the application in principle, but it was subsequently modified, requiring further review. The staff was ready to make a recommendation, but the applicant requested that the application not be processed until a question with respect to waivers under Section 804 of the 1936 Act is resolved. A recommendation to the Board with respect to the waivers should be processed soon after commencement of the new fiscal year.

2 and 3. Pacific Far East Line, Inc., and Pacific Transport Lines, Inc., Trade Route 29: The Board issued its decision in April 1952, following public hearings, that Section 605 (c) of the 1936 Act did not bar an operating subsidy contract with either applicant. A report and recommendation to the Board should be submitted early in fiscal year 1953.

4. Bloomfield Steamship Company, Trade Routes 13 and 21: The Board authorized public hearings but no date was fixed.

In addition, there were pending applications from American Export Lines, Inc., Lykes Bros. Steamship Company, Inc., and Grace Line Inc., for increases in the number of subsidized sailings on Trade Routes 10, 22, and 25, respectively. Limitations in the 1953 appropriation act on voyages eligible for subsidy may preclude the Board from disposing of all of the foregoing applications on their merits during fiscal year 1953.

With regard to determining whether subsidized operators have been encountering substantial foreign-flag competition in the operation of passenger and combination ships, traffic information was developed and public hearings were held in connection with American President Lines, Ltd., Trade Route 29; Farrell Lines, Inc., Trade Route 15-A; Grace Line Inc., Trade Route 2; and Mississippi Shipping Company, Inc., Trade Route 14-2 (cargo ships) and 20. These were pending decision by examiners or the Board. The Board also had before it the question of paying a subsidy on the "Good Neighbor" passenger fleet of Moore-McCormack Lines, Inc., for the period May 1949, through June 1951, contingent on whether the company's foreign-flag competition was substantial.

In total there were 1,346 subsidized voyages completed by the 13 subsidized operators. There were no ships over 20 years of age on which operating-differential subsidy was paid, but contingent obligation of approximately \$3,600,000 was accrued for the year in connection with the operation of three ships by Moore-McCormack Lines, Inc., depending on the Board's decision as to whether the company's foreign-flag competition is substantial. A résumé of operating subsidy contracts is given in appendixes H and I.

Construction financing aid without subsidy

An application of Columbia Transportation Company for trade-in allowance on four old ships against the construction cost of two new Great Lakes ore-carriers was denied as the application did not conform with the requirements of law. The Maritime Administration also denied an application from the Wilson Transit Company for mortgage aid in the construction of a tanker for operation on the Great Lakes, for the reason that the applicant had not submitted an acceptable design or demonstrated the economic soundness of the proposed operation. At the close of the year applications were pending from Atlantic Ocean Transport Corporation and Stockard Steamship Corporation for mortgage aid without subsidy in the construction of one oceangoing tanker each.

Construction reserve funds

On June 30, 1952, there remained on deposit in various construction reserve funds of unsubsidized steamship operators a total of \$11,936,000. This included \$1,352,000 committed under a construction contract, \$232,000 committed under a ship acquisition contract, \$10,000 tax-paid interest and profit on security transactions, and \$736,000 in the process of withdrawal.

Extensions of time for committing reserve fund deposits were granted to four companies. Two companies subsequently terminated their funds, electing to pay the required tax. In one instance an extension was granted for completion of construction and the applicable fund was fully disbursed.

Federal ship mortgage insurance aid

There were outstanding three contracts of mortgage insurance, each issued in 1949 in an original amount of \$250,000 in connection with the construction of tuna clippers. The three clippers as a consequence of increased imports of tuna suspended fishing operations for several months and it became necessary, in collaboration with the mortgagee, to negotiate forbearances on a portion of current mortgage installments. Notwithstanding this, the boat owners were able to reduce the balances outstanding to \$445,833.36, which represented the government's contingent liability.

Mortgage insurance premium collections during the fiscal year amounted to \$4,724.27. The deposit thereof in the federal ship mortgage insurance fund increased the balance as of June 30, 1952, to \$22,014.57.

Miscellaneous

On June 16, 1952, the Maritime Administrator approved a policy for processing applications for voluntary deposits by subsidized opera-

tors in capital reserve funds for new construction. The Maritime Administration approved voluntary deposits by American Mail Line, Ltd., Farrell Lines, Inc., Mississippi Shipping Company, Inc., and Moore-McCormack Lines, Inc. Applications of Lykes Bros. Steamship Company, Inc., Seas Shipping Company and American President Lines, Ltd., to make voluntary deposits were pending.

A study was made of waivers granted under Section 804 of the Merchant Marine Act, 1936, as amended, in order to recommend a policy for review of existing waivers and new applications for waivers. The new policy was approved by the Maritime Administrator on January 25, 1952. The only application processed was that of American Export Lines, Inc., for extension of waiver to continue its passenger and freight agency agreement with the Italian Line, which was approved.

Shipping Studies and Reports

Ship, cargo, and labor data

The preparation of ship characteristics cards requested by the North Atlantic Treaty Organization was continued. To obtain accurate data on some 1,300 United States privately owned ships, cooperation of the owners was obtained. These data, combined with similar data covering approximately 2,100 Government-owned ships, will provide the most comprehensive information available on the United States merchant fleet.

A monthly publication entitled *Number of Ships Withdrawn from the Maritime Administration Reserve Fleet* was initiated for the National Shipping Authority. The report reflected by original design type and reserve fleet site, the numbers of ships withdrawn and remaining in each fleet. Also shown was the distribution by design type of those withdrawn; e. g., sold for operation or scrapping, withdrawn for operation, or chartered.

Substantial progress was made in obtaining and processing the backlog of reports required of all ships entering and clearing United States ports in our foreign trade. Some 27,000 of these reports covering dry cargo foreign trade movements for calendar year 1951 were ready for machine processing. Chiefly as a result of emergency shipping operations there was an increasing need for information on seafaring, shipyard, and longshore labor.

Special studies

As a part of a long-range continuing project, a study of United States foreign trade activity was completed for publication, entitled *Partici-*

pation of United States Flag Ships in American Trade, 1921-51. Research was continued on Foreign government shipping and ship-building aids.

Altogether 54 periodic and special reports on shipping and related matters were prepared. Among the more important not described above were the following:

Employment of the United States Flag Merchant Fleet. Monthly. (See appendix J.)

Merchant Fleets of the World. Semiannually. (See appendix K.)

United States Flag Dry Cargo Projected Ship Employment Report. Semi-monthly.

Table of Maritime Collective Bargaining Agreements.

Negotiated Operator-Union Welfare Plans.

Study of foreign ports capable of accommodating the Mariner-class ship.

Trade routes

As a part of an over-all review of the essentiality of trade routes, studies were either completed or well-advanced on Trade Routes 14-1, 14-2, 15-A, 15-B, 20, 22, 29, 30, and 31. Reports were completed of foreign-flag competition encountered in calendar years 1949 and 1950 by United States subsidized operators on essential trade routes. Several traffic analyses on essential routes were made in connection with pending applications for subsidy and Board determinations.

Ship Sales and Transfers

Merchant Marine Acts of 1920 and 1936

Under the authority of the Merchant Marine Acts of 1920 and 1936, as amended, 11 ships were sold during the year. Ten of these ships were for scrapping and one for specialized service. Three damaged ships were abandoned, two to the French Government and one to the British Government. The total return for the 11 ships was \$1,885,102. In addition, the Maritime Administration received \$700 for custody charges, \$22,754 for metallic ballast, and \$10,100 for defaults in contract performance.

Investigation of ship purchasers

In all, seven investigations were conducted to determine whether certain corporate purchasers of ships under the Merchant Ship Sales Act of 1946, as amended, were qualified as citizens. Involved were 72 United States corporations and 13 foreign companies. Four investigations, involving 33 United States companies and 49 ships, were forwarded to the Department of Justice for consideration. That department commenced forfeiture proceedings against one tanker

valued in excess of \$1,900,000. The case was tried in United States District Court but no decision was handed down by June 30, 1952. In two investigations it was determined that the 36 corporations involved met the citizenship requirements. The seventh case was still under consideration.

Transfers to foreign ownership and/or registry

Appendix L summarizes applications approved pursuant to Sections 9 and 37 of the Shipping Act, 1916, as amended. This appendix includes transfers to foreign ownership and/or registry of ships owned by United States citizens and approvals granted to United States shipyards to build ships for foreign corporations. Of the total transferred, 476 were ships of less than 1,000 gross tons, such as tugs, barges, fishing ships, and pleasure craft. The remaining 81 were ships of 1,000 gross tons and over.

To obtain new ships to replace the present fleet, the Maritime Administration relaxed its policy on the transfer of war-built ships to foreign ownership. Certain proposals were submitted by United States shipowners to construct in the United States for operation under United States laws modern high-speed tankers contingent on the transfer to foreign ownership and registry of ships of equivalent tonnage. The Maritime Administrator approved in principle, with conditions, 10 such proposals for construction of 15 tankers and transfer to foreign ownership and registry of 43 ships. Only one proposal was formalized; for construction of two tankers of 29,000 deadweight tons and transfer to foreign ownership of six Liberty ships.

There was little activity in applications for the transfer to foreign ownership and registry of oceangoing ships. Applications approved were with conditions which guaranteed (1) availability of the ship to the United States, if required; (2) its operation in accordance with Department of Commerce Transportation Orders T-1 and T-2; and (3) control over subsequent changes in ownership.

During this period 22 applications were denied, but three of them were subsequently approved. Twenty-four cases of violation of Sections 9 and 37, Shipping Act, 1916, as amended, were reported to the Department of Justice for appropriate handling. Most of them involved craft of less than 1,000 gross tons.

New construction

The Maritime Administrator approved contracts by United States shipyards to construct 30 tankers (two approximately 45,000, the others approximately 30,000 deadweight tons each) for foreign corporations and foreign registry, on the conditions outlined in the previous section. These conditions remain in force for 15 years from delivery of each ship.

Mortgages and charters to aliens

During the fiscal year applications were approved for a foreign-controlled United States corporation to take a mortgage against six privately owned ships, which remained under United States ownership and flag.

The Maritime Administration approved 835 single voyage charters to persons not citizens. Approval was also granted of 36 charters to aliens for a period in excess of one year. Of this number, 15 covered small craft of less than 1,000 gross tons. Eight charters to aliens were disapproved.

Surrender of marine documents

During the year 551 applications were approved for the surrender of the marine documents of United States-flag ships covered by preferred mortgages, for the purpose of change in tonnage, name, home port, ownership, etc.

Maritime Labor Relations

Seamen

Shortages of seamen, particularly radio officers, increased in the latter part of 1951 to such an extent that the Maritime Administration and other Federal agencies appealed successfully to the Federal Communications Commission to relax regulations on licensing holders of expired radio-telegraph licenses. The necessity for key personnel to man general agency ships became so acute that a program was set up for release by the Army of men who were in maritime service at the time of induction. To further relieve the situation, the United States Coast Guard permitted limited employment of alien licensed officers.

The reactivation of many additional Government ships resulted in shortages of personnel and caused increasing delays in sailings. In January 1952, the Maritime Administration called conferences of maritime unions and other Government agencies to find a remedy for the shortage. The subjects discussed were the draft deferment program, Army release program, reemployment rights for seamen, United States Coast Guard waivers, training and upgrading of seamen, recruitment of entry ratings, and unions' rules regarding permit men. The conferences ended in agreement to cooperate in the programs. Then shipping requirements lessened, and as ships were laid-up shortages in manpower disappeared.

In the maritime labor field several strikes occurred. The Marine Engineers Beneficial Association called a strike July 17, 1951, against Isthmian Steamship Company. Principal cause of the dispute was

refusal of the company to use hiring halls for engineers below the rating of first assistant engineer. Picketing of Isthmian ships took place on all coasts, but was most effective on the Gulf and west coasts, after the company signed a contract with the Brotherhood of Marine Engineers, A. F. of L. Picketing ceased when an injunction was issued.

On the east coast, a work stoppage of the International Longshoremen's Association occurred in October and November 1951. A New York Board of Inquiry recommended that (1) the agreement negotiated by the union be recognized, (2) a permanent arbitrator for the Port of New York be appointed with the power of final decision, and (3) a fact-finding board be selected to hear complaints of individual members against the Association. The CIO maritime unions on the east coast reopened their agreements with the American Merchant Marine Institute, representing the ship operators. When no agreements were reached, the cases were submitted for arbitration and were still being considered.

On the west coast, the National Union of Marine Cooks & Stewards had its labor agreements with the Pacific Maritime Association cancelled by the National Labor Relations Board. The Sailors Union of the Pacific reopened its agreement with the Pacific Maritime Association. When negotiations failed to reach an agreement, a strike was voted. It began May 26, 1952, and was still in effect at the end of June 1952. Members of the International Longshoremen's and Warehousemen's Union on the west coast received a wage and welfare fund increase.

During the fiscal year, seafaring personnel declined from approximately 105,375 to 78,000.

Shipyard labor

The only strikes of shipyard labor occurred on the Gulf coast. In the Todd-Johnson shipyard in New Orleans and the Alabama Dry Dock Company shipyard in Mobile the Industrial Union of Marine and Shipbuilding Workers of America called strikes. These were settled by an increased wage scale of \$1.80 per hour for skilled mechanics. The Gulf District Metal Trades Council called a strike against a number of Gulf coast shipyards to secure a wage increase, and an increase to \$1.87 per hour was approved for skilled mechanics.

Wage increases were granted by agreement to employees of Maryland Dry Dock Company and Sun Shipbuilding and Dry Dock Company. Bethlehem Steel Company, Shipbuilding Division, whose agreement with the Industrial Union of Marine and Shipbuilding Workers of America covering its eight Atlantic coast shipyards had been extended several times, continued negotiations for a new agreement. Other shipyards having agreements with the same union were awaiting the Bethlehem settlement.

West coast shipyards whose employees were affiliated with the

A.F. of L. granted a wage increase, raising to \$1.98 per hour the wage for skilled mechanics, covering both ship repair and construction. This erased the former wage differential which existed in favor of the repair industry. The National Labor Relations Board ordered an election to determine whether the Pacific Coast District Metal Trades Council would continue as bargaining agent for A.F. of L. ship-building unions in west coast shipyards, or whether the Machinists' and Carpenters' Union memberships could do their own bargaining. Two elections were held and the Machinists' and Carpenters' Unions won. For that reason these two unions withdrew from the Council following the elections. When the Pacific Coast District Metal Trades Council met with industry in May 1952, they agreed on a 15-cents per hour increase, raising mechanics' wages to \$2.13 per hour, subject to Wage Stabilization Board approval.

Employment in private ship construction and repair yards increased sharply from 70,137 on June 30, 1951, to an estimated 137,000 at the end of June 1952.

Maritime Training

Cadet-midshipmen

During the fiscal year there was an average of 1,026 cadet-midshipmen, including 39 Filipinos and six Latin-American cadets, in training in the United States Merchant Marine Cadet Corps. During the year 140 cadet-midshipmen successfully completed the 4-year course of instruction. With the exception of one Latin-American graduate, all received United States merchant marine officers' licenses, issued by the United States Coast Guard, as third mates or third assistant engineers of ocean ships. They also received the bachelor of science degree and commissions as ensigns in the United States Naval Reserve and the United States Maritime Service.

The former United States Merchant Marine Cadet School at Pass Christian, Miss., closed by the Maritime Administration in 1950, was transferred to the Department of the Navy by Public Law 316, Eighty-second Congress.

The Ninth Congressional Board of Visitors made its annual inspection of the United States Merchant Marine Academy at Kings Point on April 21, 1952. The following Senators and Representatives were designated to serve as members: Senators Russell Long, Louisiana; Irving M. Ives, New York; Herbert H. Lehman, New York; Edwin C. Johnson, Colorado; and Representatives Eugene J. Keogh, New York; Henry J. Latham, New York; Herbert C. Bonner, North Carolina; Edward A. Garmatz, Maryland; Alvin C. Weichel, Ohio; and Edward J. Hart, New Jersey. The Board, in the Congressional

Record, reported its admiration of the high morale, spirit, and standards maintained at the Academy.

In March 1952, the fifth meeting of the Academic Advisory Board was held at the Academy. The Board was composed of: Dean A. R. Davis, University of California; President Emeritus Homer L. Dodge, Norwich University; Reverend Edmund A. Walsh, S. J., Regent, School of Foreign Service, Georgetown University; President John C. Adams, Hofstra College; Professor L. B. Ryon, Head, Civil Engineering Department, The Rice Institute; Vice Admiral H. W. Hill, U. S. N., Superintendent, United States Naval Academy; and Vice Admiral James Pine, U. S. C. G. (Ret.), Superintendent, United States Coast Guard Academy, 1940-47. The Board had not made its report.

The State Maritime Academies, at Vallejo, Calif., Castine, Maine, and Hyannis, Mass., and the New York State Maritime College, Fort Schuyler, N. Y., had an average of 647 cadet-midshipmen in training in Federal pay status during the fiscal year and 230 officers, 25 of whom were over-quota and not in a pay status, were graduated. These graduates also received United States merchant marine officers' licenses as third mates and third assistant engineers, the bachelor of science degree, and commissions as ensigns in the United States Naval Reserve and the United States Maritime Service. The cadet-midshipmen of the California and Massachusetts Maritime Academies and the New York State Maritime College were given annual training cruises. The cadet-midshipmen of the Maine Maritime Academy could not be cruised because of pending repair or replacement of their training ship. Under the appropriation act 1952 the \$65 monthly allowance to cadet-midshipmen of the State Maritime Academies was eliminated. In lieu of this allowance, Congress appropriated funds for an allowance of \$200 per annum for uniforms and textbooks and \$275 per annum for subsistence.

United States Maritime Service

The United States Maritime Service continued upgrading, refresher, and specialist courses at Sheepshead Bay, N. Y., and Alameda, Calif. To alleviate the shortage of radio operators aboard ship which existed at the turn of the year, a refresher course was instituted at Sheepshead Bay on January 4, 1952, for former marine radio operators who had allowed their licenses to expire. During the course 545 interested men contacted the Maritime Administration and 64 completed the training and successfully obtained renewals of their Federal Communications Commission licenses.

In addition to the regular training for steward's department personnel, special training of steward's department personnel for the SS

United States, in which the government, management, and labor cooperated, was commenced on May 19, 1952, and 645 completed training. Lifeboat training was provided for 827 civilian employees of the Military Sea Transportation Service to qualify seamen for United States Coast Guard certificates of lifeboatmen. The loran and radar operational schools in New York City and Alameda, Calif., issued 385 completion certificates. Upgrade and refresher training was given to 2,688 officers and seamen. During the fiscal year 4,609 men in all were trained by the United States Maritime Service. No new seamen were trained to fill unlicensed skilled positions.

High-pressure geared turbine training at Sheepshead Bay was increased during January and February, the off season in Great Lakes shipping, to accommodate seamen from the Great Lakes. Great Lakes seamen were also trained in cooking and butchering. The former training station at St. Petersburg, Fla., was continued in custody status.

During the year there was a course enrollment of 7,507 in the United States Maritime Service Institute, Sheepshead Bay, N. Y., which conducted correspondence courses for men at sea in deck, engine, and basic radio subjects; 1,211 courses were completed. The Institute initiated the first correspondence course dealing with theory, maintenance, and servicing of shipboard radar on August 1, 1951. The Institute also added a course entitled "Basic Arithmetic and Record-keeping for Cooks, Bakers and Stewards."

Medical program

The Maritime Administration's medical program, in cooperation with the United States Public Health Service, included medical and dental treatment for enrollees of the United States Maritime Service and cadet-midshipmen of the United States Merchant Marine Cadet Corps and emergency rooms at reserve fleets. Health records were maintained on enrollees, cadet-midshipmen, and seamen and clinical information therefrom was made available to individuals, attorneys, shipping companies, Federal agencies, and others submitting proper authorization.

Seamen awards and services

During the fiscal year, 10,135 decorations, medals and awards were made to merchant seamen, and 349 Certificates of Substantially Continuous Service were issued. Comprehensive information, bulletins, and instructions on absentee voting for members of the merchant marine and franked post card applications for absentee ballots were circulated to shipping commissioners, steamship owners, operators and agents, maritime unions, and seamen's institutes.

Property and Supply

Shipyards

The maintenance and security program was continued at four Government-owned reserve shipyards at Wilmington, N. C.; Richmond and Alameda, Calif.; and Vancouver, Wash. A program to deputize, train, and arm guards at the shipyards was largely completed.

The lease with the North Carolina State Ports Authority for approximately 50 acres of open land at the North Carolina shipyard was continued. The state completed construction of large twin transit sheds and commenced commercial operations. A lease was consummated with the Babcock & Wilcox Company for the fabrication building and certain areas at the shipyard, which will assist completion of Mariner ships, as the company has ship boiler contracts for ten of them.

At the Richmond shipyard licenses and permits were continued for housing of the Contra Costa Junior College, berthing of Military Sea Transportation Service ships, and to the Travis Air Force Base for installation of a radio transmitter, the Maritime Administration being reimbursed for utilities used. The machine shop was leased to the Moore Industrial Company under the sponsorship of the Department of the Navy. Annual lease revenue was \$42,900, plus payment for utilities used.

At the Alameda shipyard leases to the Oceanic Steamship Company were continued for the berthing of the SS *Mariposa* and SS *Monterey* and for the storage of certain basic equipment for those ships. Annual lease revenue was \$46,120, plus payment for utilities used. At Vancouver a permit to the Bonneville Power Administration was continued for use of a building and certain open land.

Leases and temporary loans of machine tools and equipment not immediately obtainable from manufacturers were made from the shipyards to shipbuilders and national defense contractors. Portions of the North Carolina and Richmond shipyards were permitted to the Department of Defense for reserve training purposes.

A fund of \$160,000 was advanced to the Army Corps of Engineers to undertake a study, and develop designs, plans, and specifications of the North Carolina shipyard. This otherwise excellent shipyard cannot build the new Mariner-class or T5 tanker ships due to shipway size limitations. It is proposed to redesign the shipways, the out-fitting piers, and the yard transportation system. These plans, when completed, will be held for use should it become necessary to reactivate the shipyard and will serve as a model for Government construction of any additional shipyards required.

Terminals

Government-owned terminals under the custody of the Maritime Administration were devoted to the movement of import and export goods. Of eight berths at Boston, Mass., one was used exclusively by the Army; the substructure of three berths was under repair, so only partial use was possible for commercial cargo; the remaining four berths were used exclusively for commercial cargo. Terminals at Hoboken, N. J., and Philadelphia, Pa., handled exclusively commercial cargo. Although the major portion of the Norfolk, Va., terminal was used by the Department of Defense, it cooperated in maintaining some movement of commercial cargoes. A 50-year lease of the Hoboken terminal was being negotiated with the city of Hoboken, with a simultaneous sublease to be made to the Port of New York Authority. This should result in development of the obsolete piers, acquired by the Government after World War I, as a modern marine terminal.

The Government earned during the year a total of \$1,034,118 from the commercial leasing and other income of its terminals, resulting in net revenue of approximately \$443,438. The program of maintenance and improvement was continued at all terminals to insure their readiness for emergencies. In addition ground rent of \$153,000 was received for the Hog Island properties from the city of Philadelphia.

Field warehouses

The Maritime Administration continued operation of Government-warehouses at Hoboken, N. J.; Baltimore, Md.; Norfolk, Va.; New Orleans, La.; and Richmond, Calif. In addition, because of the large number of ships operated in the Pacific Northwest area, it was necessary to activate for limited use the sub-warehouse at Vancouver, Wash. One sub-warehouse at Wilmington, N. C., was used to store inactive materials. The warehouses provided storage of marine equipment required in emergencies for the reactivation, construction, repair, and operation of ships.

During the year these warehouses supplied \$7,450,000 of marine equipment for the activation and operation of ships. When the spring reversal of ship operations occurred, materials stripped from nearly 500 ships were returned to the warehouses. This created a sizable program of work on June 30, 1952, requiring segregation, checking, recording, and warehousing. The warehouse inventories of marine equipment and supplies increased during the year from \$42,041,000 to \$42,472,000 and should increase further when all materials have been recorded.

Material control and disposal

At the beginning of the year there remained \$714,368 worth of material for determination as to disposition. During the year

\$17,413,611 was reported from off-site locations and warehouses, making a total of \$18,127,979 to be identified, segregated, and processed for utilization, retention, or disposal. Of this there remained \$5,001,659 at the close of the period.

Personal property reported for disposal under Public Law 152, Eighty-first Congress, had a reported cost of \$9,027,191. Of this, property valued at \$616,621 was declared to the General Services Administration and property valued at \$1,261,167 was transferred to other Government agencies, donated to educational institutions and public bodies, and abandoned or destroyed. Property with a reported cost of \$7,311,698 was sold.

A widespread effort was made to contract for the salvage of sunken ships, to obtain monetary return to the Government and valuable scrap and cargo. To date, 18 sunken hulks had been offered for sale, and contracts were under negotiation for the salvaging of four ships.

Acting as the claimant agency for commercial shipyard facilities construction, the Maritime Administration presented requirements for controlled materials to the Defense Production Administration and received allocations from that agency. During the year it was possible to approve all requests for facilities construction.

Port development

In cooperation with the Department of the Army, Board of Engineers for Rivers and Harbors, the following Port Series volumes were completed: *Port Series No. 30, the Ports of San Francisco and Redwood City, Calif.*; *Port Series No. 31, The Ports of Oakland, Alameda, Richmond and Ports on San Pablo, Carquinez Strait and Mare Island Strait, Calif.*; *Port Series No. 32, The Ports of Stockton and Sacramento, Calif.* At the close of the year the following were in process: *Port Series No. 33, The Ports of Astoria, Oreg., and Longview and Vancouver, Wash.*; *Port Series No. 34, The Port of Portland, Oreg.*; *Port Series No. 35, The Ports of Tacoma, Grays Harbor and Olympia, Wash.*; *Port Series No. 36, The Port of Seattle, Wash., and Port Series No. 37, The Ports of Everett, Bellingham and Port Angeles, Wash.*

Under increased pressure from interested Government agencies, the scope of the port inventory and capacity program undertaken by the Maritime Administration at the direction of the National Security Resources Board was broadened to include terminals capable of accommodating smaller coastal ships. A comprehensive program, in collaboration with other Government agencies, was initiated to study selected port areas to determine the problems in keeping alive selected alternate ports. A proposal was initiated with the National Academy of Science to coordinate efforts of Government groups toward improved handling of cargo and loading and discharging of ships.

Inventories

There were 995 inventories accomplished and inventory certificates for consumable stores were processed in the amount of \$1,825,080.34 as accounts receivable and \$2,082,087.65 as accounts payable. Certificates of overages and shortages were processed in the amount of \$601,137.36 as accounts receivable and \$853,158.21 as accounts payable. Inventory certificates processed in connection with general agency operations and other inventories totaled 169.

Domestic freight traffic

Approximately 2,320 transportation vouchers were processed in the amount of \$468,173. Over 2,520 Government bills of lading were issued; approximately \$31,883 was recovered from claims for loss and damage. Special rate agreements were made with various rail and motor carriers for reductions in rates for specific movements, thereby saving about \$14,000 in transportation costs.

Purchasing

Procurement during the first 7 months of the fiscal year increased to a marked degree in connection with outfitting equipment and repair materials for ships withdrawn from reserve fleets for operation. During the remaining 5 months purchasing for operating ships consisted primarily of spares, repair materials, and special equipment. Withdrawal of ships from operation for lay up during the last quarter, required considerable procurement of services necessary to return of the ships to reserve fleets.

Purchasing of Government-furnished material and equipment items and propulsion spares for the first 23 Mariner ships under construction was completed. Purchasing was continued for materials, supplies, equipment, and services required in the repair, maintenance, and operation of the reserve fleets, reserve shipyards, terminals, and training stations, and for administrative offices. To accomplish all of this procurement 27,443 purchase orders, totaling \$18,563,428, were issued.

Industrial mobilization

Pursuant to the Munitions Board's industrial mobilization planning program, the scheduling of requirements for material and equipment needed in an all-out emergency was accelerated. During the year, 121 requests for registration of the Maritime Administration as claimant on the productive capacity of industrial facilities were made. Requirements were submitted to 354 firms and planning was completed with 193. Production schedules were made covering approximately 1,200 end items. One hundred sixty-seven meetings with management of industry and other Government claimant agencies were held, with plant facility surveys in each instance.

During the year 32 applications were received for certificates of necessity for tax amortization of defense facilities, as authorized in the Internal Revenue Code. Of these, 16 were recommended to the Defense Production Administration for approval, 12 were denied, and 4 were being processed. There was in process one application for a direct loan under the Defense Production Act of 1950, which authorized the Reconstruction Finance Corporation to approve loans to business enterprise for the expansion of productive capacity and supply.

PERSONNEL

There was a slight increase in the number of administrative personnel as a result of requirements of the National Shipping Authority and a decrease in reserve fleet personnel. There was a net decrease in total personnel of approximately 7.6 percent, as indicated by the following tabulation:

Fiscal years ending—	Adminis- trative	Maritime Service		Ware- houses, terminals, and ship- yards	Reserve fleets	Total
		Nonuni- formed	Uni- formed			
June 30, 1951.....	1,974	73	527	1,306	11,590	4,470
June 30, 1952.....	2,032	64	491	435	1,107	4,130
Change.....	+58	-9	-36	1+130	1-483	-340

¹ Terminals personnel were included in the column with reserve fleet personnel in the 1951 report.

Safety

Safety activities included promulgation of a comprehensive accident-prevention program for ship operations under general agency agreements and preparation and distribution of safety standards to implement this program; civil defense and fire organization plans were completed; and first aid training was provided for a group of employees in Washington, D. C., adequate to serve in the event of a disaster.

The incidence of disabling injuries among employees was approximately nine in each million hours worked. This was a reduction of 42 percent from the previous fiscal year when approximately 16 employees met with disabling injuries in each million hours worked. This marked the third consecutive year of improvement in the injury rate. Fires were kept to a minimum, with only one reported during the fiscal year.

FINANCE

Internal audits and procedures

During fiscal year 1952 desired progress in staffing the internal audits and procedures organization was not achieved because of difficulties in recruiting personnel which could meet the high standards established. As a result of these difficulties, the staffing plan was revised to provide for internal promotions and recruitment of trainees at the lower grades. This will provide the strength required, but will postpone the date on which a balanced staff will be available.

Three major sections of the *Comptroller's Manual of Procedures* were developed and numerous temporary procedures were devised to improve and simplify the accounting processes. In the internal audit area, considerable progress was made in examining administrative accounting processes.

Accounting

On June 30, 1952, regular accounting work was current. During the year emphasis was placed on elimination of backlogs and improvement of methods.

One area of concern, the liquidation of accounts of the 206 agents under War Shipping Administration agreements, was vastly improved. As of June 30, 1952: (1) The records of all 206 agents had been closed; (2) audits by the General Accounting Office had been completed except for 37 agents; and (3) of the 37 agents' accounts not audited, the Maritime Administration had partially settled 6, was ready to settle 26, and required further analyses in 5.

In connection with National Shipping Authority operations, it is expected that the majority of liquidation efforts will be concluded within 12 months after redeliveries of the ships. Except for unusually difficult insurance claims and accounts of seamen, it is expected that agents will clear the majority of accounts receivable in 6 to 12 months following ship redeliveries.

A program for the preparation of commercial-type financial statements was completed, and there were being issued on a quarterly basis balance sheets and statements of operations for the Maritime Administration as a whole and for the National Shipping Authority. In addition, a monthly statement of the ship operating revolving fund was being prepared.

Auditing

The principal normal audit workloads result from operating-differential subsidy agreements, bareboat-charter agreements, and construc-

tion contracts. Only prime construction contracts were being audited on a current basis. Accumulations of audit workloads which resulted from personnel reductions of prior years were being reduced through revised audit procedures and programs.

From the inception of general agency operations under the National Shipping Authority, it was planned to keep accounting and auditing matters current. Since services were reimbursable from the vessel operating revolving fund, an adequate staff was provided, and by June 30, 1952, was performing agency audits on a current basis.

During the fiscal year, 478 subsidy, charter, and construction audits were completed, leaving 431 to be accomplished, of which 151 were in various stages and 280 were yet to be undertaken. Of the latter, 99 could not have been undertaken because accountings had not been submitted by the operators. Additional audits included those of 48 general agents and subsidizable expenses of 13 operators. Additional recoveries for the Government because of audits aggregated \$2,444,944.42.

Insurance

On June 30, 1952, there remained, to complete the marine war risk insurance program authorized by title XII, Merchant Marine Act, 1936, as amended, certain arrangements, including agreement as to fees to be paid to and accounting duties of the underwriting agent and publication in the Federal Register. An agreement was entered into with the National Automobile and Casualty Insurance Company, Los Angeles, Calif., to insure protection and indemnity risks on ships allocated to general agents and such insurance was in effect at the close of the fiscal year.

Under the recapture provisions of wartime insurance agreements, there had been recovered from the underwriters \$52,500,000, including recoveries in fiscal year 1952 of \$1,400,000. On June 30, 1952, the underwriters held \$13,214,367 in their reserves for unsettled claims.

Under its self-insurance program, the Maritime Administration continued to underwrite war risk hull and protection and indemnity insurance on ships chartered to citizens and the Military Sea Transportation Service, and also underwrote casualty insurance required under a contract between the Department of the Army and a transportation contractor. The Military Sea Transportation Service and the Department of the Army will reimburse the Maritime Administration for losses under this insurance. Other insurances under the self-insurance program included builder's risk insurance on the Mariner-type ships and marine hull risks on ships assigned under general agency agreements.

Under its insurance compliance program the Maritime Administration approved original insurance or renewals obtained in commer-

cial markets by mortgagors, charterers, and subsidized operators as shown in the following table:

Kind of insurance	Amount	Percentage in American market	
		Fiscal year 1951	Fiscal year 1952
Marine hull.....	\$1, 894, 289, 386	33	40
Marine protection and indemnity....	1, 328, 673, 566	28	40
War risk hull.....	3, 836, 604, 140	1. 6	6
War risk protection and indemnity..	3, 171, 780, 498	1. 6	7

For all types of insurance the percentage placed in the American market during fiscal year 1952 increased.

Analysis of financial statements

Financial and operating statements received with applications to purchase war-built ships under assumption of mortgage agreements, to charter ships, or to purchase ships with mortgage aid were analyzed to determine that the purchasers or charterers were financially qualified. Statements received periodically thereafter were examined to determine violations of financial limitation provisions.

Financial and operating statements submitted annually by subsidized operators required analysis with respect to capital necessarily employed in the business, deposits in statutory reserve funds, and excess profits subject to recapture. These statements were also used in the review of applications for payments on account of operating-differential subsidy and notices of dividend declarations.

Financial statements submitted quarterly by bareboat charterers were analyzed for compliance with requirements as to capital necessarily employed and preliminary payments of additional charter hire.

Reserve funds of subsidized operators

At the beginning of the fiscal year the amount on deposit in reserve funds totaled \$48,125,031.91 in the capital reserve fund and \$39,560,066.89 in the special reserve fund. The amounts on deposit in both funds on June 30, 1952, are shown in appendix M. Deposits into the capital reserve fund exceeded withdrawals (covering payments on the purchase of ships, mortgage indebtedness, and reconversion costs) by \$16,321,911.42. Deposits into the special reserve fund exceeded withdrawals by \$11,537,839.76. In addition to transfers of \$2,386,917.75 to the capital reserve fund, withdrawals from the special reserve funds included payment of \$412,370.98 to the Maritime Administration on account of excess profits subject to recapture, and \$132,434.65 withdrawn under Section 607 (c) of the Merchant Marine Act, 1936.

Claims

Continuous effort was expended toward disposing of the large number of claims for and against the government arising from activities of the former U. S. Maritime Commission and War Shipping Administration. The inventory of unlitigated claims in the Maritime Administration on June 30, 1951, consisted of 3,808 claims with a claimed value of \$56,930,376. During fiscal year 1952, 1,691 new claims, involving \$16,714,716, were received. Claims disposed of totaled 3,046 and involved \$10,580,334 in favor of the United States, and \$18,555,792 against the United States, leaving an inventory on hand of 2,453 claims totaling \$44,508,966 on June 30, 1952. In addition, there were 1,257 claims in litigation amounting to \$324,624,946, on which all administrative action had been completed and which had been referred to the Department of Justice. Recovery on claims in favor of the United States averaged 47 percent; claims against the United States were settled for approximately 37.7 percent of the claimed value. Appendix N shows claims on hand June 30, 1952, and claims settled under the Suits in Admiralty Act.

The number of ships for which applications had been filed for adjustment of prior sales to citizens under Section 9 of the Merchant Ship Sales Act of 1946 was 204, of which applications covering 13 ships were subsequently withdrawn, leaving applications covering 191 ships. As of June 30, 1952, adjustments had been approved for 179 ships; adjustments covering 16 ships were approved during the fiscal year. Adjustments for the remaining 12 ships were being processed.

Legal Activities

Legislation

The Eighty-second Congress enacted, of interest to the Maritime Administration and the Federal Maritime Board, amendments to the Defense Production Act of 1950, the Defense Production Act Amendments of 1952, a joint resolution to terminate the state of war between the United States and Germany, the Mutual Security Acts of 1951 and 1952, the Mutual Defense Assistance Control Act of 1951, extension of Title II of the First War Powers Act, and Public Law 586, the so-called long-range shipping bill.

The long-range amendments were intended to meet some of the construction and replacement problems of the merchant marine which have been under almost continuous study since World War II, but the enactment omitted action with respect to tax benefits for merchant

shipping. The Congress directed a further study of the tax problems and that study was well-advanced. It also enacted legislation to continue certain temporary shipping authorities, including the transportation of grain and iron ore on the Great Lakes by Canadian ships, Alaskan shipping services by Canadian ships, additional periods for commitment of construction reserve funds (Section 511 of the 1936 Act), continuation of the Philippine charters for another year, and authority for interdepartmental transfer of Government ships without reimbursement.

Congress clarified the status of certain World War II enactments which would otherwise have been affected by the termination of World War II and World War II national emergencies. The Emergency Powers Continuation Act continued in operation during the current emergency, but not beyond April 1, 1953, the emergency and defense authorities contained in Public Law 101, Seventy-seventh Congress. Public Law 45, Eighty-second Congress, provided for the application of the provisions of Public Law 17, Seventy-eighth Congress, to the employment of seamen by the National Shipping Authority.

While numerous bills were introduced to reopen sales under the Merchant Ship Sales Act of 1946, none were enacted. Congress also refused to act on a proposal to transfer certain functions in respect of seamen's wages and working conditions to another department.

Several legislative proposals submitted by the Maritime Administration with Presidential approval remained undisposed of at the adjournment of the second session. Among these were legislation to establish ship warrants control of United States and allied shipping in the event of war, legislation to provide seamen employed in the National Shipping Authority operating program with certain benefits available to seamen on private ships, perfecting amendments to the ship insurance powers of the Maritime Administration, and bills to exempt Government-operated merchant ships from payment of customs duties on repairs made abroad.

Contracts

The most important legal opinion related to the construction subsidy contract of the former U. S. Maritime Commission with United States Lines Company covering the SS *United States*. On March 25, 1952, the General Counsel of the Board and the Maritime Administration and the Solicitor, Department of Commerce, jointly rendered an opinion to the Secretary of Commerce that the contract for the sale of the SS *United States* was legal and binding. However, on April 21, 1952, the Comptroller General ruled that he did not regard the contract as binding. Following a legal opinion that the Government would not be estopped nor its rights waived by consummation of the sale, the ship was delivered to the United States Lines Company.

At the close of the fiscal year, all operating-differential subsidy

agreements covering the resumption of subsidized operations had been executed. Subsequent to the delivery of the SS *United States*, an interim addendum to the SS *America* operating-differential subsidy agreement was executed to incorporate the SS *United States*.

Agreements and collateral documents were prepared in connection with the construction of 14 modern high-speed tankers in consideration of the transfer to foreign ownership and registry of older ships, principally Liberty-type. Some of these transactions involved the establishment of construction reserve funds under Section 511 of the Merchant Marine Act, 1936, and withdrawals therefrom for the construction of the new tankers. Legal work in connection with new ship construction included a contract, in the amount of \$47,465,000, for five additional Mariner ships. Bareboat charters were prepared for two passenger liners, SS *President Cleveland* and SS *President Wilson*, and for the SS *Schuyler Otis Bland*.

Among the more important real property documents were those involving the lease of Hoboken Piers to the city of Hoboken and sublease to Port of New York Authority riparian rights of the City and State of New York at Sheepshead Bay; and contract permitting construction and maintenance of a gas pipeline beneath the Hudson River Reserve Fleet.

Special consideration was given to delivery problems resulting from reactivation of the reserve fleet for Korean service, and to authority to sell or charter the new Mariner-type ships. Other important legal work included services in connection with the Federal Maritime Board's hearings and redetermination of the sales prices of the SS *Independence* and the SS *Constitution*. Also, services were performed in connection with the Government's war risk insurance program. In addition a variety of contract forms and collateral documents were prepared in connection with subsidy activities, ship sales and transfers, ship operations, real estate, financial activities, and administrative proceedings.

Admiralty, insurance, and labor law

The backlog of War Shipping Administration admiralty and insurance claims for ship damage, seamen's death and injury, and other marine hull and protection and indemnity insurance claims was substantially decreased. Public Law 877, Eighty-first Congress, extending the time within which seamen on general agency ships who had brought suit against War Shipping Administration agents, might institute suit against the United States in accordance with the decision of the Supreme Court in *Cosmopolitan Shipping Co., Inc., v. McAllister*, caused an influx of seamen's suits which were still pending in various courts. General agency operations during this period resulted in a variety of ship damage, collision, general average, protection and indemnity, and seamen's claims.

Perhaps the most important court decision during the year in the field of admiralty law was that of the Supreme Court in the *Nathaniel Bacon-Esso Belgium* collision case. It was held that the "both to blame" clause in the Government standard bill of lading as well as in the bills of lading of private operators is void. A substantial number of cases arising out of War Shipping Administration operations will be affected by this decision and it is estimated that invalidity of the provision will result in loss to the Government of one million dollars. Claims of perhaps \$10,000,000 had been held in abeyance pending this decision.

The "overtime-on-overtime" test cases, *Aaron et al. v. Bay Ridge Operating Co., et al.* and *Blue, et al. v. Huron Stevedoring Co.*, were on appeal from the decision of the District Court, which was favorable to the defendants and relieved the Government of a substantial potential liability of reimbursement under War Shipping Administration cost-plus-fixed-fee contracts. A series of overtime-on-overtime cases entitled *Iocono, et al. v. American Stevedores, Inc.* and other defendants was dismissed by the District Court for lack of prosecution. With the affirmance by the Court of Appeals for the Ninth Circuit of the decision of the District Court in *Moss, et al. v. Hawaiian Dredging Co., et al.*, upholding the constitutionality of the Overtime-on-Overtime Act, all overtime-on-overtime cases pending in the district courts on the west coast were dismissed.

A working arrangement was developed with the National Labor Relations Board with respect to its jurisdiction of general agency seamen in proceedings involving representation and labor practices.

Claims and renegotiation

Settlement agreements were prepared involving disputed claims arising under U. S. Maritime Commission ship construction contracts, War Shipping Administration general agency agreements and cost-plus contracts, the Merchant Ship Sales Act of 1946, etc. Ship construction contracts which were settled exceeded three billion dollars.

Some of the more important legal opinions rendered involved the right of foreign governments to retroactive revision of charter hire rates under "bare-boat-out and time-charter-in" charters; the liability of cargo for harbor dues in foreign ports; the claim of charterers of Government ships for ship expense and hire allocable to the Government's repair of latent defects; and the effect of statutes of limitations on claims of contractors and their rights to recoupment of stale claims as a set-off against Government claims. A number of cases were tried before the Office of Contract Settlement, General Services Administration, and presented to the Subcommittee on Claims of the House Judiciary Committee.

At the close of the fiscal year, 34 petitions filed for redetermination of excessive profits amounting to \$13,331,510 remained pending be-

fore the United States Tax Court on appeal by contractors from the determinations of the former Maritime Price Adjustment Board and Contracts Price Adjustment Board. In *California Eastern Line, Inc. v. Chairman of the United States Maritime Commission*, Docket No. 870-R, the Tax Court held that the charter was not subject to the renegotiation act on the ground that it was a British rather than an American contract. An appeal by the Government from this decision was pending.

General litigation

The settlement of the protracted Dollar line litigation, which was ratified by the Attorney General, provided for sale of the 100,145 shares Class A and 2,100,000 shares Class B common stock which were the subject of the litigation and an equal division of the proceeds, provided the same exceed \$14,000,000, and in the event of no sale, an equal division of the stock between the Dollar interests and the Government.

A settlement was also concluded with the Oceanic Steamship Company and Matson Navigation Company of the long-disputed controversy arising out of War Shipping Administration charters of the SS *Mariposa* and SS *Monterey*. Suit had been instituted in the Court of Claims for recovery of \$13,346,204 claimed for restoration of the ships to their prior condition as passenger ships. The settlement, concurred in by both the Attorney General and the Comptroller General, provided for payment by the Government of \$2,826,778 and purchase by the Government of the SS *Monterey* for \$3,097,925 and a similar purchase of the SS *Mariposa* by the Matson Navigation Company.

Just compensation claims against the United States, brought in the Court of Claims involving five Danish ships, were settled by consent decree for approximately \$2,800,000. American-Hawaiian Steamship Company claims for requisition of its ships involving approximately \$46,000,000 remained pending. In *American-Hawaiian Steamship Co. v. United States*, which involved the SS *Alaska*, the Supreme Court denied certiorari on the Government's appeal from the decision of the Court of Appeals, which affirmed the District Court's determination of value. In *DeLaRama SS Company v. United States*, now on appeal by the Government, an issue was presented casting doubt on the jurisdiction of the District Court in cases brought to recover the value of ships insured by the War Shipping Administration pursuant to Section 225, Merchant Marine Act of 1936, as amended, which was repealed without a saving clause for pending cases. *A. II. Full Co., Inc. v. United States*, involved the claim by the owner for additional charter hire and compensation for total loss under an amendment to the charter and War Shipping Administration General Orders. The District Court held that the owner was not entitled to additional hire and compensation on the ground that the ship had not been

chartered under Section 902, Merchant Marine Act, 1936, such charters being the only ones to which War Shipping Administration General Orders were applicable.

Regulation of Carriers

A slackening by the end of the year in demand for ship space was first felt in the charter market, but if continued, berth services will also be affected. A continuation of high operating costs in the face of less cargo may result in uncertainty as to services and instability of rates. Steamship conferences, properly conducted, act as a buffer against such developments.

The trend toward development of national merchant marines continued and may contribute to overtonnaging. This danger was not lessened by the return of Japanese and German lines to United States trade. In some trades where currency and exchange difficulties have handicapped United States-flag ships, steps were taken to tighten conference provisions for the payment of freight so as to place all carriers on an even basis.

Conference and other agreements

During the fiscal year the Federal Maritime Board approved 39 agreements, 33 modifications, and 13 cancellations; 255 changes in conference memberships and 2,157 minutes of meetings of conferences were received.

Of special interest was the decision rendered by the Supreme Court in the case of *United States v. Far East Conference, et al.* The Department of Justice had contended that the use of the contract rate system was in violation of the Sherman Anti-Trust Act. On appeal the Supreme Court dismissed the suit, holding that the Federal Maritime Board has exclusive primary jurisdiction to pass upon the lawfulness of the system. This is of outstanding importance because 64 conferences use this system.

The District Court, in the so-called Isbrandtsen cases, found the dual rate provisions of two conferences arbitrary and invalid, but did not pass upon the legality of the contract rate system itself. On appeal this decision was affirmed by an equally divided Supreme Court. As a consequence of these decisions, the Board was considering issuance of a procedural rule governing contract/noncontract rates of conferences subject to its jurisdiction.

Foreign-flag lines continued to enter into joint service agreements and spacing of sailing arrangements to maintain improved services, which are permitted under Section 15 of the Shipping Act, 1916.

United States-flag carriers showed little inclination to enter into such cooperative arrangements.

Among the conference agreements approved was one covering the Alaska trade. One purpose of this agreement was closer cooperation between the member lines to secure better and cheaper terminal services in Alaska and take other steps to lower costs of maintaining service without impairing it.

For years rate disturbances have threatened between the Atlantic and Pacific coasts on cargo for the Orient. By the end of the year a joint agreement had been reached between the Far East Conference and the Pacific Westbound Conference which may overcome many of these difficulties. This agreement had not yet been filed for approval and, therefore, had not become operative.

During the year the Pacific Westbound Conference undertook to reduce its rates of brokerage payable on certain special type cargoes to less than the 1¼ percent mentioned in the decision in the United States Maritime Commission's Docket No. 657—*Agreements and Practices Pertaining to Brokerage and Related Matters*. Various forwarder and broker associations filed formal complaints against this action. Seven Pacific Coast freight conferences filed a petition asking that the Board either repeal the order of the U. S. Maritime Commission in Docket No. 657 or issue a rule defining brokerage service and restricting the payment of brokerage to compensation for the performance of such service.

Freight rates—foreign

A total of 24,052 rate filings was received covering freight and passenger tariffs in the foreign trade. Freight rate tariffs were examined for discriminatory or preferential conditions or other provisions contrary to law. Particular attention was directed to securing a clear statement in tariffs of when and where the carrier's obligation commences and terminates.

In the early months of fiscal year 1952 the trend toward increases in ocean freight rates continued, increases ranging from 5 percent to 15 percent. Rising costs of labor, fuel oil, and crews' wages were given as primary reasons. By the end of the year, however, there was indication that the trend had reached its peak.

An increased number of informal complaints were received with respect to assessment of rates and application of tariff provisions. These were handled with the carriers involved, resulting in many instances in voluntary adjustment where error had been made or in detailed explanation to support the correctness of the rate. However, some were refused consideration on the grounds that they had not been promptly presented.

Freight rates—United States Territories and possessions

During the year 426 new tariff schedules were filed; and 17 applications to establish changes in rates on less than statutory notice were received, of which 15 were approved and two were withdrawn prior to action thereon. Requests were received for the suspension of four tariffs; one tariff was suspended and the other requests were denied.

A marked number of carriers in the off-shore domestic trades filed schedules naming increases in freight rates and passenger fares. Increased operating costs, largely fuel and labor, were cited as the reasons. Four freight filings reflecting increases in Alaskan rates were the subject of protest. In one case the Board suspended the rates and ordered a hearing. In the other three cases the Board declined to suspend.

During the year two new carriers established services in the Alaska trade and filed tariffs. Both offer a new mode of transportation. One carrier maintains a fleet of trailer trucks; at shipside the loaded truck bodies are unbolted from the chassis, loaded on barges, and towed to port of discharge; there they are bolted to running gear and hauled to delivery. In the other operation specially constructed ships are used and the loaded truck bodies may be transferred to either railroad flatcars or truck running gear. Both carriers publish rates which apply from pick-up point to place of delivery. Such rates may produce problems involving the extent of the Board's jurisdiction, but the filings were accepted since they represent a coordination of truck and water services in the public interest.

Because of the seamen's strike on the Pacific Coast and the inability of some of the regular carriers to operate, two new carriers filed emergency rates to relieve distressed conditions in Hawaii. Two Alaskan carriers, not affected by the strike, extended their regular services to additional points in Alaska.

Terminals

A total of 1,704 tariff schedules was received during the year. These were examined for compliance with the Shipping Act, 1916. Nineteen informal complaints relative to wharf demurrage and terminal charges were handled.

Under Office of Price Stabilization interpretation of the Defense Production Act of 1950, marine terminals were not considered exempt from Office of Price Stabilization control. Requirements of that office threatened to disrupt the uniformity of rate structure which had been obtained, but after this had been explained, the Office of Price Stabilization issued regulations to permit terminal operators, who are parties to approved agreements, to act jointly in adjusting their charges in conformity with Office of Price Stabilization regulations. That office also acted to exempt charges for terminal services furnished by Federal, State, or local governments. This threatened

to cause some difficulty, however, in that publicly owned and privately owned terminal operators are both parties to some agreements. These difficulties were resolved by Public Law 429, Eighty-second Congress, under which terminal operators are exempt from Office of Price Stabilization control.

Freight forwarders

Certificates of registration were issued to 177 new registrants, making a total of 1,514 certificates issued since registration became mandatory under General Order 72. Certificates of 108 registrants were cancelled. A second supplemental list of freight forwarders registered pursuant to General Order 72 was issued early in the fiscal year. In administering Section 217, Merchant Marine Act, 1936, as amended by Public Law 498, Seventy-seventh Congress, a roster was maintained of foreign freight forwarders eligible to participate in handling Government relief cargoes. Some 20 applications of forwarders were processed and approved, two firms were deleted from the roster at their request, and a number of branch houses were added. About 600 firms are on the list, in addition to about 170 branch houses. At the year's end compilation of a combined revised list of freight forwarders registered pursuant to General Order 72 and Section 217 was in progress.

Examination of the practices of registrants under General Order 72 and review of forwarder applications showed that some corrective action was necessary with respect to practices of about 30 percent of the registrants. Eighteen informal complaints were handled, some of which required field investigation.

Hearings Before Hearing Examiners

At the beginning of the fiscal year 34 complaints and/or investigations were pending. During the year 11 regulatory, 8 subsidy, 23 miscellaneous proceedings involving applications for bareboat charter of Government-owned ships, and one case involving a waiver under Sec. 804, Merchant Marine Act, 1936, as amended, were filed. Examiners conducted 34 hearings and issued 37 recommended decisions. The Federal Maritime Board heard 13 cases and issued 40 final reports. Final orders were issued by the Board in 8 cases without hearing. There were 27 cases pending on June 30, 1952. Examiners continued work on a further revision of the Board's Rules of Procedure. There follows a brief description of the issues involved in final decisions, recommended decisions, and pending cases.

Final decisions of the Board

Docket No. 676—*D. L. Piazza Company v. West Coast Line, Inc., et al.*, 3 F. M. B. 608. Freight charges for carriage of refrigerated cargo from Chile to New York in accordance with oral agreement with agents of ship were not unjustly discriminatory, unreasonably prejudicial or unreasonably disadvantageous and did not constitute an unreasonable practice in violation of Sections 14, 16, or 17 of the Shipping Act, 1916. Imposition of charge as alleged demurrage on ship at destination was, in the absence of any agreement for demurrage, an unreasonable practice in violation of Section 17 of the Act. Reparation awarded.

Docket No. 691—*United Nations, et al. v. Hellenic Lines Limited, et al.*, 3 F. M. B. 781. Rate on cotton from New York to Trieste not shown to be in violation of the Shipping Act, 1916, as amended. Complaint dismissed.

Docket No. 696—*Feldman Family Clothing Export & Shipping Corporation v. Peter Bogaty, et al.*, 4 F. M. B. 1. Judgment and other documents in a litigated case between the parties not involving the Shipping Act, 1916, as amended, irrelevant and inadmissible on complaint charging violation of Sections 17 and 20 of the Act. No other evidence in support of the complaint being offered, the complaint was dismissed for lack of proof.

Docket No. 700—*Pennsylvania Motor Truck Association, et al. v. Philadelphia Piers, Inc., et al.*, 3 F. M. B. 789. Respondent railroad companies required to modify their tariff regulations so as to allow not less than 5 days' free time for inbound and outbound cargo handled over their Philadelphia piers by truck. Any storage charges on truck cargo brought to respondents' piers at Philadelphia for shipment by water carrier, when delivered to the piers in accordance with instructions from the water carrier, shall be charged against the water carrier and not against the shipper of such cargo, unless unforeseen causes beyond the control of the water carrier delay the loading of such cargo, and the water carrier notifies the shipper to remove such cargo or be responsible for further storage charges.

Docket No. 701—*Bernhard Ulmann Co., Inc. v. Porto Rican Express Company*, 3 F. M. B. 771. Respondent found to be a common carrier by water, within the meaning of Section 1, as amended, of the Shipping Act, 1916, in its operations between New York and Puerto Rico, and directed to file with the Board its rates, charges, classifications, rules, and regulations in accordance with Section 2 of the Intercoastal Shipping Act, 1933. The limitation of liability clause in respondent's contract of carriage found to be unreasonable in certain respects. Respondent directed to redraft its contract of carriage in accordance with the findings.

Docket No. 702, Sub. 1—*Northwest Fish Traffic Committee v. Alaska Steamship Company*; Sub. 2—*Ketchikan Cold Storage Co., et al. v. Alaska Steamship Company*; Sub. 3—*Territory of Alaska v. Alaska Steamship Company*, 3 F. M. B. 632. Rates on frozen fish from Alaska to Seattle, Washington, not shown to be unreasonable or otherwise unlawful. Complaints dismissed.

Docket No. 704—*Afghan-American Trading Company, Inc. v. Isbrandtsen Company, Inc.*, 3 F. M. B. 622. In the absence of undue prejudice or unjust discrimination, the failure of a carrier in foreign commerce to file with the Board an increase in its tariff rate, as required by the order in Docket No. 128, Section 19 Investigation, 1935, 1. U. S. S. B. B. 470, affords no basis for an award of reparation to a shipper. Complaint dismissed.

Docket No. 710—*Government of the Virgin Islands v. Leeward and Windward Islands and Guianas Conference*, 3 F. M. B. 759. In considering a motion to its jurisdiction the Board is limited to the pleadings properly before it and cannot consider affidavits or statements of additional facts. In the absence of all the facts, the Board cannot determine its jurisdiction over respondent's contract rates on a motion prior to the hearing. Motion denied without prejudice to the right of respondent to interpose objections at the hearing to the relevancy of any evidence pertaining to respondent's northbound operations, and without prejudice to the right of respondent to renew its motion before the Board on exceptions to the examiner's recommendations. Case remanded to the examiner for further proceedings not inconsistent with this report. Respondent subsequently adjusted rates to the satisfaction of complainant, and complainant filed motion to withdraw complaint which was granted by the Board.

Docket No. 712—*Carrier-Imposed Time Limits on Presentation of Claims for Freight Adjustments*, decided April 30, 1952. The Board does not have jurisdiction, without allegations of violation of the Shipping Act, 1916, to establish rules relating to carrier-imposed time limitations on claims for freight adjustments.

Docket No. S-18—*Application of Pacific Transport Lines, Inc. for Operating Differential Subsidy (Trade Route 29, Service 2) Under Title VI, Merchant Marine*

Act, 1936, decided April 8, 1952, and Docket No. S-19—*Application of Pacific Far East Line, Inc. for Operating-Differential Subsidy (Trade Route 29, Service 2) Under Title VI, Merchant Marine Act, 1936*, decided April 8, 1952. Applicants Pacific Transport Lines, Inc., and Pacific Far East Line, Inc., are operating existing services on Service 2 of Trade Route No. 29 within the meaning of Section 605 (c) of the Act. The effect of granting operating-differential subsidy contracts to both applicants to the extent of their operations on Service 2 of Trade Route No. 29 at the time of filing their applications would not be to give undue advantage or be unduly prejudicial as between citizens. The provisions of Section 605 (c) of the Act do not interpose a bar to the granting of operating-differential subsidy contracts to both applicants for the operation of cargo ships on Service 2 of Trade Route 29. All further questions which may arise under this or other sections of the Act were expressly reserved for future determination.

Docket No. S-21—*Application of United States Lines Company for Operating-Differential Subsidy (Trade Route No. 8, Service 2) Under Title VI, Merchant Marine Act, 1936*. 3 F. M. B. 713. Applicant was found to be an existing operator on Service 2 of Trade Route No. 8 within the meaning of Section 605 (c) of the Act. The effect of a subsidy contract with applicant for operation of ships on Service 2 of Trade Route No. 8 would not be to give undue advantage or be unduly prejudicial as between citizens of the United States in the operation of ships in competitive services, routes, or lines. Section 605 (c) of the Act creates no bar to the making of an operating-differential subsidy contract with the applicant.

Docket No. S-22—*Application of Grace Line Inc. for Operating-Differential Subsidy (Trade Route No. 4) Under Title VI, Merchant Marine Act, 1936*. 3 F. M. B. 731. Applicant was found to be subject to direct foreign-flag competition, both passenger and cargo, on Trade Route No. 4. Applicant was found to be an existing operator on Trade Route No. 4 within the meaning of Section 605 (c) of the Act. The Board was unable to find that the effect of a subsidy contract with the applicant for operation of ships on Trade Route No. 4 would give undue advantage or be unduly prejudicial as between citizens of the United States in the operation of ships in competitive services, routes, and lines. Neither Section 602 nor 605 (c) of the Act creates any bar to the making of an operating-differential subsidy contract with the applicant.

In the following proceedings the Board had before it for determination the three issues contemplated in Section 3, Public Law 591, Eighty-first Congress, relating to the bareboat chartering of Government-owned war-built, dry-cargo ships: Docket No. M-19—*American Export Lines, Inc.*; Docket No. M-20—*American President Lines, Ltd.*; Docket No. M-21—*Lykes Bros. Steamship Co., Inc.*; Docket No. M-33—*South Atlantic Steamship Line, Inc.*; Docket No. M-34—*Prudential Steamship Corporation*; Docket No. M-35—*Lykes Bros. Steamship Co., Inc.*; Docket No. M-36—*Mississippi Shipping Company, Inc.*; Docket No. M-37—*Lykes Bros. Steamship Co.*; Docket No. M-38—*Moore-McCormack Lines, Inc.*; Docket No. M-39—*Mississippi Shipping Company, Inc.*; Docket No. M-40—*Grace Line Inc.*; Docket No. M-41—*American-Hawaiian Steamship Company*; Docket No. M-42—*Pope & Talbot, Inc.*; Docket No. M-43—*Pacific-Atlantic Steamship Co., Inc.*; Docket No. M-44—*Mississippi Shipping Company, Inc.*; Docket No. M-45—*Prudential Steamship Corporation*; Docket No. M-46—*Grace Line Inc.*; Docket No. M-48—*American Export Lines, Inc.*; Docket No. M-49—*Isbrandtsen Co., Inc.*; Docket No. M-50—*Luckenbach-Gulf Steamship Company, Inc.*; Docket No. M-51—*American President Lines, Ltd.*; Docket No. M-52—*Farrell Lines Incorporated*; Docket No. M-53—*Isbrandtsen Co., Inc.*; and Docket No. M-54—*American President Lines, Ltd.* The Board was unable to make the required findings in Docket Nos. M-20 and M-40. In Docket No. M-53, the application was withdrawn. In the other proceedings the Board made the necessary findings.

Recommended decisions of hearing examiners¹

Docket No. 706—*The Port of New York Authority v. Ab Svenska Amerika Linien, Rederiaktiebolaget Transatlantic, Rederiaktiebolaget Helsingborg, Aktiebolaget Transmarin, And Wilh. Wilhelmsen*. Rates on wood pulp from Swedish Baltic ports, north of and including the Gefle district, to United States North Atlantic ports should be found to be unduly prejudicial and unjustly discriminatory as to New York and Port Newark, in violation of Sections 16 and 17, respectively, of the Shipping Act, 1916. A cease and desist order should be entered.

Docket No. 707—*The Huber Manufacturing Company v. N. V. Stoomvaart Maatschappij "Nederland" et al.* Complainant found entitled to reparation

¹ These decisions are subject to review by the Federal Maritime Board.

because of unlawful transportation charges collected by certain respondents on road rollers and accessories from United States Atlantic and Gulf ports to ports in Indonesia, in violation of the undue prejudice and unjust discrimination provisions of Sections 16 and 17, respectively, of the Shipping Act, 1916. Complaint should be dismissed as to all other respondents.

Docket No. S-23—*Lykes Bros. Steamship Co., Inc.—Application For Increase in Maximum Number of Subsidized Sailings on Line D (Lykes Orient Line), Trade Route No. 22.* Sailings on Lykes Line D (Lykes Orient Line), Trade Route No. 22, for which Lykes Bros. Steamship Co., Inc., seeks an operating-differential subsidy would be in addition to the existing services. Not shown that service already provided by ships of United States registry on route covered by Lykes Line D, Trade Route No. 22, is inadequate and that in the accomplishment of the purposes and policy of the Merchant Marine Act, 1936, additional ships should be operated thereon.

Docket No. S-26—*American President Lines, Ltd.—Passenger Vessel Subsidy.* Passenger services of American President Lines on Trade Route No. 29, Service 1, have been subject to foreign competition between January 1, 1947, and the present date. Such competition has been and continues to be direct and other than direct. An operating subsidy to American President Lines for its passenger services on the route is necessary to meet competition of foreign-flag ships.

Docket No. S-28—*Mississippi Shipping Company, Inc.—Operating Subsidy Differentials with Respect to Combination Passenger and Freight Vessels Operated on Trade Route No. 20.* Operations of combination passenger and freight ships by Mississippi Shipping Company, Inc., on Line A (1) of Trade Route No. 20, was required to meet foreign-flag competition and to promote the foreign commerce of the United States during the period between January 1, 1947, and the present date; such competition was substantial direct foreign-flag competition, both parallel and nonparallel; extent to which payment of subsidy is necessary is the amount which would apply if Mississippi's combination ships were operated under foreign registry; and each of such combination ships, for purposes of subsidy, should be regarded as a single operating unit.

Docket No. S-29—*Grace Line, Inc.—Passenger and Freight Subsidy.* Operation of combination passenger and freight ships by Grace Line Inc., on Trade Route No. 2 is, and has been since January 1, 1947, required to meet foreign-flag competition and to promote the foreign commerce of the United States. Grace meets direct passenger and freight competition by foreign-flag carriers and, as to passengers, indirect competition. Extent to which payment of subsidy is necessary is that amount which would apply if Grace's combination ships were operated under foreign flags.

Decisions of examiners in 30 other cases, which were decided by the Board, are reported under the preceding section. They are Docket Nos. 691, 696, 700, 701, S-18, S-19, S-22, M-19, M-20, M-21, M-34, M-35, M-36, M-37, M-38, M-39, M-40, M-41, M-42, M-43, M-44, M-45, M-46, M-47, M-48, M-49, M-50, M-51, M-52 (two decisions), and M-54.

Pending proceedings

Docket No. 717—*Philip R. Consolo v. Grace Line Inc.* Complainant alleges that respondent's failure and refusal to allot complainant refrigerated space in its ships for the transportation of bananas from Ecuador to New York and other Atlantic ports of the United States violates the Shipping Act, 1916. Complainant requests that an order be issued by the Board (a) adjudging the contracts between respondent and shippers of bananas to be contrary to law and void; (b) directing respondent to cease and desist from carrying out the aforesaid contracts, to the extent that such contracts impair the legal rights of complainant to ship bananas via respondent's ships; (c) requiring respondent to allow immediately to complainant refrigerated space for shipment of bananas in respondent's ships in the trade from Ecuador to United States Atlantic ports, of 40,000 cubic feet in each ship, or such portion thereof as the Board may find to constitute complainant's fair share of refrigerated space in such ship; (d) ordering respondent to pay reparation to complainant for his damages to the date of this complaint in the amount of \$775,000, together with such damages as may accrue up to the date of the Board's final disposition of this proceeding; and (e) awarding such other and further relief as the Board may determine to be just and lawful.

Docket No. 718—*The Joint Committee of Foreign Freight Forwarders Associations v. Pacific Westbound Conference and the Members thereof* and Docket No. 719—*Pacific Coast Customs and Freight Brokers Association v. Pacific Westbound Conference and the Members thereof.* Complaints allege that respondents' Tariff Rule No. 30 (b) limiting, by Conference action, the payment of brokerage on

certain commodities to less than 1¼ percent of the freight involved violates the Shipping Act, 1916, as amended, and circumvents the decision of the U. S. Maritime Commission in Docket No. 657. Complainants seek cancellation of said rule and a cease and desist order from the violations complained of.

Docket No. 720—*Intercoastal Steamship Freight Association et al. v. Northwest Marine Terminal Association et al.* Complainants contend that respondents' tariff service charges assessed against the ship are improper inasmuch as the services are performed for the cargo. Reparation is sought where charges have been collected and waiver of collection is sought for charges which have not been paid, but for which carriers have been billed. In addition the Board is requested to set aside the service charge provisions in the current tariffs.

Docket No. 721—*Territory of Alaska v. Alaska Steamship Company and Coastwise Line.* The complainant alleges that respondents' increased rates, effective June 1, 1951, for the transportation of passengers and freight between Puget Sound ports and ports in Alaska, and the 15 percent surcharge to be assessed in addition to freight rates, effective March 1, 1952, are unjust and unreasonable in violation of the Shipping Act, 1916, as amended, and requests an investigation and determination by the Board.

Docket No. 722—*Snow Transportation Company—Increased Rates.* This is an investigation instituted by the Board pursuant to the provisions of the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended, as to the reasonableness of increased rates for the transportation of commodities between ship's landing and Bethel, Alaska; between Akiak, Alaska, and ship's landing; and between Akiak and Bethel, Alaska.

Docket No. 723—*City of Portland, Oregon, et al. v. Pacific Westbound Conference, et al.* Complainants allege that the port equalization provisions of respondents' tariff results in unlawful discrimination against complainant ports by diverting traffic naturally tributary thereto to ports in California, in violation of Sections 16 and 17 of the Shipping Act, 1916.

Docket No. S-17, Sub. 1—*American President Lines, Ltd.* Application for extension of existing authorization to operate Atlantic-Straits Freight Service C-2 (modified), Trade Route No. 17, without operating-differential subsidy.

Docket No. S-27—*Investigation of Pooling and Sailing Agreements Nos. 7549, 7616, 7792, 7795, and 7796, as amended.* This is an investigation instituted by the Board under Title VI, Merchant Marine Act, 1936, as amended, to determine the effect of agreements herein on foreign-flag competition as a factor in determining the operating-differential subsidy payable to the subsidized operators which are parties thereto.

Docket No. S-30—*Mississippi Shipping Company, Inc.*—Investigation instituted by the Board pursuant to Title VI, Merchant Marine Act, 1936, as amended, for the purposes of determining whether the ships of Mississippi Shipping Company, Inc., operating on Trade Route 14, Service 2, encountered substantial competition from foreign-flag ships since January 1, 1948.

Docket No. S-31—*Farrell Lines, Incorporated.* This proceeding was instituted by the Board concerning the review of the operating-differential subsidy agreement of Farrell Lines, Incorporated, with respect to combination and freight ships operated by the company on Trade Route No. 15-A (U. S. Atlantic-South and East Africa), under Title VI of the Merchant Marine Act, 1936, as amended.

Docket No. S-33—*American President Lines, Ltd.*—Application for operating-differential subsidy on Freight Service C-2, Trade Route No. 17, under Title VI of the Merchant Marine Act, 1936, as amended.

Docket No. S-34—*Bloomfield Steamship Company.* Application for operating-differential subsidy on Service 1, Trade Route No. 13, and Service 5, Trade Route No. 21, under Title VI of the Merchant Marine Act, 1936, as amended.

The 14 other pending proceedings are referred to elsewhere in this report or in previous annual reports, and are as follows: Docket Nos. 685, 686, 687, 703, 706, 707, 708, 711, S-8, S-23, S-26, S-28, S-29, and M-54.

International Maritime Affairs

At the request of the Department of State, a Maritime Administration official attended the Second Special Meeting of the Inter-American Economic and Social Council in Panama, August 20, 1951, as shipping

adviser to the United States delegation. At that meeting two resolutions in the transportation field were passed: (a) Resolution No. 37 on Emergency Transportation; (b) Resolution No. 38 on Freight and Insurance Rates. To implement Resolution No. 38, an *ad hoc* committee of shipping specialists met in Washington from January to March 1952, to draw up a full report. A member of the Federal Maritime Board staff represented this Government on the committee.

A Maritime Administration official was on loan to the Department of State to serve as United States representative on the Planning Board for Ocean Shipping of the North Atlantic Treaty Organization. He was also serving as Chairman of the Fourth Meeting of the Planning Board for Ocean Shipping held in Washington May 13-16, 1952. The Maritime Administration cooperated with the Department of State in efforts to expedite the ratifications required to bring into being the Intergovernmental Maritime Consultative Organization as an agency of the United Nations. This organization will provide an active international shipping organization as depository for the Safety of Life at Sea Convention of 1948 and future maritime conventions.

Through the Shipping Coordinating Committee, the Maritime Administration expressed its position relative to proposals amending the International Load Line Convention, 1930, and made known to the United Nations its position on pollution of sea water by oil. In conjunction with the United States Coast Guard, the Maritime Administration supported the position of the Department of Labor relative to ratification of certain maritime conventions of the International Labor Organization, *viz.*, No. 68 (Food and Catering), No. 69 (Certification of Cooks), and No. 74 (Certification of Able Seamen) at hearings before the Committee on Foreign Relations of the United States Senate. The Maritime Administration acted as host to the Executive Secretary of the International Cargo Handling Coordination Association, who presented to representatives of interested United States Government agencies and the shipping industry a proposed program for improving operation of world ports.

Participation was continued with the Coordinator of Foreign Assistance Programs, Department of Commerce, on maritime projects referred to the Department of Commerce by the Technical Aid Administration Program of the Department of State. One project involved comprehensive training in port management of a top government executive from Thailand. A second training project encompassed stevedoring, port labor, and the mechanical handling of cargo for a representative of the Greek Government. The Maritime Administration assigned a transportation specialist to work with the United States-Brazil Joint Commission in Brazil. An expert on shipping legislation from the Federal Maritime Board was designated to assist the Philippine Government in the preparation of Philippine maritime legislation.

The Maritime Administration, with the vigorous support of the Department of State, continued its efforts to combat discriminatory practices on the part of various foreign governments, which adversely affect the United States merchant marine. Pursuant to Public Resolution 17, Seventy-third Congress, the Export-Import Bank requires shipments under its credits to move in United States ships unless the Maritime Administration recommends waivers permitting participation of foreign-flag ships. In some instances when countries requested permission to participate in transportation of United States Government-financed cargoes, it was possible to negotiate removal of discriminations in return for granting such requests.

Waivers were refused to Spain and Brazil, countries in which discriminations have seriously affected United States-flag lines. However, based on subsequent concessions, arrangements were under way to grant waivers temporarily, further waivers to be dependent upon remedial action by those governments. Waivers were granted involving cotton to Germany, Colombia, Japan, and Spain. Further waivers were granted for movement of plant equipment to Colombia and Venezuela. At the end of the fiscal year waivers were under consideration involving plant equipment to Brazil, the Philippines, and South Africa, cotton to France, and tobacco to Germany.

Close liaison was maintained with the Department of State on the mortgage indebtedness of foreign nationals and foreign governments resulting from sales of ships under the Merchant Ship Sales Act, 1946. Negotiations were held with Australia, Ceylon, and the United Kingdom relative to disposition of wrecked ships and surplus ship materials located within their territories. Negotiations were actively pursued with the Greek and Polish Governments, among others, for settlement of intergovernmental claims arising from operation of ships by those countries under lend-lease arrangements.

To improve collection of foreign construction and operating cost data for subsidy determinations, ten maritime posts have been established by the Department of State. One additional post was being considered.

FINANCIAL STATEMENTS

FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION

DEPARTMENT OF COMMERCE

Balance Sheet—June 30, 1952

Exhibit 1

ASSETS		LIABILITIES	
CASH:		ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:	
In U. S. Treasury.....	\$166,970,435	Accrued estimated operating-differential subsidies, less estimated recapturable subsidies totaling \$71,428,219 (note 6).....	\$98,283,604
In other depositories.....	14,150,200	Amounts due shipbuilders for vessels under construction..	29,427,837
On hand.....	485,254	Other accounts payable and accrued accounts.....	23,337,644
	\$181,605,889		\$151,119,085
NOTES AND MORTGAGES RECEIVABLE (note 2):		OTHER LIABILITIES:	
Domestic firms.....	261,798,508	Advances from other U. S. Government agencies.....	16,481,378
Foreign governments and nationals.....	144,110,972	Deposits by contractors, amounts related to unconsummated transactions, and other unallocated collections..	6,978,321
Accrued interest.....	3,533,654	Unclaimed wages of seamen and others.....	3,964,783
	409,443,134	Amounts withheld from employees for purchase of savings bonds and payment of taxes.....	456,145
ACCOUNTS RECEIVABLE (note 2):			27,880,627
Domestic firms and individuals.....	30,362,617	NET UNTERMINATED VOYAGE REVENUES (Unterminated voyage revenues, less untermi-	
U. S. Government agencies.....	19,040,149	nated voyage expenses totaling	
Foreign governments and nationals.....	15,941,027	\$8,811,635).....	
	65,343,793		7,652,769
AGENTS' ADVANCES TO BRANCH HOUSES, SUB-AGENTS, AND OTHERS.....		RESERVES:	
	3,845,753	For estimated expense of restoring vessels to the reserve fleet.....	2,828,448
CAPITAL STOCK IN AMERICAN PRESIDENT LINES, LTD. (note 3).....		For estimated liability under assumed insurable risks on operated vessels.....	2,750,000
	2,666,030		5,578,448
MATERIALS AND SUPPLIES (note 4).....		EQUITY OF THE UNITED STATES GOVERNMENT (exhibit 3).....	
	48,354,599		\$5,188,863,258
VESSELS OWNED (At domestic war cost or assigned amounts) (note 5).....			
	4,351,632,976		
VESSELS UNDER CONSTRUCTION.....			
	138,372,762		
LAND AND SITE DEVELOPMENT, STRUCTURES, AND EQUIPMENT (At cost, estimated cost, or assigned amounts) (note 5) (schedule 1):			
Reserve shipyards.....	78,001,762		
Maritime Service training facilities.....	45,318,856		
Marine terminals.....	31,985,873		
Reserve fleet sites.....	14,583,153		
Warehouses.....	3,647,156		
Administrative equipment.....	2,092,524		
	175,629,324		
OTHER ASSETS:			
Deferred charges and other miscellaneous items.....	3,365,154		
Advances to other U. S. Government agencies.....	864,773		
	4,229,927		
	\$5,381,124,187		
			\$5,381,124,187

The notes to financial statements are an integral part of this statement.

FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION DEPARTMENT OF COMMERCE

Statement of Operations for the Year Ended June 30, 1952

	Revenues and reim- bursements	Costs and expenses	Net costs and expenses (-income)
CURRENT YEAR OPERATIONS:			
Operating activities:			
Operations of National Shipping Authority (schedule 2).	\$233, 246, 733	\$277, 985, 783	\$-5, 260, 945
Chartering of vessels to other (exclusive of those in- cluded in operations of National Shipping Authority).	10, 849, 271	-----	-10, 849, 271
Operation of marine terminals.	1, 187, 118	590, 680	-596, 438
Maintenance of reserve fleet vessels.	-----	5, 125, 378	5, 125, 378
Training of Maritime Service officers and seamen.	159, 589	4, 706, 431	4, 546, 842
Operation of warehouses.	35, 667	764, 090	728, 423
Maintenance of reserve shipyards.	228, 458	637, 293	408, 835
Total operating activities.	<u>\$295, 706, 836</u>	<u>\$289, 809, 660</u>	<u>-5, 897, 176</u>
Direct subsidies and cost of national defense features:			
Estimated operating-differential subsidies.		\$44, 548, 827	
Less—Adjustment of estimated recapturable subsidies.		-8, 153, 091	
		<u>36, 395, 736</u>	
Cost of national defense features.		9, 083, 974	
Construction-differential subsidies.		<u>9, 008, 348</u>	<u>54, 438, 058</u>
Excess of recorded costs of vessels sold over proceeds of sales, and vessel losses and abandonments.			4, 509, 230
Administrative expenses.			8, 669, 052
Other income and adjustments:			
Interest earned on notes and accounts receivable.		14, 842, 746	
Inventory and other property adjustments.		2, 297, 410	
Net income from disposal of surplus property and scrap.		434, 792	
Miscellaneous.		<u>1, 608, 900</u>	<u>-19, 183, 848</u>
Net cost of current year operations (note 5).			<u>42, 535, 316</u>
ADJUSTMENTS APPLICABLE TO PRIOR YEARS:			
Net charges arising from adjustments and settlements re- lated principally to World War II activities.		26, 738, 843	
Participation in profits of World War II insurance syn- dicates.		<u>-1, 400, 000</u>	<u>25, 338, 843</u>
NET COST OF OPERATIONS (note 5).			<u>\$67, 874, 159</u>

The notes to financial statements are an integral part of this statement

FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION DEPARTMENT OF COMMERCE

Statement of Equity of the United States Government for the Year Ended June 30, 1952

BALANCE, JUNE 30, 1951.....		\$5, 226, 037, 641
ADDITIONS:		
Funds appropriated by the Congress (excludes \$1,750,000 appropriated in prior years but continued available for obligation in fiscal year 1952 and \$380,610 allocated to Department of Commerce).....	\$217, 939, 090	
Vessel construction costs paid from funds advanced by Department of the Navy.....	27, 601, 775	
Expenditures from funds appropriated to the Secretary of the Treasury for liquidation of obligations incurred against funds of the War Shipping Administration prior to January 1, 1947.....	6, 821, 417	
Expenditures from "Payment of Certified Claims" account of the U. S. Treasury.....	961, 637	
Funds allocated from Department of State for the training of Philippine cadets.....	91, 260	
Miscellaneous.....	713	253, 415, 892
		5, 479, 453, 533
REDUCTIONS:		
Net cost of operations for the year ended June 30, 1952 (exhibit 2).....	67, 874, 159	
Payments into the general fund of the U. S. Treasury.....	188, 975, 209	
Cost of SS <i>Burrell</i> , constructed for and transferred to the Department of the Navy.....	21, 636, 973	
Lapsed appropriations transferred to the "Payment of Certified Claims" account of the U. S. Treasury.....	7, 301, 303	
Recorded cost of reserve shipyard facilities at Pascagoula, Mississippi, transferred to Ingalls Shipbuilding Corporation.....	2, 917, 946	
Recorded cost of Pass Christian, Mississippi, Maritime Service cadet school transferred to the Department of the Navy.....	1, 107, 755	
Uncollectible accounts receivable transferred to the General Accounting Office.....	111, 757	
Inventories and equipment transferred to state and U. S. Government agencies.....	305, 173	290, 590, 275
BALANCE, JUNE 30, 1952.....		<u>\$5, 188, 863, 258</u>

**FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION
DEPARTMENT OF COMMERCE**

Notes to Financial Statements—June 30, 1952

1. The balance sheet at June 30, 1952 and statement of operations for the year then ended included transactions recorded in the accounts of certain steamship companies which operated vessels for the Administration under General Agency agreements.

2. No provision for loss has been made in connection with any notes or accounts receivable which may prove to be uncollectible. Accounts receivable of \$30,362,617 from domestic firms and individuals included \$8,949,071 which had been referred to Department of Justice for collection.

3. The United States Government acquired possession of 93% of the outstanding common stock of the American President Lines, Ltd. (formerly Dollar Steamship Lines, Incorporated, Ltd.), by transfer of such stock to the former United States Maritime Commission. The Dollar interests claiming ownership of this stock instituted suit for its recovery. After protracted litigation, the Secretary of Commerce, with approval and ratification by the Attorney General, entered into a settlement agreement with the Dollar interests providing for public sale of the 100,145 shares of Class A common stock and 2,100,000 shares of Class B common stock which were the subject of the litigation, at a minimum price of \$14,000,000 and a division of the net proceeds of sale on a fifty-fifty basis and, in the event of no sale, an equal division of the stock between the Dollar interests and the United States Government. This stock was sold to the highest bidder on October 28, 1952 for \$18,360,000.00. The expense of sale, as now verified by audit, was reported by the Riggs National Bank, Trustee, to be \$102,884.94, leaving \$18,257,115.06 as the net proceeds, of which the United States Government's share is \$9,128,557.53, or \$6,527,832.53 in excess of recorded value of \$2,600,725. The remainder of the stock held by the United States Government consisting of 13,061 shares of Class A common stock, involved in separate litigation as to ownership, is now in the course of settlement by negotiation.

4. Inventories of materials and supplies are valued at stock catalog prices which represent cost or estimated cost to the Administration. No consideration was given to the physical condition of the inventories in establishing these prices.

5. In accordance with generally accepted accounting practices of noncorporate Federal agencies, the financial statements do not include an allowance for depreciation of vessels or other tangible fixed assets. With respect to sales of vessels this practice results in larger recorded losses and, with respect to other current year operations, the recorded net costs and expenses are less than would have been the case had depreciation been recognized in the accounts.

6. The net operating-differential subsidies payable to each subsidized operator are determinable only after the completion of a ten-year contract period. The present estimated recapturable subsidy of \$71,428,219, therefore, will be revised subsequently in the light of operating revenues or losses during the later years of the contracts. A forecast of conditions in the industry for fiscal years 1953 and 1954 indicates that such revision is likely to be downward, which would result in a smaller figure for recapturable subsidies at June 30, 1952.

7. At June 30, 1952, the Maritime Administration was contingently liable under agreements insuring mortgages with balances totaling \$445,883 payable to a lending institution.

8. At June 30, 1952, the Administration was contingently liable for undetermined amounts in connection with settlements to be made under 2,155 claims against the Administration aggregating \$325,572,149. As a partial offset against these unrecorded liabilities, the Administration has a large number of unrecorded assets and claims receivable in connection with settlements to be made under 1,555 claims in favor of the Administration aggregating \$43,561,763. Many of the claims both against or in favor of the Administration represent adjustments of preliminary settlements, and others require original determinations to be made. Based on previous experience, it is anticipated that settlements of these claims will be made for amounts substantially less than the gross amount of the claims. Included among the funds available for payment of claims at June 30, 1952, was an unexpended balance of \$112,101,702 in a fund appropriated to the Secretary of the Treasury for payment of obligations incurred by the War Shipping Administration prior to January 1, 1947. This fund, which was continued available during the fiscal year 1952, is not included in the accounts of the Administration.

9. The Administration has been granted authority by Congress to enter into contracts for the construction of vessels prior to the appropriation of funds for that purpose. At June 30, 1952, the amount of this authority was \$249,249,925, of which \$207,961,487 was encumbered by contractual obligations, leaving an unobligated balance of \$41,288,438 as at that date.

10. The Administration has an obligation to return to owners United States Government securities in the amount of \$6,113,750. These securities had been accepted from vessel charterers, subsidized operators, and other contractors to assure performance under contracts, and are held for safekeeping in the United States Treasury.

FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION—DEPARTMENT OF COMMERCE

Schedule 1

Land and Site Development, Structures, and Equipment—June 30, 1952

	Recorded value June 30, 1952	Land and site development	Buildings and structures	Machinery and equipment	Automobiles and trucks	Training ves- sels and ser- vice craft	Administrative furniture and equipment
RESERVE SHIPYARDS:							
Alameda, California.....	\$17,124,053	\$3,393,675	\$8,233,674	\$5,331,390	\$9,712	—	\$155,602
Pascagoula, Mississippi.....	6,703,267	695,079	3,842,189	2,071,121	43,022	—	51,856
Richmond, California.....	17,813,554	4,577,455	8,562,385	4,497,200	37,782	\$1	133,671
Sparrows Point, Maryland.....	3,883,781	341,252	2,356,018	1,186,348	—	—	163
Vancouver, Washington.....	17,357,662	2,583,997	8,332,307	6,261,163	60,337	—	119,858
Wilmington, North Carolina.....	15,119,445	2,877,465	6,521,811	5,630,198	18,775	4,430	66,766
Total.....	78,001,762	14,468,923	37,848,384	24,977,480	169,628	4,431	532,916
MARITIME SERVICE TRAINING FACILITIES:							
Cadet schools.....	11,450,983	1,745,360	7,673,309	1,654,893	60,466	74,475	242,480
Training stations.....	21,890,475	5,367,632	14,706,300	1,336,801	86,398	108,951	284,393
Training vessels.....	11,738,058	—	—	—	—	11,738,058	—
Administrative offices.....	239,340	—	—	86,197	11,651	—	141,492
Total.....	45,318,856	7,112,992	22,379,609	3,077,891	158,515	11,921,484	668,365
MARINE TERMINALS:							
Boston, Massachusetts.....	8,739	—	—	5,145	2,652	—	942
Hoboken, New Jersey.....	6,495,554	2,477,331	3,921,520	84,208	6,590	3,000	2,905
Hog Island, Pennsylvania.....	2,550,000	2,550,000 *	—	—	—	—	—
Norfolk, Virginia.....	22,805,900	5,095,163	17,542,223	154,940	13,163	—	406
Philadelphia, Pennsylvania.....	125,880	—	91,790	13,487	1,914	—	18,489
Total.....	31,985,873	10,122,494	21,555,533	257,780	24,324	3,000	22,742
RESERVE FLEET SITES:							
Astoria, Oregon.....	2,631,144	2,226,098	2,500	85,680	2,682	306,708	7,476
Beaumont, Texas.....	4,037,864	2,684,228	636,301	112,244	1,367	612,843	10,881
Hudson River, New York.....	379,474	24,028	6,400	87,461	3,264	252,258	6,063
James River, Virginia.....	1,633,414	349,401	439,499	165,357	8,196	660,398	10,563
Mobile, Alabama.....	1,912,366	720,026	274,471	56,779	4,617	847,617	8,856
Olympia, Washington.....	346,924	26,029	—	51,892	3,067	253,980	11,956
Suisun Bay, California.....	723,815	110,703	87,067	48,325	2,692	458,886	16,142
Wilmington, North Carolina.....	2,918,152	2,006,011	108,904	162,721	4,151	609,855	36,510
Total.....	14,583,153	8,126,524	1,555,142	760,459	30,036	4,002,545	108,447
WAREHOUSES:							
Baltimore, Maryland.....	2,518,177	368,931	1,586,672	488,132	31,007	—	43,435
Hoboken, New Jersey.....	93,943	—	—	58,338	26,610	—	8,995
New Orleans, Louisiana.....	84,823	—	—	55,891	13,337	—	15,595
Norfolk, Virginia.....	25,285	—	—	15,306	8,819	—	1,160
Richmond, California.....	924,928	31,972	827,722	47,189	6,697	—	11,348
Total.....	3,647,156	400,903	2,414,394	664,856	86,470	—	80,533
ADMINISTRATIVE EQUIPMENT:							
Washington District.....	931,167	—	—	—	11,544	—	919,623
Atlantic Coast District.....	391,052	—	—	—	10,932	—	380,120
Pacific Coast District.....	637,406	—	—	—	19,769	—	617,637
Gulf Coast District.....	132,899	—	—	—	6,295	—	126,604
Total.....	2,092,524	—	—	—	48,540	—	2,043,984
Grand total.....	\$175,629,324	\$40,231,836	\$85,753,062	\$29,738,466	\$517,513	\$15,931,460	\$3,456,987

* Capital value of ground rent.

**FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION
DEPARTMENT OF COMMERCE**

*Statement of Operations of National Shipping Authority
for the Year Ended June 30, 1952*

SHIPPING OPERATIONS.

Vessels operated by general agents:

Terminated voyage results (1,712 terminated voyages):

Revenue.....	\$216,420,177
Expenses.....	194,278,128

Gross profit from vessel operations.....	22,142,049
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Chartering of vessels to others.....	25,728,823
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Total gross income from shipping operations.....	47,870,872
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NON-SHIPPING OPERATIONS:

Vessel reactivation costs.....	\$74,670,984
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Anticipated expense of restoring vessels to the reserve fleet.....	5,924,000
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Miscellaneous expenses.....	132,676
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	80,727,660
--	------------

Less—Nonshipping income and reimbursements of vessel reactivation costs.....	41,097,733
--	------------

	39,629,927
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ADMINISTRATIVE EXPENSES.....	8,240,945
	2,980,000

NET INCOME FROM OPERATIONS.....	\$5,260,945
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APPENDIXES

APPENDIX A

Outbound Cargo Movements on General Agency Ships, Fiscal Year 1952

[Exclusive of military cargoes]

Country	Coal		Grain		Other	
	Sailings	Tonnage	Sailings	Tonnage	Sailings	Tonnage
Austria.....	118	1,124,763	7	66,403	1	9,842
Belgium.....	33	316,705			2	17,910
Denmark.....	130	1,240,970				
France.....	373	3,592,537	14	133,059	3	27,366
Germany.....	124	1,184,001	10	95,523		
Greece.....	1	8,726	2	17,921		
India.....			204	1,934,117		
Ireland.....	26	247,680	5	48,150		
Italy.....	96	914,661	7	66,260		
Japan.....					1	8,943
Korea.....			2	17,950		
Netherlands.....	61	616,908	7	66,801		
Norway.....			1	9,500		
Spain.....	2	19,164				
Sweden.....	12	109,082				
United Kingdom.....	23	213,022	3	28,106		
Yugoslavia.....	3	23,692			17	112,449
Total.....	1,005	9,611,911	262	2,483,850	24	176,510

Cross Trade and Inbound Cargoes on General Agency Ships, Fiscal Year 1952

Loading port	Destination	Commodity	Sailings	Tonnage
Algiers.....	Ymuiden.....	Ore.....	2	19,750
Bintang.....	United States.....	Bauxite.....	2	19,173
Bizerte.....	United Kingdom.....	Ore.....	1	9,500
Bona.....	do.....	do.....	10	99,655
Bougie.....	Ymuiden.....	do.....	1	10,350
Calcutta-Vizagapatam.....	United Kingdom.....	Coal.....	9	77,955
Casablanca.....	Ymuiden.....	Ore.....	1	10,045
Cochin.....	United States.....	do.....	1	9,800
Halifax.....	France.....	Grain.....	1	9,450
Havana.....	Greece.....	Sugar.....	2	18,889
Honolulu.....	United States.....	Scrap.....	2	8,884
La Goulette.....	United Kingdom.....	Ore.....	1	10,200
Do.....	Ymuiden.....	do.....	1	9,900
Monrovia.....	United States.....	do.....	4	39,961
Mormogoa.....	United States.....	do.....	1	3,478
Narvik.....	United States.....	do.....	5	46,887
Wabana.....	United Kingdom.....	do.....	1	10,130
Total.....			45	419,007

APPENDIX B

Ships in Reserve Fleets, Fiscal Year 1952

Reserve fleet	1951						1952					
	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 29	Mar. 31	Apr. 30	May 31	June 30
Astoria, Oreg.....	171	168	166	166	159	156	154	135	153	156	163	172
Beaumont, Tex.....	160	158	152	136	131	129	126	125	127	135	153	181
Hudson River, N. Y.....	65	52	46	39	40	40	39	42	47	88	127	131
James River, Va.....	370	359	351	310	300	300	285	284	289	319	349	354
Mobile, Ala.....	264	258	253	246	240	238	231	236	239	249	269	292
Olympia, Wash.....	65	62	60	60	54	51	48	50	48	49	59	78
Suisun Bay, Calif.....	308	303	301	299	292	286	278	281	282	286	299	321
Wilmington, N. C.....	302	293	291	274	269	265	259	260	262	277	304	324
Total.....	1,711	1,653	1,620	1,530	1,485	1,465	1,423	1,433	1,419	1,559	1,723	1,853

COMBINATION PASSENGER AND CARGO

Total.....	33	224,194	1	12,810	7	52,800		3	21,685		2	9,274	6	41,693	9	48,712		2	19,420	3	17,800
United States.....	1	12,810	1	12,810																	
United Kingdom.....	6	49,000			6	49,000															
Sweden.....																					
Netherlands.....	2	14,685						2	14,685												
Norway.....	1	674									1	674									
Denmark.....																					
France.....	7	50,293									1	8,600	6	41,693							
Italy.....	6	40,112													6	40,112					
Japan.....																					
Germany.....	2	19,420																2	19,420		
All others.....	8	37,200			1	3,800		1	7,000						3	8,600				3	17,800

FREIGHTERS

Total.....	294	1,975,813	3	35,500	78	561,557	20	114,210	11	50,760	12	51,685	12	73,232	17	84,555	4	25,100	64	590,440	60	365,019	7	23,755
United States.....	3	35,500	3	35,500																				
United Kingdom.....	61	460,817			61	460,817																		
Sweden.....	20	114,135					17	91,885					1	6,500							2	12,750		
Netherlands.....	4	24,900			1	8,900			3	15,000														
Norway.....	17	110,880			3	41,270	2	17,925			12	51,685												
Denmark.....	12	70,632											11	66,732							1	3,900		
France.....	24	116,080			2	11,045	1	1,400	3	16,936					17	84,555					1	2,154		
Italy.....	3	17,600															3	17,600						
Japan.....	64	590,440																	64	590,440				
Germany.....	61	336,215																			61	336,215		
All others.....	22	99,604			8	39,625			5	18,824							1	7,500			1	10,000	7	23,755

TANKERS

Total.....	141	2,488,790	2	46,174	66	1,223,358	30	497,185	7	117,070	6	69,450	4	64,000	4	96,100	1	18,000	8	141,453	10	140,850	6	74,850
United States.....	1	18,100	1	18,100																				
United Kingdom.....	30	522,910			30	522,910																		
Sweden.....	14	215,535			1	16,300	10	178,975													2	33,000	1	17,280
Netherlands.....	3	14,380			1	7,940			1	3,220												1	3,220	
Norway.....	43	743,128			20	375,818	12	218,610	2	34,500	6	69,450	2	28,250							1	16,500		
Denmark.....	4	66,180					2	32,450					1	17,000							1	16,730		
France.....	9	199,700			1	19,000			3	65,850			1	18,750	4	96,100	1	18,000						
Italy.....	1	18,000																						
Japan.....	5	97,542																	5	97,542				
Germany.....	2	6,200																			2	6,200		
All others.....	32	557,115	1	23,074	13	281,390	6	67,450	1	13,500									3	43,911	4	68,420	4	54,370

APPENDIX D

Ships of 1,000 Gross Tons and Over Delivered by United States Shipyards July 1, 1951, to June 30, 1952

Account and ship type	Total		July 1, 1951, to Sept. 30, 1951		Oct. 1, 1951, to Dec. 31, 1951		Jan. 1, 1952, to Mar. 31, 1952		Apr. 1, 1952, to June 30, 1952	
	Num- ber	Dead weight	Num- ber	Dead weight	Num- ber	Dead weight	Num- ber	Dead weight	Num- ber	Dead weight
<i>Maritime Administration</i>										
Major types:										
Standard cargo.....	1	10,516	1	10,516						
Combination pas- senger and cargo.....	2	23,410							1	23,410
Total Maritime Administration.....	3	33,926	1	10,516					2	23,410
<i>Private and foreign account</i>										
Major types:										
Cargo.....	5	82,970			2	24,860			3	58,110
Tankers.....	2	46,174					1	28,074	1	18,100
Total major types.....	7	129,144			2	24,860	1	28,074	4	76,210
Minor types:										
Ferry.....	1	2,903					1	2,903		
Total minor types.....	1	2,903					1	2,903		
Total private and foreign accounts.....	8	132,047			2	24,860	2	30,977	4	76,210
Grand total.....	11	165,973	1	10,516	2	24,860	2	30,977	6	99,620

¹ Includes 1 ship constructed for Military Sea Transportation Service.

APPENDIX E

Progress of Construction on Ships Under Maritime Administration Contracts on June 30, 1952

Type	Name	Operator	Builder	Date of contract	Keel laid	Percent complete	Estimated delivery
P2-S1-DN3	U. S. N. S. Geiger	Military Sea Transportation Service.	New York Shipbuilding Corp., Camden, N. J.	Aug. 18, 1948	Aug. 1, 1949	91.62	Sept. 15, 1952
P2-S1-DN3	U. S. N. S. Uphur	do.	do.	do.	Sept. 30, 1949	81.78	Jan. 15, 1953
C4-S-1a	Old Dominion Mariner	American President Lines	Newport News Shipbuilding and Dry Dock Co., Newport News, Va.	Feb. 7, 1951	Aug. 1, 1951	69.96	Sept. 15, 1952
C4-S-1a	Tar Heel Mariner	Pacific Far East Line, Inc.	do.	do.	Aug. 27, 1951	56.25	Oct. 15, 1952
C4-S-1a	Volunteer Mariner	do.	do.	do.	Nov. 12, 1951	31.30	Dec. 12, 1952
C4-S-1a	Palmetto Mariner	do.	do.	do.	do.	17.95	Mar. 27, 1953
C4-S-1a	Cracker State Mariner	do.	do.	do.	do.	12.73	Sept. 11, 1953
G4-S-1a	Lone Star Mariner	do.	Ingalls Shipbuilding Corp., Pascagoula, Miss.	do.	Aug. 2, 1951	73.1	Oct. 31, 1952
C4-S-1a	Magnolia Mariner	do.	do.	do.	Sept. 12, 1951	53.3	Dec. 31, 1952
C4-S-1a	Cotton State Mariner	do.	do.	do.	Oct. 19, 1951	45.1	Feb. 27, 1953
C4-S-1a	Pelican State Mariner	do.	do.	do.	do.	21.9	Oct. 19, 1953
C4-S-1a	Peninsula Mariner	do.	do.	do.	do.	19.3	Dec. 11, 1953
C4-S-1a	Free State Mariner	Farrell Lines, Inc.	Bethlehem-Sparrows Point Shipyard, Inc., Sparrows Point, Md.	do.	Sept. 4, 1951	64.8	Oct. 31, 1952
C4-S-1a	Mountain Mariner	do.	do.	do.	Nov. 19, 1951	42.1	Dec. 31, 1952
C4-S-1a	Gopher Mariner	do.	do.	do.	June 5, 1952	24.4	Apr. 3, 1953
C4-S-1a	Show Me Mariner	do.	do.	do.	do.	14.9	July 15, 1953
C4-S-1a	Sunflower Mariner	do.	do.	do.	do.	11.5	Oct. 30, 1953
C4-S-1a	Old Colony Mariner	United States Lines Co.	Bethlehem Steel Co., Quincy, Mass.	do.	July 2, 1951	84.0	Sept. 15, 1952
C4-S-1a	Cornhusker Mariner	Seas Shipping Co., Inc.	do.	do.	Oct. 1, 1951	68.0	Nov. 7, 1952
C4-S-1a	Pine Tree Mariner	do.	do.	do.	Dec. 27, 1951	48.0	Dec. 29, 1952
C4-S-1a	Nutmeg Mariner	do.	do.	do.	Apr. 14, 1952	35.0	Mar. 3, 1953
C4-S-1a	Wolverine Mariner	do.	do.	do.	do.	28.0	May 1, 1953
C4-S-1a	Keystone Mariner	Waterman Steamship Corp.	Sin Shipbuilding and Dry Dock Co., Chester, Pa.	do.	June 15, 1951	82.0	Sept. 5, 1952
C4-S-1a	Buckeye Mariner	States Marine Corp.	do.	do.	July 16, 1951	65.3	Oct. 15, 1952
C4-S-1a	Hoosier Mariner	do.	do.	do.	Aug. 15, 1951	52.9	Nov. 20, 1952
C4-S-1a	Badger Mariner	do.	do.	do.	Oct. 15, 1951	34.5	Jan. 20, 1953
C4-S-1a	Hawkeye Mariner	do.	do.	do.	Oct. 25, 1951	21.8	Mar. 20, 1953
C4-S-1a	Garden Mariner	do.	New York Shipbuilding Corp., Camden, N. J.	June 25, 1951	Mar. 17, 1952	25.32	Apr. 1, 1953
C4-S-1a	Diamond Mariner	do.	do.	do.	May 15, 1952	20.47	May 15, 1953
C4-S-1a	Empire State Mariner	do.	do.	do.	do.	14.41	June 15, 1953
C4-S-1a	Prairie Mariner	do.	do.	do.	do.	4.97	July 31, 1953
C4-S-1a	Silver Mariner	do.	do.	do.	do.	4.94	Oct. 1, 1953
C4-S-1a	Golden Mariner	do.	Bethlehem-Pacific Coast Steel Corp., San Francisco, Calif.	Aug. 1, 1951	do.	6.37	Sept. 15, 1953
C4-S-1a	Evergreen Mariner	do.	do.	do.	do.	4.91	Nov. 15, 1953
C4-S-1a	Beaver Mariner	do.	do.	do.	do.	1.88	May 1, 1954
C4-S-1a	Sooner Mariner	do.	do.	do.	do.	1.76	June 1, 1954
C4-S-1a	Grand Canyon Mariner	do.	do.	do.	do.	1.61	Nov. 1, 1954

APPENDIX F

New Ship Construction on June 30, 1952

	Number of ships	Type	Gross ton- nage	Estimated or actual date of completion	Estimated construc- tion cost	Cost charge- able to Maritime Ad- ministration	Cost reim- bursable by Department of Defense
Ships under construction:							
MSTS conversion	2	Troop transports	25,320	Jan. 15, 1953	\$42,721,656	\$16,559,924	\$26,161,732
Title VII of Merchant Marine Act, 1936	35	C4-S-1a cargo	338,500	Feb. 2, 1955	345,730,950	348,730,950	
Total ships under contract	37		364,820		391,452,606	365,290,874	26,161,732
Design and service contracts:							
Design for cargo prototype				Jan. 1, 1953	\$75,000	\$75,000	
Design for cargo with conversion features				June 30, 1953	1,700,000	1,500,000	200,000
Design contract passenger ship (P6-S4-DS1)				Dec. 31, 1952	1,267,320	1,267,320	
Design contract troopship conversion (P6-S4-DS1)				June 29, 1953	200,000		200,000
Conversion plans for S. S. <i>Monterey</i>				June 30, 1953	200,000		200,000
Total design and service contracts					4,242,320	3,642,320	600,000
Total construction, design and service contract costs					395,694,926	368,933,194	26,761,732

APPENDIX G

Subcontracts for Scientific Equipment

Contractor	M. A. hull numbers	Purchase orders and date	Contract price	Number and type of equipment
Newport News Shipbuilding and Dry Dock Co., Newport News, Va.	1 2 3 4 5	H-490-430-6, Nov. 5, 1951 H-490-430-7, Nov. 5, 1951	\$87,678.50	5 Mk. 14 compasses. 5 gyrocompasses.
Ingalls Shipbuilding Corp., Pascagoula, Miss.	6 7 8 9 10	CAH-76, Aug. 7, 1951 CAH-78, Aug. 7, 1951	89,225.50	5 Mk. 14 compasses. 5 gyrocompasses.
Bethlehem-Sparrows Point Shipyard, Inc., Sparrows Point, Md.	11 12 13 14 15	QD-730-1006-T, Sept. 15, 1951	88,147.50	5 Mk. 14 compasses. 5 gyrocompasses.
Bethlehem Steel Co., Quincy, Mass.	16 17 18 19 20	517-6051-T-1622, Oct. 5, 1951	88,228.50	5 Mk. 14 compasses. 5 gyrocompasses.
Sun Shipbuilding & Dry Dock Co., Chester, Pa.	21 22 23 24 25	F-28318, Sept. 21, 1951	88,237.50	5 Mk. 14 compasses. 5 gyrocompasses.
New York Shipbuilding Corp., Camden, N. J.	26 27 28 29 30	492-89, Aug. 31, 1951 493-89, Aug. 31, 1951 494-89, Aug. 31, 1951 495-89, Aug. 31, 1951 496-89, Aug. 31, 1951	88,264.50	5 Mk. 14 compasses. 5 gyrocompasses.
Bethlehem-Pacific Coast Steel Corp., San Francisco, Calif.	31 32 33 34 35	RA-1115-33-5, Nov. 15, 1951	88,147.50	5 Mk. 14 compasses. 5 gyrocompasses.

APPENDIX H **Status of Operating Subsidy Agreements on June 30, 1952**

Name of operator	Effective date subsidy payments resumed	Expiration date of agreement	Number of vessels normally assigned			Tentative rates available	Permanent rates available
			Passenger	Cargo and passenger (comb.)	Cargo		
OPERATORS WITH EXTENDED (POSTWAR) AGREEMENTS							
American Export Lines, Inc.....	Jan. 1, 1948	Dec. 31, 1965 ¹	2	4	24	Yes.....	
American Mail Line, Ltd.....	Jan. 1, 1947	Dec. 31, 1960 ²			9		Yes.
American President Lines, Ltd.....	do.....	Dec. 31, 1957		4	12	Yes.....	
Farrell Lines, Inc.:							
South and East African Service.....	do.....	Dec. 31, 1959		2	9		Yes. ⁴
West African Service.....	Apr. 25, 1947	do.....		5	5		Yes.
Grace Line Inc.....	Jan. 1, 1947	Dec. 31, 1957		6	9	Yes—Comb. ships.....	Yes—cargo ships.
Lykes Bros. Steamship Co., Inc.....	do.....	do.....			51		Yes.
Mississippi Shipping Co.....	do.....	do.....		3	11	Yes.....	
Moore-McCormack Lines, Inc.							
Cargo Services.....	do.....	do. ⁵			34		Yes.
Good Neighbor Fleet.....	May 8, 1949	June 30, 1954 ⁶		3		Yes.....	
New York & Cuba Mail Steamship Co.....	Jan. 1, 1948	Dec. 31, 1953 ⁸			6	Yes—Line B.....	Yes—Line A
Seas Shipping Company, Inc.....	Jan. 1, 1947	Dec. 31, 1957			12		Yes.
The Oceanic Steamship Co.....	Jan. 1, 1948	do.....			4	No.....	
United States Lines Co.							
Cargo Services.....	do.....	Dec. 31, 1949			40		Yes.
Do.....	Jan. 1, 1950	Dec. 31, 1955 ⁹			40		Yes.
S. S. <i>Ameria</i>	Aug. 2, 1948	Aug. 1, 1958	1				Yes.
S. S. <i>United States</i>	June 20, 1952	do. ¹⁰	1			Yes.....	
NEW OPERATOR WITH POSTWAR AGREEMENT							
Pacific-Argentine-Brazil Line, Inc.....	Jan. 26, 1949	Dec. 31, 1958			4		Yes.

¹ Subject to agreement with operator as to acceptance of redetermined sales prices of the S. S. *Independence* and *Constitution*. If operator does not accept revised sales prices, the operating subsidy contract will automatically expire Dec. 31, 1952.

² Contract is subject to earlier termination if satisfactory arrangements for replacement of ships are not completed prior to each ship's reaching 18 years of age (oldest ship will become 18 years old in 1959).

³ Includes 2 combination passenger-freight ships, *President Cleveland* and *President Wilson*, chartered from Maritime Administration.

⁴ Rates for combination passenger and cargo ships (*African Endeavor* and *African Enterprise*) not yet determined.

⁵ Addendum No. 1 to Contract No. MCE-62436 provides that the subsidy agreement shall extend to Dec. 31, 1957; *Provided*, That the United States shall have the right to terminate the agreement 90 days after written notice to the operator in the event the operator fails to proceed promptly upon request of, and in a manner satisfactory to the United States, with construction or acquisition of ships, satisfactory to the United States, to serve as replacement ships of the combination passenger-cargo ships referred to as the Good Neighbor Fleet.

⁶ New charter contract effective July 1, 1951, and terminating June 30, 1954, executed to succeed charter agreement which terminated June 30, 1951; ships will receive operating

subsidy for period May 8, 1949, to May 20, 1950, as, if, and when it is determined that subsidy is appropriate for operation of Good Neighbor Fleet for said period.

⁷ Good Neighbor Fleet ships *Argentina*, *Brazil*, and *Uruguay* chartered from Maritime Administration.

⁸ The operator must submit an application for a new long-range operating subsidy contract, including a satisfactory replacement program, by Sept. 30, 1952, otherwise the subsidy contract will expire June 30, 1952, or such later date as the Board may designate.

⁹ Resumption contract, effective Jan. 1, 1948, expired Dec. 31, 1949. New contract, effective Jan. 1, 1950, executed on June 30, 1952, subject to condition that the operator agrees that the Maritime Administration may withhold \$10 million of subsidy payable until it is determined whether or not the sales contract on the S. S. *United States* is legally binding on the Government. If held not binding, the sales price of the superliner will be redetermined by the Board.

¹⁰ Addendum No. 1 to Contract No. MCE-62434 was executed on June 30, 1952, incorporating the S. S. *United States* into said contract as an interim measure pending the preparation of an appropriate superseding addendum complete as to route description, number of sailings, rates of subsidy and revisions thereof, duration of agreement, replacement obligations, and all other provisions which have been adopted as standard in operating differential subsidy agreements.

APPENDIX I

Operating Subsidy and Recapture Accruals and Payments to the Government for First Recapture Periods Ending on or Before Dec. 31, 1950 (based on tentative settlements)

Company	(1) Original date of contract	(2) Termination date of first recapture period	(3) Total estimated subsidy accrual ¹	(4) Estimated 50 percent of excess profits in excess of 10 percent of capital necessarily employed in the business	(5) Estimated recapture accrual (lower of columns 3 and 4)	(6) Recapture actually paid to the Government ²	(7) Estimated cost to the Government (column 3 less column 5)
American Export Lines, Inc.	Jan. 24, 1938	Dec. 31, 1947	\$5,307,741.24	\$12,509,504.17	\$5,307,741.24	\$5,252,628.66	
American Mail Line, Ltd.	Apr. 2, 1941	Dec. 31, 1950	4,136,765.85	1,644,223.54	1,644,223.54	145,870.61	\$2,492,542.31
American President Lines, Ltd.	Oct. 6, 1938	Sept. 30, 1948	11,223,982.54	8,913,649.90	8,913,649.90	0,102,000.00	5,310,332.64
Farrell Lines, Inc.	Apr. 23, 1940	Dec. 31, 1949	4,582,799.78	1,100,000.00	1,100,000.00	377,126.77	3,482,799.78
Gruce Line Inc.	Dec. 31, 1937	Dec. 31, 1947	6,587,947.67	4,797,492.69	4,797,492.69	2,333,206.92	1,790,454.98
Lykes Bros. Steamship Company, Inc.	do	do	8,480,228.85	12,428,095.93	8,480,228.85	5,593,078.34	
Mississippi Shipping Co., Inc.	do	do	2,427,155.19	4,426,312.10	2,427,155.19	1,790,852.51	
Moore-McCormack Lines, Inc.	Sept. 30, 1938	Sept. 30, 1948	11,184,921.35	20,619,367.21	11,184,921.35	3,448,250.56	
New York and Cuba Mail Steamship Co.	Dec. 31, 1937	Dec. 31, 1947	2,289,322.07	1,156,223.97	1,156,223.97	819,303.30	1,135,098.10
The Oceanic Steamship Co.	do	Dec. 31, 1942	2,431,173.74	557,285.82	557,285.82	557,285.82	1,873,887.92
Seas Shipping Co., Inc.	Oct. 14, 1938	Sept. 30, 1948	2,413,402.16	4,162,341.55	2,413,402.16	1,100,693.86	
United States Lines Co.	Dec. 31, 1937	Dec. 31, 1942	6,040,917.24	1,120,161.48	1,120,161.48	555,832.75	4,920,755.76
			70,106,357.68	73,434,678.36	49,102,486.19	28,023,130.10	21,003,871.49

¹ The amounts in this column represent total payments applicable to the prewar period (i. e., period prior to calendar year 1943) and to estimated accruals applicable to the postwar period (i. e., subsequent to calendar year 1946).

² The recapture collected and included in this column applies to subsidy payments applicable to prewar period and to operators whose first recapture periods ended on Dec. 31, 1950, or prior thereto. The recapture accruals applicable to such operators for the prewar period and included in column 5 actually totals \$30,396,329.54 as against collections to date of \$28,023,130.10. The difference in these 2 amounts is represented by 10-percent

holdback in some cases and amounts in dispute in others. In addition, token payments made to operators in a 100-percent recapture position for calendar year 1947 and a portion of 1948 have also been collected in the total amount of \$506,695.29.

The difference between the total of \$19,102,486.19 in column 5 and the sum of \$30,396,329.54 represents recapture accrual applicable to the postwar period but within the first recapture period, which has been or is being withheld from subsidy payments in each individual case.

APPENDIX J

Employment of United States Flag Merchant Ships as of June 30, 1952

Seagoing ships of 1,000 gross tons and over; excludes ships on the inland waterways, the Great Lakes, those owned by the U. S. Army and Navy, and special types such as cable ships, tugs, etc. (tonnage in thousands)

Status and area of employment	Total			Ship type								
				Combination passenger and cargo			Freighters			Tankers		
	Number	Gross tons	Dead-weight tons	Number	Gross tons	Dead-weight tons	Number	Gross tons	Dead-weight tons	Number	Gross tons	Dead-weight tons
<i>Total, all ships</i> 1.....	3,350	25,082	36,081	260	2,353	2,044	2,629	18,432	27,210	461	4,247	6,827
Active ships.....	1,447	11,620	16,976	62	750	552	967	6,907	10,047	418	3,963	6,377
United States foreign trade.....	991	7,769	10,832	61	743	548	323	5,979	8,648	107	1,048	1,686
United States domestic trade.....	395	3,284	5,190	1	7	4	135	863	1,302	259	2,414	3,884
Foreign to foreign.....	61	567	904				9	65	96	52	501	808
Inactive ships.....	1,903	13,463	19,106	198	1,603	1,491	1,662	11,575	17,164	43	284	451
Temporarily inactive.....	147	1,093	1,544	10	91	52	106	756	1,100	31	246	392
Maritime Administration reserve fleet.....	1,756	12,370	17,562	188	1,512	1,439	1,556	10,820	16,064	12	38	59
<i>Active ships</i>	1,447	11,620	16,976	62	750	552	967	6,907	10,047	418	3,963	6,377
United States foreign trade.....	991	7,769	10,832	61	743	548	323	5,979	8,648	107	1,048	1,686
Maritime Administration ships.....	274	2,107	2,726	22	319	224	249	1,779	2,489	3	10	13
Chartered.....	37	325	367	5	92	70	32	233	297			
General agency agreement.....	5	36	54				5	36	54			
For United States agency operations.....	232	1,746	2,306	17	226	153	212	1,510	2,138	3	10	13
Panama Canal Company.....	3	29	20	3	29	20						
Privately owned.....	714	5,633	8,136	36	395	304	374	4,200	6,159	104	1,038	1,673
For commercial operations.....	678	5,342	7,708	36	395	304	338	3,909	5,731	104	1,038	1,673
For United States agency operations.....	38	291	428				38	291	428			
United States domestic trade.....	395	3,284	5,190	1	7	4	135	863	1,302	259	2,414	3,884

Maritime Administration ships, chartered.....	12	73	105				12	73	105			
Privately owned.....	383	3,211	5,086	1	7	4	123	790	1,198	259	2,414	3,884
Foreign to foreign, privately owned.....	61	567	904				9	65	96	52	501	808
<i>Inactive ships.....</i>	<i>1,903</i>	<i>13,463</i>	<i>19,106</i>	<i>198</i>	<i>1,603</i>	<i>1,491</i>	<i>1,662</i>	<i>11,575</i>	<i>17,164</i>	<i>45</i>	<i>284</i>	<i>451</i>
Temporarily inactive.....	147	1,093	1,544	10	91	52	106	756	1,100	31	246	392
Maritime Administration ships.....	34	231	334				34	231	334			
Chartered.....	21	137	195				21	137	195			
General agency agreement.....	13	91	138				13	94	138			
Privately owned.....	113	861	1,210	10	91	52	72	524	766	31	246	392
Maritime Administration reserve fleet.....	1,756	12,370	17,562	188	1,512	1,439	1,556	10,820	16,064	12	38	59

¹ Excludes the following U. S. Government-owned tonnage transferred to:

Philippine flag (Rehabilitation Act).....	8	27	38
U. S. S. R. (lend-lease).....	83	519	786
Total.....	91	546	824

NOTE.—Tonnage figures are not additive since the detailed figures have been rounded to the nearest thousand.

APPENDIX K

Merchant Fleets of the World as of June 30, 1952

Number, gross, and deadweight tonnage of seagoing steam and motorships of 1,000 gross tons and over; excludes ships on the Great Lakes and inland waterways and special type such as channel ships, icebreakers, cable ships, etc., and merchant ships owned by any military force (tonnage in thousands)

Flag	Total			Type of ship																		
				Combination pas- senger and cargo			Combination pas- senger and cargo— refrigerated			Freighters			Freighters— refrigerated			Bulk carriers			Tankers (including whaling tankers)			
	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	Num- ber	Gross tons	Dead- weight tons	
Total—all flags.....	13,788	80,222	112,675	1,254	9,295	7,370	61	756	581	9,261	47,074	69,991	307	1,896	2,108	574	1,802	2,847	2,331	19,399	29,778	
United States	3,441	25,627	36,905	* 255	2,316	2,023	6	42	27	* 2,621	18,418	27,099	* 46	271	238	51	326	630	* 462	4,254	6,838	
The British Commonwealth of Nations.....	3,006	18,797	24,676	322	2,748	1,919	41	621	473	1,717	9,218	13,471	131	1,167	1,341	234	543	791	561	4,505	6,681	
United Kingdom.....	2,502	16,646	21,828	218	2,305	1,593	40	617	470	1,383	7,790	11,809	128	1,153	1,329	202	445	646	531	4,333	6,421	
Canada.....	136	684	868	40	141	76				71	393	570				2	10	12	20	138	210	
Australia.....	119	420	570	15	89	56				85	272	422				19	59	92				
New Zealand.....	50	182	216	6	35	14	1	4	3	30	125	174				6	15	20	1	3	5	
India.....	85	419	606	15	68	83				68	343	512				1	5	7	1	3	5	
Union of South Africa.....	12	70	101							12	70	101										
Pakistan.....	24	126	172	2	17	7				18	92	138	1	3	4	1	5	8	2	9	15	
Others.....	78	250	315	26	93	91				41	126	185	2	8	8	3	4	6	6	19	25	
Argentina.....	141	903	1,158	21	137	94	3	35	29	64	376	556	6	18	20	4	6	8	43	331	451	
Belgium.....	75	428	582	13	107	105	1	7	10	51	241	358				1	1	2	8	69	101	
Brazil.....	182	684	971	30	120	121				123	444	663				4	5	6	25	115	181	
Burma.....	4	14	22							4	14	22										
Bulgaria.....	4	10	19							4	10	19										
Chile.....	41	161	217	7	31	37				20	81	108				14	49	72				
China.....	143	415	581	11	33	21				103	319	472	1	3	4	5	10	15	23	50	66	
Colombia.....	12	38	46							11	32	44							1	1	2	
Costa Rica.....	17	88	131	2	4	4				14	77	117							1	7	10	
Cuba.....	11	26	34	1	3	2				9	22	31				1	1	1				
Czechoslovakia.....	1	6	11							1	6	11										
Denmark.....	312	1,260	1,825	26	87	75	2	3	3	232	825	1,221	9	19	25	11	27	40	32	299	461	
Dominican Republic.....	1	3	2	1	3	2																
Ecuador.....	6	15	21	1	1	1				4	13	18							1	1	2	
Egypt.....	20	80	88	12	50	57				8	30	31										
Finland.....	193	527	793	4	8	3				166	419	653	1	10	10	13	34	48	9	50	81	

France.....	559	3,276	4,120	76	736	470	2	20	17	314	1,454	2,099	23	83	70	47	142	198	97	841	1,266
Germany.....	319	1,002	1,615	9	44	63				272	784	1,286	3	9	11	18	55	86	17	110	169
Greece.....	211	1,177	1,791	8	45	27				180	988	1,550				8	26	44	15	108	170
Guatemala.....	1	3	3							1	3	3									
Honduras.....	79	425	591	1	1	1	2	11	9	48	203	294	16	64	57				12	146	230
Hungary.....	2	2	3							2	2	2									
Iceland.....	13	34	38	3	7	4				6	16	24	3	34							
Indonesia.....	8	34	40	1	6	4	1	2	2	4	16	24	1	9	8				2	4	5
Iran.....	1	7	10							1	7	10									
Ireland.....	12	36	54							9	24	35				3	12	19			
Israel.....	23	105	149	3	13	10				20	92	139									
Italy.....	517	3,048	4,196	63	560	417	1	11	9	330	1,647	2,494	8	28	20	18	73	122	97	729	1,125
Japan.....	497	2,379	3,512	17	80	79				420	1,844	2,752	3	22	33	6	23	37	51	410	611
Korea.....	4	8	12	2	3	4				2	5	8									
Liberia.....	99	942	1,501							47	308	464							52	634	1,037
Mexico.....	30	152	220							6	17	18							20	123	187
Netherlands.....	496	2,865	3,746	99	728	674				235	1,515	2,182	3	6	7	1	6	8	7	110	613
Nicaragua.....	3	5	7							3	5	7									
Norway.....	961	5,533	8,437	30	121	86	2	4	2	570	2,221	3,471	21	66	66	16	55	80	322	3,066	4,732
Panama.....	560	3,730	5,597	26	193	152				291	1,555	2,338	6	20	21	31	115	193	193	1,847	2,893
Peru.....	22	85	113	4	22	23				15	55	78				1	3	5	2	5	7
Philippines.....	23	93	127	4	11	8				16	73	106				3	9	13			
Poland.....	59	241	348	1	14	6				46	188	270	3	10	12	7	14	20	2	15	21
Portugal.....	93	419	548	19	140	115				66	216	340							8	63	93
Rumania.....	7	30	36	1	7	2				6	23	31									
Spain.....	268	982	1,312	39	201	161				190	594	892	1	6	6	12	35	52	26	146	201
Sweden.....	594	2,157	3,239	32	203	183				449	1,999	1,918	10	36	42	43	186	279	60	533	817
Switzerland.....	21	96	152							19	82	130							2	14	22
Syria.....	1	1	2							1	1	2									
Thailand.....	7	12	18	1	3	3				5	8	13							1	1	2
Turkey.....	109	357	516	29	120	104				75	243	374				1	1	2	4	23	36
Uruguay.....	8	48	73	2	10	11				4	18	29							2	20	33
U. S. S. R.....	477	1,457	1,910	70	350	256				348	909	1,373	11	38	47	16	30	46	32	130	188
Venezuela.....	51	149	209	3	4	4				10	27	36				2	7	15	36	111	154
Yugoslavia.....	53	225	356	5	25	34				45	182	292				1	4	8	2	14	22

¹ Includes U. S. Government-owned ships transferred to the following flags under lend-lease or other agreements and still remaining under these registries by subsequent arrangements. For purpose of this table they have been excluded from those registries.

Total.....	91	545	823	1	5	5				87	522	790				2	11	17	1	7	11
Philippines.....	8	27	38							8	27	38									
U. S. S. R.....	83	518	785	1	5	5				79	495	752				2	11	17	1	7	11

² Comprised of 52 combination passenger and cargo ships of 619,500 gross tons and 452,600 deadweight tons, 22 transports, hospital ships, etc., of 226,400 gross tons and 156,200 deadweight tons carried in this classification in previous reports; 181 freighters of 1,470,000 gross tons and 1,416,000 deadweight tons originally constructed as cargo ships but converted to transports, hospital ships, etc., and included in freighter classification of previous reports.

³ Includes 76 ships of 487,900 gross tons and 716,300 deadweight tons converted for use as store ships, repair ships, tenders, etc.

⁴ Includes 7 ships of 33,600 gross tons and 40,300 deadweight tons converted for use as store ships.

⁵ Includes 2 tank ships of 14,000 gross tons and 21,000 deadweight tons converted for use as distilling ships.

APPENDIX L

Ships Approved for Transfer to Alien Ownership and/or Registry and Flag, Fiscal Year 1952

	Number	Total gross tonnage	Average age
PRIVATELY OWNED			
Ships under 1,000 gross tons:			
Commercial craft (tugs, barges, fishing ships, etc.)	211	36,368	7.2
Pleasure craft (yachts, motorboats, etc.)	265	2,833	4.4
Total	476	39,201	5.6
Ships of 1,000 gross tons and over:			
Tankers	10	78,477	16.6
Cargo	26	120,070	17.2
Cargo/passenger	2	10,086	25
Miscellaneous (schooners, dredges, barges, etc.)	16	30,752	18.1
New construction by United States shipyards for foreign-flag operation	27	689,400	
Total	81	928,785	11.8
Grand total	557	967,986	6.5
Mortgages to aliens	7	43,224	
GOVERNMENT OWNED			
None			

Nationality, Number, and Tonnage of Ships Approved for Transfer

Nationality	Under 1,000 tons		1,000 tons and over		Total	
	Number of ships	Gross tonnage	Number of ships	Gross tonnage	Number of ships	Gross tonnage
Brazilian.....	8	2,833	3	11,577	11	14,410
British.....	16	1,078			16	1,078
Belgian.....	10	83			10	83
Canadian.....	52	5,671	6	11,662	58	17,333
Colombian.....	1	25			1	25
Costa Rican.....	4	436			4	436
Cuban.....	18	490			18	490
Dominican.....	2	176			2	176
Dutch.....	1	1			1	1
Ecuadorian.....	3	218			3	218
Egyptian.....	1	4			1	4
El Salvadorian.....	4	113			4	113
French.....	11	1,068			11	1,068
Finnish.....			1	2,887	1	2,887
Greek.....	2	2	1	6,702	3	6,704
Haitian.....	1	104			1	104
Honduran.....	11	3,296	6	19,284	17	22,580
Indonesian.....	5	917			5	917
Israeli.....			1	5,686	1	5,686
Italian.....	3	5	2	11,205	5	11,210
Japanese.....			2	8,329	2	8,329
Lebanon.....	2	50			2	50
Liberian.....			10	134,620	10	134,620
Mexican.....	75	4,301			75	4,301
Nicaraguan.....	1	5			1	5
Norwegian.....			1	2,742	1	2,742
Pakistan.....	2	8			2	8
Panamanian.....	38	1,656	36	671,490	74	673,146
Peruvian.....	6	3,597	1	3,559	7	7,156
Philippine.....	1	2			1	2
Saudi Arabian.....	1	45			1	45
Suriname.....	8	2,666			8	2,666
Swedish.....	1	23			1	23
Swiss.....	2	19			2	19
Thailand.....	5	691			5	691
Trukese.....	1	27			1	27
Turkish.....	1	102			1	102
Venezuelan.....	46	4,122	1	3,425	47	7,547
Sale alien.....	313	33,834	71	893,168	414	927,002
Departure from United States ports ¹	99	1,549	6	16,407	105	17,956
Abandonment.....	34	3,818	3	12,000	37	15,818
			1	7,210	1	7,210
Total.....	476	39,201	81	928,785	557	967,986
Mortgages to aliens.....	1	58	6	43,166	7	43,224

¹ No change in ownership and registry involved.

APPENDIX M

Cash and U. S. Government Securities on Deposit in Statutory Capital and Special Reserve Funds of Subsidized Operators, as at June 30, 1952

Operator	Capital reserve fund	Special reserve fund	Total
American Export Lines, Inc.	\$2, 249, 902.95	\$1, 328, 897.38	\$3, 578, 800.33
American Mail Line, Ltd.	2, 252, 332.06	3, 244, 304.14	5, 496, 636.20
American President Lines, Ltd.	8, 848, 104.34	2, 674, 602.45	11, 522, 706.79
Farrell Lines, Inc.	462, 584.97	1, 652, 430.07	2, 115, 015.04
Grace Line, Inc.	16, 857, 155.08	5, 071, 286.83	21, 928, 441.91
Lykes Bros. Steamship Co., Inc.	13, 783, 338.59	21, 159, 087.83	34, 942, 426.42
Mississippi Shipping Co., Inc.	2, 130, 506.82	2, 521, 237.39	4, 651, 744.21
Moore-McCormack Lines, Inc.	10, 518, 153.33	8, 345, 624.38	18, 863, 777.71
New York and Cuba Mail Steamship Co.	4, 806, 390.62	749, 535.09	5, 555, 925.71
The Oceanic Steamship Co.	876, 143.23	200, 000.00	1, 076, 143.23
Seas Shipping Co., Inc.	781, 666.26	1, 001, 464.13	1, 783, 130.39
United States Lines Co.	880, 665.08	3, 149, 436.96	4, 030, 102.04
Total	64, 446, 943.33	51, 097, 906.65	115, 544, 849.98

NOTE.—Accrued mandatory deposits applicable to the resumption period (generally, Jan. 1, 1947, to Dec. 31, 1951), not included in the above, amount to approximately \$35,000,000, comprised of \$9,000,000 applicable to depreciation and \$26,000,000 applicable to excess profits. In some instances conditional deferments were granted with respect to these accruals.

APPENDIX N

Claims on Hand June 30, 1952

Office	In favor of United States		Against United States	
	Number	Amount	Number	Amount
Division of Claims	480	\$20, 120, 733	116	\$6, 746, 927
Office of the General Counsel:				
Unlitigated	120	2, 069, 767	73	2, 929, 373
Litigated	157	16, 490, 072	904	185, 087, 868
Court of Claims			196	123, 047, 006
Total	277	18, 559, 839	1, 173	311, 064, 247
Office of the Comptroller	798	4, 881, 191	864	7, 703, 902
Office of Ship Operations			2	57, 073
Grand Total	1, 555	43, 561, 763	2, 155	325, 572, 149

Claims Settled under the Suits in Admiralty Act, Fiscal Year 1952

Office	In favor of United States			Against United States		
	Number	Amount claimed	Amount paid	Number	Amount claimed	Amount paid
Office of the General Counsel	14	\$398, 446.74	\$177, 447.62	68	\$1, 896, 068.75	\$590, 097.74
Office of the Comptroller				249	3, 649, 584.10	1, 523, 394.20
Total	14	398, 446.74	177, 447.62	317	5, 545, 652.85	2, 113, 491.94

NOTE.—Combined Financial Statements for the Year Ended December 31, 1951, of Those United States Shipping Companies Which Submitted Financial Reports to the Maritime Administration will be printed under separate cover as a supplement to this report.