

ANNUAL REPORT OF THE

Federal Maritime  
Board and  
Maritime  
Administration

U. S. DEPARTMENT OF COMMERCE



1950

# UNITED STATES DEPARTMENT OF COMMERCE

OFFICE: COMMERCE BUILDING

Washington, D. C.

## FEDERAL MARITIME BOARD

EDWARD L. COCHRANE, *Chairman*

ALBERT W. GATOV, *Vice Chairman*

ROBERT W. WILLIAMS

A. J. WILLIAMS, *Secretary*

## MARITIME ADMINISTRATION

EDWARD L. COCHRANE, *Maritime Administrator*

EARL W. CLARK, *Deputy Maritime Administrator*

# Letter of Transmittal

UNITED STATES DEPARTMENT OF COMMERCE,  
MARITIME ADMINISTRATION,  
*Washington 25, D. C., December 20, 1950.*

To: THE SECRETARY OF COMMERCE.

From: Chairman, Federal Maritime Board, and Administrator,  
Maritime Administration.

Subject: Annual Report for fiscal year 1950.

I am submitting herewith the report of the Federal Maritime Board and Maritime Administration for the fiscal year ending June 30, 1950. This report is essentially the final report of the United States Maritime Commission, which carried on the activities now under the jurisdiction of the Board and Administration from July 1, 1949, through May 23, 1950. A brief introductory section mentions the more important maritime developments since the end of the fiscal year.



E. L. COCHRANE,  
*Chairman, Federal Maritime Board,  
and Maritime Administrator.*

# Letter of Transmittal

THE 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 for the fiscal year ended June 30, 1950, including the report for the United States Maritime Commission for the period July 1, 1949, to May 24, 1950.

A handwritten signature in black ink, appearing to read "Charles Sawyer". The signature is written in a cursive, flowing style with a large initial "C".

*Secretary of Commerce.*

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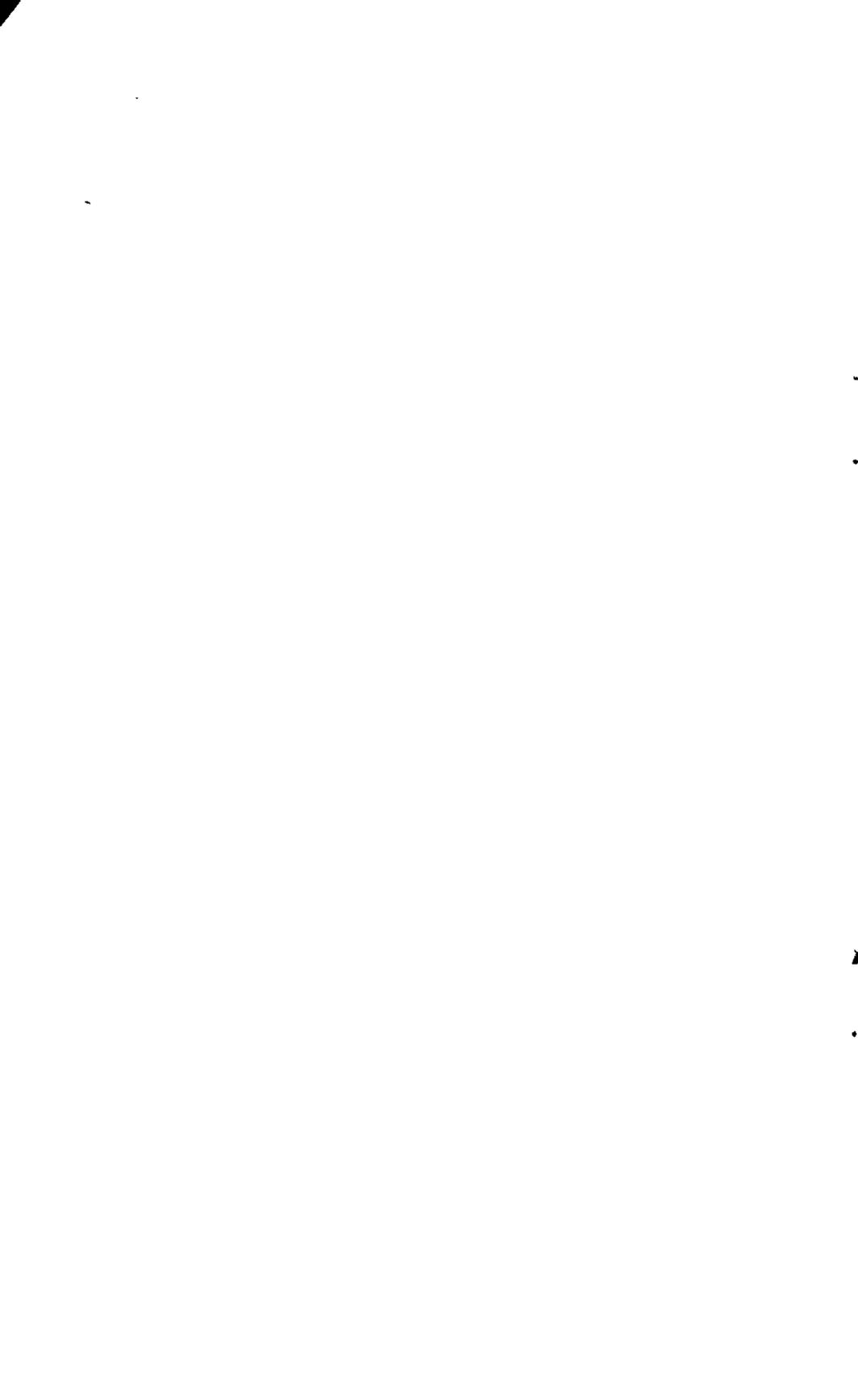
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## *Introduction*

### *Reorganization of the United States Maritime Commission*

The end of the fiscal year 1950 found the activities formerly conducted by the United States Maritime Commission under the jurisdiction of two new agencies, the Federal Maritime Board and the Maritime Administration, established within the Department of Commerce by the President's Reorganization Plan 21 of 1950, which was designed to correct the operating deficiencies of the Commission arising from "inappropriate and unsound organization." Since the Reorganization Plan did not go into effect until May 24, 1950, this report is essentially the final report of the United States Maritime Commission, but includes activities of the Board and Administration during the period from May 24 to the end of the fiscal year.

The new organizations were given immediate authority by the Secretary of Commerce to carry out certain responsibilities and programs of the Maritime Commission, so that there would be as little break as possible in the continuity of governmental handling of maritime affairs under the authority of the Merchant Marine Act, 1936, and other related legislation.

The Federal Maritime Board is composed of three men appointed by the President with the consent of the Senate, one of whom is designated by the President as Chairman. The Board was given the functions of the former Maritime Commission with respect to regulation, control, and investigation of rates, services, practices, and agreements of offshore water carriers and allied groups, and the determination and award of operating- and construction-differential subsidies. In regulatory matters the Board is independent of the Secretary of Commerce; in the administration of other functions the Board is to be guided by the general policies of the Secretary.

The Chairman of the Federal Maritime Board is ex-officio the Administrator of the Maritime Administration. The Secretary of Commerce was authorized to delegate to the Maritime Administration all functions formerly carried on by the Maritime Commission not specifically delegated to the Federal Maritime Board. The Chairman and Administrator was authorized to make joint use of officers and employees under his supervision.

Provision was made in the Reorganization Plan for temporary members to be appointed to the Board from other federal executive

departments for a period not to exceed 90 days or until permanent appointments were made. John T. Koehler, Assistant Secretary of the Navy, was appointed on May 24 as Acting Chairman of the Federal Maritime Board and Acting Administrator of the Maritime Administration. South Trimble, Jr., Chairman of the Advisory Board of the Inland Waterways Corp., and Rear Adm. Paul L. Mather, U. S. N. (Retired), were appointed to serve as the other acting members of the Board.

On July 28 Vice Adm. Edward L. Cochrane, U. S. N. (Retired), Head, Department of Naval Architecture and Marine Engineering of the Massachusetts Institute of Technology, was appointed permanent Chairman of the Board for a term to extend to June 30, 1952. He took office on August 7 as Chairman and Administrator. The other two permanent members of the Board are Albert W. Gatov, of California, formerly President of the Pacific American Steamship Association, who was appointed on August 18 and sworn in on August 29 for a term extending to June 30, 1953, and Robert W. Williams, of the law firm of Ober, Williams, Grimes, & Stinson, of Baltimore, Md., who was nominated on September 14 and sworn in on September 25 for a term ending June 30, 1954.

#### *The Merchant Marine and national security*

The United Nations action in Korea has had an important influence on the activities of the American Merchant Marine. As in any such emergency, heavy commitments of American arms and men required American ships to transport them. It takes an estimated 250,000 dead-weight tons of troop-carrying vessels and freighters to transport one full division and its equipment the 5,000 miles from the United States west coast to the Far East, and 133,000 measurement tons of supplies are required during the first month and 19,000 tons each month thereafter to support it.

Rear Adm. William M. Callaghan, U. S. N., commanding the Navy's Military Sea Transportation Service, reported in October that some 400 transports and freighters were used to supply forces in Korea and other American military forces. Of these vessels, 217 were privately operated American ships, of which 130 were Victory ships withdrawn from the Maritime Administration's National Defense Reserve Fleet. These ships were broken out of lay-up, repaired, bareboat-chartered to private operators, time-chartered to the Military Sea Transportation Service, and put into operation within a few weeks' time. Another 22 vessels were withdrawn from reserve and turned over directly to the Military Sea Transportation Service for use as troopships and for special services.

Assistant Secretary of the Navy John T. Koehler reported in November that since the outbreak of hostilities in Korea, the vessels under

Military Sea Transportation Service control had transported 200,000 passengers, 1,625,000 tons of cargo, and 12,600,000 barrels of petroleum products. A number of merchant vessels took part in the Inchon invasion.

The Korean emergency has emphasized once again, and most strongly, the need for both an active Merchant Marine under the United States flag and a well-cared-for reserve fleet. The immediate availability of privately operated active vessels met the most urgent needs of the armed services and gained time for the withdrawal of supplementary vessels from lay-up. The value of an extensive preservation program for reserve fleet vessels was shown in the speed with which most of these ships were returned to service. A fund of \$18,000,000 made available by Congress for repairs to vessels of the reserve fleet is being used to put some additional vessels in condition for immediate use in case of further emergency. Under this program, up to November 1, 50 vessels had been scheduled for repair.

There are not many fast, dry-cargo vessels left in reserve, however. Over 1,600 of the 2,098 ships remaining in the fleets on September 30, 1950, are the slow Liberty ships, which, valuable as they were in World War II, are not adequate to the demands for reasonable security in the forward areas of modern high-speed warfare. There is a great need for fast cargo vessels for such service and for greater mobility of our military strength. Such a national security vessel is being planned by the Maritime Administration, which has contracted with one of the large shipbuilding companies to provide bidding and working plans. This vessel, the 20-knot C4-S-1a, will be suitable for peacetime service and will also be readily adaptable to military use.

The probable requirements and availabilities of merchant shipping to meet any foreseeable future emergency are under study by the North Atlantic Planning Board for Ocean Shipping, which was established by the North Atlantic Treaty Council in May 1950. This Board represents 12 nations whose combined merchant fleets contain a large proportion of the world's tonnage. The first meeting of the Board was held in June 1950 in London and the second in Washington in November. This organization will work in close cooperation with other bodies of the treaty organization in matters relating to merchant shipping in defense planning, and will make plans for the quick mobilization and direction of merchant vessels in the event of an emergency.

### *Shipbuilding*

Planning for defense needs is necessarily closely integrated with planning for peace needs. Vessels take many months to build, and their value in time of emergency depends on their immediate avail-

ability or quick convertibility to military requirements. In addition to the planning for the new national security vessel, several other important steps have been taken in this direction. In 1949 a contract was let for the construction of a new cargo ship, which after testing may also serve as a type of replacement vessel for the steamship lines as their ships become obsolete.

Nearing completion are the two passenger vessels destined for Mediterranean service. The shortage of potential troopships available under the United States flag was emphasized by the recommendation of the Joint Chiefs of Staff in August 1950 that the three passenger-cargo vessels being built for round-the-world service should be completed instead as troop ships for the armed services. It was also recommended that the superliner intended for North Atlantic service should be completed as a troop ship, but this recommendation was later reconsidered and the liner is now being completed as originally planned.

However, other building proposals for both combination passenger-cargo and cargo vessels have been held up pending a study of construction subsidies. A three-man committee of experts was established shortly after the end of the fiscal year to examine the fairness of the prices at which the United States Maritime Commission contracted to sell the passenger liners currently under construction to private operators. The committee is composed of H. W. Seward, chairman, professor emeritus of mechanical and marine engineering, Yale University, R. E. Gillmor, vice president of the Sperry Corp., and Dr. Walter H. E. Jaeger, of Georgetown University Law School.

The conditions under which the vessels are being sold to the steamship lines have been the subject of criticism by the Comptroller General of the United States, who charged that excessive subsidies were granted by miscalculation of foreign costs for the construction of comparable ships, and by overestimating allowances for national defense features. The Government Operations Subcommittee of the House Expenditures Committee also criticized the Commission's decisions and called for the review now under way. Under the new organization, efforts are also being made to improve the information on foreign costs required for the estimation of construction subsidies. It is expected that new procedures will be worked out shortly which should help speed up ship construction projects entered into cooperatively by private industry and the Government.

Shipbuilding activity throughout the United States was at a low ebb during the fiscal year. Only 40 merchant vessels of 1,065,308 dead-weight tons were built in United States shipyards. These were all tankers, and all but 4 totaling 107,125 dead-weight tons were for operation under foreign flag (appendix D). Throughout the world,

a total of 431 vessels of 4,080,548 dead-weight tons were built, of which 45 percent were built in the United Kingdom (appendix C). Employment in United States private construction and repair yards dropped from 63,608 at the beginning of the year to 42,538 at the end of the year.

### *Shipping*

The general trend during the fiscal year 1950 was toward a decline of shipping activity under the United States flag. There were 1,145 United States flag oceangoing merchant vessels of 1,000 gross tons and over, totaling 13,828,000 dead-weight tons, in active operation on June 30, 1950 (appendix A), compared with 1,386 of 16,049,000 dead-weight tons in operation at the close of the preceding fiscal year. Employment of merchant seamen had dropped from an estimated 69,300 to 57,250. The decline was all in vessels owned by the Government and chartered to private operators, which decreased by 306 vessels, while privately owned vessels increased by 65. On the other hand, the world's merchant fleets, excluding the United States, increased during the fiscal year by 283 vessels of 3,311,000 dead-weight tons (appendix B).

World-wide economic disturbances during the year contributed to the decline. The devaluation of many foreign currencies, with a corresponding imposition of import commodity controls and exchange restrictions, caused a drop in both domestic and foreign berth liner services. Exports financed by the Economic Cooperation Administration to the 17 western European nations from the United States were approximately 30 percent lower during the 1950 as compared with the 1949 fiscal year. Many of these countries reestablished their normal markets to such an extent that they were no longer dependent upon the importation of bulk commodities such as coal, grain, and fertilizers which they had heretofore purchased from the United States.

Labor disturbances among United States coal miners and Hawaiian dock workers contributed to the decrease in cargoes and consequent surplus of oceangoing tonnage, which led to general freight rate reductions, especially in the bulk cargo markets. This recession led to the return of many United States Government vessels from bareboat-charter operation. However, withdrawal of 130 vessels from reserve for charter by private operators, to meet demands of the United Nations action in Korea, increased the number of Government-owned vessels under charter to 199 on September 30, 1950.

Tankers were also affected by the drop in shipping requirements, with 105 large United States privately owned tankers reported idle in August 1949. Applications by 6 individual private owners of

- Liberty-type tankers were approved for conversion of these vessels to dry-cargo carriers. The market improved during the winter, however, and continued strong beyond the end of the fiscal year, with greater employment and increases in rates. Almost the only remaining Government-owned war-built tankers were some 50 vessels turned over to the Department of the Navy in the 1948 fiscal year, which were still in use by the Military Sea Transportation Service at the end of the 1950 fiscal year.

Trade restrictions, currency difficulties, and the surplus of world tonnage led to increased competition among carriers and in some instances to discrimination against United States flag shipping through imposition of special fees or levies, restrictions on port services, or diversion of traffic to national lines. In cooperation with the State Department, attempts were being made to rectify such discriminatory practices, and at the same time United States Government agencies were encouraged to use United States flag vessels for shipments of goods financed through their programs.

There was little change in the activities of the coastwise-intercoastal trades. For the most part, freight rates remained unchanged, as did the total number of vessels being utilized. A total of 124 dry-cargo and combination vessels were employed (66 coastwise, 58 intercoastal) compared with 112 vessels in these services during the previous fiscal year. The most notable change that occurred in the intercoastal trade was that 40 privately owned vessels and 18 vessels chartered from the Government were operated in that service during the year, whereas there were 40 chartered and 19 private vessels operated in the trade during the preceding year.

Alaskan shipping services were carried on by 3 regular companies, with 10 privately owned vessels and 12 chartered from the Government. An experimental service was introduced by one company, which transported refrigerated truck bodies, containing perishable freight, by barge drawn by tugs.

Public Law No. 856, Eighty-first Congress, passed after the end of the fiscal year, permitted Great Lakes operators to apply for purchase of 10 war-built vessels and granted allowances for cost of converting them for use on the Lakes. Up to November 1, two formal applications for eight vessels had been received.

Authority for sale of war-built Government-owned vessels under the Merchant Ship Sales Act of 1946 was extended to January 15, 1951, but activities were greatly curtailed during the fiscal year. Applications were approved for purchase of a net of 5 vessels, with 2 more approved up to September 30, bringing the total from the beginning of the program up to the latter date to 1,813, of which 700 were for United States flag operation. Over 2,000 vessels were still

available for sale (subject to military requirements), most of them Liberty ships. While there were over 300 applications pending, most of them were inactive or for vessel types no longer available.

Following is the detailed report of activities of the United States Maritime Commission and of the Federal Maritime Board and Maritime Administration during the period July 1, 1949, to June 30, 1950.

## Personnel

The appointments of Philip B. Fleming, Chairman, and of Grenville Mellen, Raymond S. McKough, Joseph K. Carson, Jr., and David J. Coddair, Commissioners of the United States Maritime Commission, were terminated at the close of business May 23, 1950, as that agency was abolished by section 306, part III, of Reorganization Plan No. 21.

At the end of the fiscal year, the temporary Federal Maritime Board appointed by the President, of which John T. Koehler was Acting Chairman, and South Trimble, Jr., and Rear Adm. Paul L. Mather were acting members, was still in office. Earl W. Clark had been designated Acting Deputy Maritime Administrator.

A decrease of 19.5 percent was made in total personnel during the year, as indicated by the following tabulation:

Fiscal years ending—	Adminis- trative	Maritime Service		Warehouses and shipyards	Reserve fleets and terminals	Total
		Non- uniformed	Uniformed			
June 30, 1949.....	2,061	118	859	298	2,696	6,032
June 30, 1950.....	1,737	86	605	232	2,193	4,853
Decrease.....	324	32	254	66	503	1,179

## Shipbuilding

### *New construction*

At the beginning of the fiscal year six vessels were being constructed under construction-differential subsidy contracts previously awarded. Three combination passenger-cargo vessels of design P2-S1-DN1 for American President Lines round-the-world service were under construction by the New York Shipbuilding Corporation. Two of design P3-S2-DL2, for American Export Lines New York-Mediterranean service, were under construction by the Bethlehem Steel Co., Quincy, Mass., yard. One design P6-S4-DS1 for United States Lines North Atlantic service was under construction by the Newport News Shipbuilding & Dry Dock Co.

Keels had been laid for two of these six vessels before July 1, 1949, and keels for the remaining four were laid during fiscal year 1950. One P3 and one P2 were launched in June 1950 and were expected to be delivered in January 1951 and December 1950, respectively.

Under the provisions of title VII of the Merchant Marine Act, 1936, as amended, a contract was awarded October 7, 1949, to the Ingalls Shipbuilding Corp., Pascagoula, Miss., for the construction of one cargo vessel of design C3-S-DX1. This design is intended to be an advance over the design of the Victory ship, the last design of World War II for production of vessels in considerable number. The C3-S-DX1 is being built to determine and evaluate features of advanced design, to the end that a basic design may be available that can be adapted to mass production with a minimum of changes. The keel for this vessel was laid May 29, 1950.

Bids were received for the building of one passenger-cargo vessel for the Mississippi Shipping Co., on September 21, 1949, but difficulties in computing the subsidies to be paid prevented an award prior to expiration of bids.

A summary of the construction program may be found in appendixes E and F.

#### *Conversions and reconversions*

The reconversion from war to peacetime use of three vessels for private operators was completed during the fiscal year. The award of contracts for these reconversions was approved during the previous fiscal year, and no new contracts of this nature were awarded during the 1950 fiscal year.

Plans were prepared for the conversion of the S. S. *Gen. M. C. Meigs* to permit its operation in the trans-Pacific trade of the American President Lines without wartime waivers. The Korean operation necessitated the use of this ship as a transport, and the projected conversion was abandoned.

The Arnold Bernstein Line of New York made application for the purchase of the S. S. *Gen. John Pope* and S. S. *Gen. Wm. Weigel*. Invitations to bid on their reconversion from troop transports to passenger vessels for the North Atlantic service were issued and bids received. As in the case of the *Gen. M. C. Meigs*, the United Nations operations in Korea preempted their use as troop transports and the reconversion was abandoned.

#### *Building proposals*

In the fiscal year 1948 the Pacific Coast Steamship Co. filed application for financial aid for the construction of two passenger-trailer ships, design Q8-S2-DW1, to operate between Los Angeles and San Francisco. Bids were opened on September 26, 1949, but financial

difficulties prevented the consummation of a sales contract, and no award of construction contract was made.

Under the provisions of title VII of the Merchant Marine Act of 1936, as amended, the technical staff was in the final stages of preparing design S-X-DY1 at the end of the fiscal year. This was a design for a cargo vessel suitable for conversion to an attack-type cargo vessel, arrived at after long consultation with the Department of the Navy. As a result of these consultations and others with the Military Sea Transportation Service and Army officers, ship operators, shipbuilders, etc., design S-X-DY1 was further developed and finally completed as design C4-S-1a.

Informal discussions were held with Moore-McCormack Lines and Grace Line regarding their projected vessels, but no formal applications were received.

### *Technical developments*

Development of the gas turbine continued to be delayed by technical difficulties. An experimental unit constructed for the Department of the Navy was being prepared for final shop tests, and when successfully completed a duplicate unit will be constructed for the Maritime Administration.

An improvement in the conventional ship's cargo-handling gear, devised by the staff, was further developed, and a working model was being prepared. The finally approved arrangement will be installed on the C3-S-DX1.

Improved types of quick-opening hatch covers were investigated, and a selected design of this type was being installed on one hatch of the C3-S-DX1.

The causes of the fracture and breaking of ships were still under investigation by the ships structure committee, composed of representatives of the Maritime Administration, Navy, Coast Guard, and American Bureau of Shipping. Investigations were pointed toward improvement in design practices and the metallurgical properties of ship steel.

Investigation of new marine materials was practically discontinued, because of the need for all the time of personnel on ship production work.

Inspections were made at 205 plants of paints, paint materials, and outfitting equipment for reserve fleets and vessels under construction. Four paint-manufacturing plants were inspected for approval of facilities under Maritime Administration specifications.

### *Scientific equipment*

The Maritime Commission on September 26, 1940, approved a recommendation determining that the gyrocompass and gyropilot equip-

ment as furnished by the Sperry Gyroscope Co. are scientific equipment used for communication and navigation not subject to the profit limitations of section 505 (b) of the Merchant Marine Act, 1936, as amended. Subsequently, on September 10, 1946, the Commission similarly exempted loran receivers and radar equipment as manufactured by Sperry.

Sperry Gyroscope Co. submitted the following list of subcontracts covering equipment furnished for a vessel building for the account of the Maritime Administration during fiscal year 1950:

Type and number of equipment	Customer	M. C. hull	Purchase order No. and date	Contract price
1 gyropilot.....	Newport News Shipbuilding & Dry Dock Co.	2917	II488-430-23, October 27, 1949....	\$21, 709
2 gyrocompasses.....	do	2917	II488-430-24, October 27, 1949....	20, 493
1 marine radar.....	do	2917	II488-430-27, October 27, 1949....	12, 281

A report of profit was requested from Sperry Gyroscope Co. in March 1950, with respect to Purchase Order No. U-1230-577N dated December 30, 1947, covering four gyropilots in the total amount \$18,536 supplied by Sperry to Bethlehem Steel Co., New York, for installation on four American Export Lines' vessels reconverted under Maritime Contracts MCc-60331 to MCc-60334, inclusive. Sperry acknowledged the request in May 1950, by claiming exemption under the scientific equipment provision.

Final technical determination as to applicability of the exemption provision has not been made, but from a preliminary review of the available information, it appears that the equipment furnished by Sperry to Newport News and to Bethlehem is properly exempt under the provisions of section 505 (b) of the Merchant Marine Act of 1936, as amended.

During fiscal year 1950, the Maritime Administration has not entered into contracts or other arrangements under this title (sec. 505 (b)) by the terms of which the United States undertakes to pay only for national-defense features.

#### *Maintenance and repair*

Six hundred and forty-six subsidy condition surveys and 2,195 repair inspections were conducted on vessels operating under the Administration's subsidy agreements during the fiscal year 1950, and 410 complete condition surveys on mortgaged vessels. Three hundred and thirty-one inspections were made of vessels being scrapped in accordance with Administration sales contracts for this purpose during the fiscal year.

Complete condition surveys were made on 11 vessels delivered by the Maritime Administration into private operation under Shipsales-demise charter during the fiscal year; specifications were prepared, bids obtained, and the performance of repairs directed on 3 of these vessels at an approximate total cost of \$99,251. Complete condition surveys were conducted on approximately 386 Administration-owned vessels redelivered upon termination of operation under Shipsales-demise charter, and repairs were supervised on 22 of these vessels. These repairs were in the category of deferred Administration obligations and disputed items necessarily effected prior to lay-up of the vessels involved, at an approximate total cost for all 22 vessels of \$108,627. Plastic armor, life rafts, and permanent ballast were removed and anchors and chain installed on 202 vessels in preparation for lay-up at the time of redelivery from bare-boat charter operation at an approximate cost of \$383,219.

Complete condition surveys were conducted on nine vessels sold on mortgage terms under the Merchant Ship Sales Act of 1946. All were sold under terms which provided for delivery of the vessel to the purchaser "in class," necessitating, in addition to the surveys, inspection of the vessels on drydock, and the screening of specifications prepared by the purchaser covering all outstanding classification requirements of the American Bureau of Shipping, certification requirements of the United States Coast Guard, removal of defense installations, crew quarters changes, and work necessary to restore the vessels to the Maritime Administration's standard design. After screening of the specifications, bids were issued and evaluated by the Maritime Administration to determine which was most advantageous to the Government, before awarding of the contract by the purchaser of the vessel. The purchasers were granted an allowance for the cost of such work against the purchase price of the vessels. The cost of the work necessary to effect delivery of the nine vessels amounted to \$183,639.56.

Inspections were conducted and guarantee settlements concluded on 23 vessels with outstanding guarantee work under construction contracts, and on 24 vessels with outstanding guarantee work under reconversion contracts.

#### *Vessel trial and guarantee surveys*

During the fiscal year six final guarantee surveys on major reconversions were conducted. The calibration of the shafting for the two American Export Lines vessels and the three American President Lines vessels under construction was checked. This work was required to set standards for eventual official acceptance trials. In addition, arrangements were being made for all other necessary instrumentation for the conducting of those trials.

# Maritime Operations

## Charters

At the close of the fiscal year the number of vessels under charter or allocated for charter under the provisions of the Merchant Ship Sales Act of 1946, as amended, was 48, a decrease of 316 from the corresponding total of 364 at the end of the preceding fiscal year. Four prewar-built passenger vessels, 8 war-built cargo ships, 5 Great Lakes vessels, and 1 ferry were also under charter as of June 30, 1950, under other authorities of law, for an over-all total of 66 vessels, a decrease of 316 from the over-all total of 382 under charter as of June 30, 1949.

The annual over-all totals, by types of service, were as follows:

	June 30, 1950	June 30, 1949
Off-shore trades (including Alaska service).....	29	1 317
Coastwise/intercoastal .....	19	47
Philippine inter-island service (Philippine Rehabilitation Act).....	8	7
Great Lakes and other service (chartered under Public Law 101, 77th Cong.).....	10	1 11
Total.....	66	382

<sup>1</sup> 4 prewar-built passenger vessels chartered under Public Law 101, 77th Cong., were incorrectly included among war-built vessels chartered for offshore trades under the Merchant Ship Sales Act of 1946, in the annual report of the U. S. Maritime Commission for the fiscal year 1949. The total of 382 as of June 30, 1949, is unaffected.

Cash receipts for charter hire during the fiscal year were as follows:

	Basic charter hire	Additional charter hire	Total
Charters under Ship Sales Act.....	\$17,608,195.19	\$2,692,039.57	\$20,300,234.76
Miscellaneous charters.....	1,644,266.11		1,644,266.11
Total.....	19,252,461.30	2,692,069.57	1 21,944,530.87

<sup>1</sup> Includes receipts during fiscal year 1950 affecting prior year.

The monthly record of the number of vessels on charter is given in appendix G.

The Maritime Administration, through its agents, was responsible for the preparation of vessels for lay-up after redelivery from charter. This involved shifting vessels, crewing, stripping expendable equipment, removing, packing and storing navigation instruments, unshipping rigging and gear, storing lifeboats, booms, canvas, etc.

## Field Activities

The district offices in New York, San Francisco, and New Orleans coordinated all field activities of the Maritime Administration. They

were responsible for accepting vessels from charter and preparing and delivering them for lay-up, and for withdrawing vessels from reserve fleets for charter. They surveyed the physical condition and operating efficiency of privately owned vessels operating under subsidy, made field audits, and represented the agency in its dealings with steamship owners, operators, and agents in the field, and with regional public and federal organizations.

The Atlantic coast district was mainly responsible for carrying out the surplus ship grain storage project undertaken at the request of the Commodity Credit Corporation of the Department of Agriculture. Unable to obtain sufficient land facilities, the Corporation applied for the use of cargo vessels in the Hudson River Reserve Fleet, Tomkins Cove, N. Y., as substitute storage space. The operation involved towing the vessels from the fleet to the grain loading wharf in New York harbor, cleaning cargo holds, loading grain, fumigating against weevils, and towing back to the fleet.

The initial request for 12 ships was handled so successfully that the Corporation decided to expand the program, and at the end of the fiscal year 52 ships had been employed in storing a total of 13,465,199 bushels of grain, with a market value of more than \$2 a bushel. The cost of the project was said to be far below that of the rental of land storage bins.

### *Reserve fleets*

In anticipation of the possible need for vessels in an emergency such as the United Nations action in Korea, condition data and costs were developed for the vessels that might be required for early activation. These vessels, consisting of the high-priority vessels in each reserve fleet, were selected in cooperation with the Department of Defense.

At the close of the 1950 fiscal year there were 2,277 ships in the reserve fleets, representing a net increase of 343 ships. During the year 429 vessels were taken in and 86 were removed. There were 61 vessel movements in connection with the 52 vessels used in the grain storage program, two vessels were transferred to Italy under Public Law 370, and the remaining 23 were withdrawn for sale. The 2,277 vessels in the reserve fleets as of June 30, 1950, represented an original investment by the Government of approximately \$5,000,000,000. Appendix H shows the vessels in reserve fleets by months.

### *Development of fleet sites*

Nine sites harbor the vessels of the National Defense Reserve Fleet. Two of the sites until this year were designated as temporary. On November 29, 1949, and December 13, 1949, the Olympia, Wash., and Hudson River, N. Y., sites, respectively, were made permanent.

The permanent site at Astoria, Oreg., was rapidly nearing completion and the fleet site facilities were expected to be finished by September 1, 1950.

The Department of the Army pier at Hawkins Point, Baltimore, Md., continued to provide for berthing of the S. S. *George Washington* and the S. S. *Edmund B. Alexander* and will be available for other large vessels which may be withdrawn from service and put into reserve status.

#### *Fleet service activities*

Fleet service activities continued to play an important supporting role in the over-all functioning of the fleets with 178 fleet service craft maintained in operation, including 25 tugs and 23 patrol fireboats. Activities included transportation of personnel and materials, security patrols, guard service, and preservation of the hulls by water blasting.

The safety program, developed because of the hazardous or semi-hazardous nature of the fleet service and preservation functions, was carried on with greater intensity than during previous years. The latest design in goggles, providing eye protection with increased vision, respirators adapted for particular services, safety cans manufactured to eliminate the hazards encountered in daily use of highly volatile and inflammable liquids, and cap lamps of the latest type to insure that each workman would have more than adequate light in the dark interiors of the vessels being preserved, were procured. The acquisition of this equipment, plus insistence on the observance of existing safety rules and regulations, greatly decreased accidents and lost time due to accidents.

The adequacy of the security afforded by the system set up is attested by the fact that there were no fires during the entire year. Arrangements were made with nearby harbor facilities and military installations to provide assistance wherever geographically possible in the event of fire.

To insure the availability of emergency first-aid and preventive medicine to fleet personnel, other fleet employees were selected, based on aptitude and previous experience, for training as substitutes for the pharmacist's mates of the United States Maritime Service whenever the latter were absent from the reserve fleet to which assigned.

#### *Vessel preservation*

It had been anticipated that the work of laying up and preserving all of the vessels in the reserve fleet would be substantially completed by the end of the fiscal year 1951, and that the bottoms of half of the vessels would be protected from corrosion through the use of the cathodic method. Events in Korea, immediately subsequent to the

end of the fiscal year 1950, caused the Maritime Administration to reconsider the necessity for completing the preservation program on those types of vessels that might be required in support of the armed services in the foreseeable future.

### *Research and tests*

Tests and experiments in preventing corrosion of vessel bottoms by the cathodic method were continued. The data which were developed establish that the method will furnish the required protection more economically than other methods. The tests and experiments consisted of pioneering work in many respects, as these are the first large-scale applications to vessels in the United States. Because of the highly satisfactory results, plans were prepared to apply the method to all reserve vessels, and an appropriation was requested in order that application of the method might be started during the fiscal year 1951.

Based on records and tests conducted up to January 1950, it was believed that adequate protection against corrosion at the flotation line area of vessel hulls could be obtained only by sandblasting and coating those areas with special compounds. To accomplish such protective measures, it would be necessary to careen the vessels. Investigation and tests were continued, and results obtained led to experimental work through which a method was developed that obviates the need for careening, sandblasting, and coating such areas. The method requires only the liberal and periodic application at the flotation line areas of an admixture of preservative-type oils containing inhibitor, wetting agent, and iron oxide pigment. The admixture gradually forms a barrier coating at and immediately below the flotation line and its adherence is such that it furnishes adequate protection. Through the use of this method, a substantial saving will be effected in the preservation of reserve vessels.

Tests and experiments were continued to improve materials and methods now in use and to develop new materials for use in the preservation program. New products that became available from vendors were given consideration and were placed on test if there was reasonable indication that they might be of value in the program.

### *Large vessel sales*

During the fiscal year applications were approved for the purchase of a net total of five vessels under the Merchant Ship Sales Act of 1946, as amended. All were for American-flag operation. This made a total of 1,811 vessels, 698 for American-flag operation and 1,113 for foreign-flag operation, approved since the beginning of the program. At the end of the fiscal year, the Administration had approximately 2,239 war-built vessels available (subject to changing requirements of the Army and Navy) for sale under the terms of the 1946 act.

Appendix I indicates in detail the status of the vessel sales program as of June 30, 1950. The sale of vessels to foreign nationals under the 1946 act was discontinued by Public Law 423, after March 1, 1948.

At the end of the fiscal year, there were pending before the Administration applications from United States citizens for the purchase of 332 vessels. It was anticipated that only a small portion of these applications would receive approval, because a large number were for vessel types no longer available, the applicants had failed to submit qualifying financial data, applications were otherwise not qualified on the basis of the Administration's requirements, or because the applications had been pending a long time and no further interest had been shown by applicants in the purchase of the vessels applied for, although such vessels might still be available for sale.

Under the authority of the Merchant Marine Act of 1936, as amended, a total of seven vessels of 16,198 lightweight tons were sold during the year, all for scrapping. The total monetary return from these sales amounted to \$126,787. In addition, approval was given for the abandonment of seven vessels declared to be constructive total losses in foreign waters. Contracts requiring scrapping of six vessels were amended to permit the salvage of machinery, etc., on four vessels, non-self-propelled operation of one vessel, and use of a portion of the hull as a sludge tank on one vessel. These amendments resulted in an additional monetary return of \$138,480 over and above the original sales price. During this period the sale of one vessel which had originally been sold for scrap was rescinded. Custody charges returned \$210, defaults in contract performance \$1,000, and ballast \$10,143.34.

This brought to a total of 1,050 the number of vessels sold under the authority of the Merchant Marine Act of 1936, as amended, the Shipping Act of 1920, and the Surplus Property Act of 1944, of which 252 were sold for operation, 14 for non-operational use, 40 for non-self-propelled operation, and 744 for scrapping. The total monetary return from these sales amounted to \$52,640,855.34. In addition \$123,302.10 was received for custody charges, \$253,442 for forfeiture, \$10,143.34 for metallic ballast, \$8,300 for defaults in contract performance, and \$24,283 for sale of seven vessels to other Government agencies. Fourteen vessels were transferred without reimbursement to other Government agencies, and abandonment of 19 vessels was approved.

#### *Small vessel sales*

During the fiscal year 16 small vessels (up to 1,500 gross tons) were disposed of for \$403,053.11. The number of small vessels remaining to be disposed of totaled 11. The 16 small vessels sold included 9

types: barge, cargo, landing craft (50-foot), patrol craft, schooner, subchaser, tug, work boat, and yacht.

### *Shipyards*

The maintenance and security program was continued during the fiscal year at the four Government-owned shipyards at Wilmington, N. C., Richmond and Alameda, Calif., and Vancouver, Wash.

The Military Sea Transportation Service assumed the permit granted to the United States Army to berth transports at the Richmond yard, and a number were berthed during 1950, the Administration being reimbursed for utilities used.

The Oceanic Steamship Co., under contract MCo-61359, berthed the S. S. *Mariposa* and S. S. *Monterey* at the Alameda yard. Total revenue derived from this contract during fiscal year 1950 was \$29,200. In addition, the Administration was reimbursed for water and electricity used by those vessels.

Repair of damage to the Vancouver yard, caused by the flood waters of the Columbia River in the spring of 1948, was completed during 1950.

The Army and Navy were permitted to use portions of the North Carolina and Richmond yards for reserve training purposes.

### *Terminals*

During the fiscal year the Government-owned terminal properties at Boston, Mass., Hoboken, N. J., Philadelphia, Pa., and Norfolk, Va., were fully devoted to the movement of civilian import and export goods. The Government received during the fiscal year a revenue of over \$1,660,900 from the commercial leasing of its terminals on competitive bids, resulting in an estimated net revenue of \$1,157,250.

The program of maintenance and improvement was continued at all terminal properties during the fiscal year in order to insure that these facilities would be ready in the event they are required for future emergencies. The program includes the rehabilitation for commercial use of the Norfolk Terminal with funds provided by the Armed Services to pay for the deferred repairs and physical changes made by the Army and Navy during their wartime use of the property.

### *Warehouses*

During the fiscal year five Government-owned warehouses were operated at Hoboken, N. J.; Baltimore, Md.; Norfolk, Va.; New Orleans, La.; and Richmond, Calif. Two subwarehouses located on Government-owned property at Wilmington, N. C., and Vancouver, Wash., were used to store materials but required no personnel since they were in an inactive status. These warehouses provided facilities for the storage of vital marine equipment, which would be required

in a national emergency for the reactivation of the vessels in the national defense reserve fleets and the construction, repair, and operation of vessels in any such emergency.

Large quantities of Government-owned marine equipment were recovered from various off-site locations and shipped to the warehouses together with usable materials stripped from ships. Issues of materials were made as required for use in reserve fleets, shipyards, terminals, and vessel operating activities, and other materials were disposed of as surplus property. Warehouse inventories of marine equipment and supplies increased during the year from \$37,179,000 to \$41,279,000.

A program was instituted to preserve materials in storage by cleaning, removing of rust and corrosion, applying rust preventives, repacking, and restoring so as to prevent deterioration and assure the usefulness of such materials when required. During the year, materials valued at \$11,000,000 received treatment.

A total revenue of \$31,396 was produced during the fiscal year by three commercial leases for portions of the Pullman plant (warehouse 38), which were in excess of current Administration requirements for storage space.

#### *Port development*

During the fiscal year, in cooperation with the Department of the Army, Board of Engineers for Rivers and Harbors, the following port series reports were completed and released for public distribution: The ports of Hampton Roads, Va. (Port Series No. 11); Ports of Mobile, Ala., and Pensacola, Fla. (No. 18); and ports of Gulfport and Pascagoula, Miss. (No. 19).

At the close of the fiscal year the following reports were in various stages of completion: Wilmington and Morehead City, N. C. (No. 12); and Charleston, S. C. (No. 13).

A comprehensive study was completed of the existing tank fleet and the long-range tankship building program, and the degree to which the supertanker would lend economic justification for increasing channel depths at strategic United States seaports. This study was undertaken at the request of the Army Corps of Engineers to assist in determinations relative to the Navigation Project—Calcasieu River and Pass, La.—increasing 35-foot project to 38 feet.

Other special studies included a survey of the postwar Japanese merchant fleet and shipbuilding program; participation of United States shipping in Japanese cross trades; operations of Maritime Administration-owned vessels employed in the coastwise and inter-coastal trades, with special reference to relationship of cargo handling and stevedoring costs to total operating costs and to revenues.

The files containing data on foreign ports continued to be extensively used by armed services agencies for data pertinent to their needs.

### *Purchasing*

Procurement was continued of materials, supplies, equipment, and services required in the repair, maintenance, and operation of the reserve fleets, reserve shipyards, terminals, and training stations in the repair, operation, and preparation for charter of Government-owned vessels and in the operation of administrative offices.

During the year, 13,859 purchase orders, totaling \$2,874,507, were issued. A total of 16,108 requisitions were processed, of which 1,855 were placed on warehouses for materials obtainable from stock.

### *Disposal of surplus property*

During the fiscal year personal property with a reported cost value of \$1,348,710.51 was declared to the Federal Supply Service. Of this total, property valued at \$179,589.63 was transferred by the Federal Supply Service to other Government agencies and \$850,232.66 returned to the Maritime Administration for disposal.

Property with a reported cost of \$7,671,253.52 was sold with a recovery of \$1,135,295.46, a return of 14.8 percent. In addition, property with a reported cost of \$522,237.37 was disposed of by transfer, donation, and abandonment.

### *Inventories*

During the fiscal year, 588 vessel inventories were made, and 389 inventory certificates amounting to \$5,287,473.65 were processed, involving accounts receivable in connection with Government-owned vessels delivered under bare-boat charter; as well as 447 certificates, in the amount of \$4,951,248.78, in connection with the sale of Government-owned vessels; and 69 certificates, in the amount of \$784,505.63, in connection with the redelivery of privately owned vessels to their owners.

Six hundred and seventy-four inventory certificates, amounting to \$8,331,872.55, were processed involving accounts payable in connection with Government-owned vessels redelivered from charter, and 26, in the amount of \$269,638.36, were processed in connection with privately owned vessels delivered to the Government under charter.

There were also processed 12 overage and shortage certifications, amounting to \$43,973.11, involving accounts receivable, and 9, in the amount of \$78,234.82, involving accounts payable.

Forty-eight inventory certificates, in the amount of \$302,581.99, were processed in connection with general agency operations and other miscellaneous inventories.

### *Domestic freight traffic*

During the year approximately 2,300 transportation vouchers were processed in the approximate amount of \$370,000. Over 2,600 Government bills of lading were issued; claims for loss and damage were processed under which an approximate recovery of \$2,000 was made. Special rate agreements with various rail and motor carriers for reductions in published rates for specific movements were entered into, thereby effecting savings in transportation costs of about \$26,000.

### *Material control*

At the beginning of the year, there remained about \$2,700,000 worth of property on which final determination had not been made as to disposition, and another \$8,500,000 worth at off-site locations on which action toward disposition had not yet been initiated. Of the latter amount approximately \$8,000,000 represented material stored in Navy stockpiles. During the year it was determined, through consultation with the Department of the Navy, that this material could not be identified. With the understanding of the General Accounting Office, the value thereof was deducted from Administration records.

During the year \$15,193,437 worth of material was reported from off-site locations and warehouses, making a total of \$18,393,437 to be identified, segregated, and processed for use, retention, or disposal, of which total there remained \$1,209,138 at the close of the period.

## Maritime Training

The program for training licensed officers and unlicensed personnel to equip the American Merchant Marine with "a trained and efficient citizen personnel" was continued on a reduced scale during the fiscal year. Upgrading and specialist training for men already in the industry was accented, in order that they might improve their skills and be advanced in their positions aboard ship. Only a small number of seamen was trained for unlicensed skilled positions in the deck, engine, and steward's departments. Electronics, including loran and radar, were stressed.

### *Cadet-midshipmen*

During the fiscal year, an average of 1,272 cadet-midshipmen, including 74 Filipino cadets and 10 Latin-American cadets, were in training at the United States Merchant Marine Academy at Kings

Point, Long Island, N. Y., and the United States Merchant Marine Cadet School at Pass Christian, Miss., and at sea, and 220 officers were graduated. The school at Pass Christian was closed on March 31, 1950, and the 89 cadet-midshipmen in training there were transferred to the Academy. However, the school was being maintained in a custody status.

An act of Congress approved August 18, 1949 (63 Stat. 614), amended the act of May 25, 1933, as amended, relating to the conferring of degrees upon graduates of the Naval Academy, Military Academy, Coast Guard Academy, and Merchant Marine Academy. Under provisions of this act, the Merchant Marine Academy became an accredited academy as of November 26, 1949, conferring the degree of bachelor of science upon graduates.

The Seventh Congressional Board of Visitors made its annual inspection of the United States Merchant Marine Academy at Kings Point on April 21 and 22, 1950. On March 23 and 24, 1950, the third meeting of the Academic Advisory Board was held at the Academy. The board was composed of Vice Admiral Edward L. Cochrane, U. S. N. (Retired), Massachusetts Institute of Technology; President Frederick A. Middlebush, University of Missouri; President Homer L. Dodge, Norwich University; Dean Alva R. Davis, College of Letters and Science, University of California; Dean James K. Finch, School of Engineering, Columbia University; President Herman B. Wells, Indiana University; and the Reverend Edmund A. Walsh, S. J., regent, School of Foreign Service, Georgetown University. The board was favorably impressed with the progress of the Academy.

The State Maritime Academies located at Vallejo, Calif., Castine, Maine, and Hyannis, Mass., and the New York State Maritime College, Fort Schuyler, the Bronx, N. Y., had an average of 697 cadet-midshipmen in training during the fiscal year, and 230 officers were graduated.

### *Maritime Service*

The United States Maritime Service continued to provide upgrading, refresher, and specialist courses at its training stations at Sheepshead Bay, N. Y., and Alameda, Calif. In cooperation with the seamen's organizations and shipping companies, the Maritime Service provided specialized training for 149 personnel of the steward department for service aboard passenger vessels.

Until March 31, 1950, the Maritime Service also conducted a 6 months' course of training for unlicensed seamen to fill skilled positions in the deck, engine, and steward departments at its training station at St. Petersburg, Fla., and on the training vessel *American Mariner*. On March 31, 1950, the station at St. Petersburg was closed and placed in a custody status. All trainees were graduated. The train-

ing vessel *American Mariner* was transferred to the United States Merchant Marine Academy, Kings Point. A total of 6,489 officers and seamen, not including the personnel given specialized training for passenger vessels, were trained and upgraded by the Maritime Service during the fiscal year.

During the year there was a course enrollment of 6,685 in the United States Maritime Service Institute, Sheepshead Bay, N. Y., which conducted correspondence courses for men at sea in deck, engine, basic, and radio subjects. The Maritime Service also conducted extension courses at schools located in New York City, New Orleans, and Alameda, for training in radio aids to navigation and radar. The school at New Orleans was closed on March 31, 1950.

### *Medical program*

The medical program was conducted in cooperation with the United States Public Health Service. Medical service was furnished to all trainees at training units and to personnel of the reserve fleet and other employees. Seamen's health records were also maintained, and medical information was supplied to seamen and interested Government agencies.

### *Seamen services*

During the fiscal year, a total of 11,301 decorations and medals were awarded to seamen, and a total of 2,010 certificates of substantially continuous service were issued. Presidential testimonial letters and a number of Mariner's Medals were awarded through the Department of the Interior and the Department of State to foreign seamen who were injured or deceased while serving on American ships.

In October 1949, war zone bars, the Victory Medal, and Honorable Service Button were issued to seamen who were crew members of the *Gripsholm* and *Drottningholm* (Swedish American Line) at the time these ships were under the control of the United States Government as exchange ships.

## Government Aids

### *Construction-differential subsidy aid*

No contract commitments were authorized during the year for construction-differential subsidy aid, but construction work and progress payments were continued under previous authorizations for such aid in financing the building of two 25-knot vessels for the New York-

Mediterranean service of American Export Lines, Inc., three 19-knot combination passenger-cargo vessels for the round-the-world service of American President Lines, Ltd., and the superliner S. S. *United States* for operation in the North Atlantic express service of United States Lines Co.

In April 1950 American President Lines submitted a new application for construction-differential subsidy and mortgage financing aid in the contemplated addition to its round-the-world fleet of four 60-berth combination 18¾-knot vessels as replacements for two 16½-knot, 96-berth, C-3-combinations, and chartered freighters. Consideration of this application was deferred until a study could be made by the newly constituted Federal Maritime Board of the proposed revised round-the-world service utilizing 7 combination passenger-cargo vessels; that is, the three 202-berth capacity vessels under construction and expected to be ready for service before the end of the fiscal year 1951, and the proposed four combination vessels of 60-berth capacity.

Bids were obtained on two other projects involving construction-differential subsidy aid, a passenger-cargo vessel for the Gulf-East Coast of South America service of the Mississippi Shipping Company, and the reconversion of two troop transports into passenger-cargo vessels which the Arnold Bernstein Line, Inc., seeks to acquire for operation between United States North Atlantic ports and ports in Belgium and the Netherlands. The contract awards were held in abeyance, pending determination as to the extent of construction-differential subsidy applicable, confirmation of applicant's financial arrangements, and administrative implementing action required.

Other applications for construction aid received, but not finally disposed of at the end of the fiscal year, involved betterments to vessels of various types to improve their operating efficiency in the essential foreign trades served.

#### *Construction aid without subsidy*

Bids opened in the fall of 1949 relating to the proposed construction of two combination passenger-trailerships for Pacific coastwise operation were not accepted. Since this project is for domestic service, the applicant is not eligible to receive a construction subsidy. The Government aid sought by the Pacific Coast Steamship Co. is limited to technical, consultative, and financial aspects of the project. Since the tentative approval given stipulated certain preliminary financing by private interests, a satisfactory completion of such arrangements is a prerequisite to final approval. In the event of final approval, the vessels, upon completion, will be purchased by the operator at their actual cost, but with mortgage-secured installment payments spread over a period not to exceed 20 years.

*Operating-differential subsidy aid*

Operating subsidy payments to the 12 long-range subsidized operators were suspended during the war years. Most of the operators resumed operation on their subsidized services during the calendar year 1946. The Commission agreed to resume subsidy payments to all subsidized operators as of January 1, 1947, subject to all necessary findings being made with respect to each company involved. Subsequently it was agreed that subsidy payments to 10 of the operators, subject to these same conditions, would be resumed on January 1, 1947, and to the other 2 January 1, 1948. As of June 30, 1950, prewar operating contracts had been amended for resumption of subsidized operations by American Mail Line Ltd., Farrell Lines Inc., Grace Line Inc., Lykos Bros. Steamship Co., Inc., Mississippi Shipping Co., Inc., Seas Shipping Co., Inc., and United States Lines Co. A separate subsidy contract was executed with United States Lines on the *S. S. America*, for a 10-year period expiring August 1, 1958, and a resumption contract was executed on this company's cargo vessels to expire December 31, 1949.

No permanent postwar operating-differential rates were established for any subsidized operator. Temporary rates as to wages in all cases, subsistence in some cases, and maintenance in one case, were established and were incorporated in the resumption contracts referred to above, subject to replacement by permanent rates when available. In the meantime, advance payments for the calendar years 1947, 1948, and 1949, not exceeding 75 percent of the estimated amount due, after deducting the estimated recapture, were being made to the operators on the basis of these tentative rates, subject to the necessary adjustments after the determination of permanent rates. It has been determined that advance payments of only 50 percent for the calendar year 1950 will be made.

Further implementing action was required before resumption of subsidy payments to American Export Lines, Inc., American President Lines, Ltd., Moore-McCormack Lines, Inc., New York and Cuba Mail Steamship Co., the Oceanic Steamship Co., and United States Lines Co. (as to cargo vessels after December 31, 1949). It was possible that resumption contracts applicable to these companies would be executed before the end of the 1951 fiscal year. Temporary cargo rates were established for the Moore-McCormack Lines, Inc., and the United States Lines Co., and it was expected that temporary rates for the other companies would be established by the time the resumption contracts were executed, in which event it would be possible to make advance subsidy payments to the operators involved during the fiscal year 1951.

It was expected that by the end of the calendar year 1950, temporary operating-differential rates would be established for the Pacific Argentine Brazil Line, which had been granted an operating subsidy contract in the 1949 fiscal year. Advance subsidy payments could then be made to this company before the end of the fiscal year 1951.

Applications for operating subsidies were on hand for the following companies: South Atlantic Steamship Line, Inc., Gulf & South American Steamship Line, Inc., Arnold Bernstein Line, Inc., Black Diamond Steamship Corp., Pacific Far East Line, Inc., Pacific Transport Lines, Inc., and United States Lines Co. Public hearings, required when American flag vessels of other operators are servicing these routes, were held on the applications of South Atlantic Steamship Line, Inc., and Arnold Bernstein Line, Inc., but no final action was taken on either application. No statutory hearing was required on the Gulf & South American Steamship Line, Inc., application involving its existing service. Public hearings were in process on the applications of Pacific Far East Line, Inc., and Pacific Transport Lines, Inc., and a hearing was ordered on the application of the United States Lines Co. At the request of the applicant, no action was taken on the application of the Black Diamond Steamship Corp.

Progress was made in the development of programs designed to improve the collection and utilization of foreign and domestic operating-cost information from which to calculate fair and reasonable operating-differential subsidy rates. The programs involved the development of a comprehensive written code of policy and work procedures, the inventory and evaluation of available foreign and domestic cost information, and the development of improved methods for collecting information. Conferences held with the State Department and the General Accounting Office resulted in greater appreciation on their part of the problems involved in the computation of operating-differential subsidy rates. An endeavor was being made to have future foreign service reports provide more specific information regarding foreign operating costs.

In addition, field investigations were made of subsidized operators' methods, policies, and procedures to ensure compliance with requirements of the Merchant Marine Act, 1936, that subsidized operations be conducted in an efficient and economical manner.

There were no payments during the year of operating-differential subsidies on vessels over 20 years of age.

Details of the postwar subsidy agreements and of the recapture position of subsidized operators are shown in appendixes J and K.

#### *Federal ship mortgage insurance aid*

Three commitments outstanding July 1, 1949, for aid in the construction of 121-foot tuna clippers for operation out of southern

California in the fishing trade, were converted early in the fiscal year 1950 into contracts of Federal Ship Mortgage Insurance, each in the amount of \$250,000, a total of \$750,000. Principal payments, however, of \$87,499.99 were recorded in reduction of these mortgages, thus reducing the Government's contingent liability to \$662,500.01 as of June 30, 1950. No other mortgage insurance contracts were entered into during the fiscal year, the \$1,650,000 commitment to insure previously issued on the S. S. *Carib Queen* remaining unchanged except for an extension to November 30, 1950.

As of July 1, 1949, there was an unexpended balance in the Federal ship mortgage insurance fund of \$588,407.73. During the fiscal year the fund was credited with \$10,075, derived from investigation and appraisal fees and mortgage insurance premiums. The fund was reduced, however, under authority of Public Law 266, Eighty-first Congress, approved August 24, 1949, by a transfer of \$586,647.80 as a contribution to the requirements of the general administrative expenses of the Maritime Commission and by a prior-period adjustment of \$209.93. Consequently, at the end of the fiscal year there remained in the fund a balance of only \$11,625.

#### *Construction reserve funds*

As of June 30, 1950, there was on deposit a total of \$23,505,400.10 in various construction reserve funds of 12 nonsubsidized operators, established in accordance with section 511 of the Merchant Marine Act of 1936, which provides tax-deferment benefits if such funds are invested in new tonnage within required time limits.

To several of the operators maintaining construction reserve fund deposits, extensions of time were granted for entering into new construction or vessel acquisition contracts. During the fiscal year public hearings were held in three cases before extensions were granted.

#### *Good Neighbor charters*

The "Good Neighbor Fleet" (comprised of the S. S. *Argentina*, S. S. *Brazil*, and S. S. *Uruguay*) was chartered to Moore-McCormack Lines, Inc., prior to World War II, after competitive bidding, for operation on trade route No. 1 between United States north Atlantic ports and ports on the east coast of South America. The charter was for a 5-year period, and an operating subsidy was paid in connection with this operation. When the vessels were requisitioned for war purposes, the 5-year charter had approximately 2 more years to run. At that time the Maritime Commission agreed to return the vessels to the charterer after the war, in operable condition, for completion of the original 5-year charter. After the war, the charter contract was modified to cover resumption of charter operations, and

the last of the three vessels was redelivered to the company in May 1948. Subsequently, however, two amendments were made to this charter, the first of which extended it to October 31, 1950, and the second to June 30, 1951, with the understanding that the charterer or the owner could cancel the charter, upon 30 days' notice, as to voyages commencing after December 31, 1950. The purpose of the extensions was to make possible the continued operation of this fleet until a new charter could be obtained through competitive bids. The invitation for bids for a further charter of the Good Neighbor Fleet requires that every bidder submit a plan for the replacement of this fleet with vessels to be constructed for account of the successful bidder. The former Maritime Commission approved subsidy on the fleet to become effective in May 1949 upon determination that an operating differential subsidy was appropriate. Payment of the subsidy is subject to the determination of rates and conditions which the Federal Maritime Board may consider suitable. All of these vessels were over 20 years old, but in sufficiently good condition for operation until they could be replaced by new vessels.

#### *Mariposa and Monterey*

No final decision was made on the problems arising out of the lay-up of the former passenger-cargo vessels *Mariposa* and *Monterey*, which were subsidized before the war in the California-Australasian service of the Oceanic Steamship Co. The very high cost of reconverting these vessels prevented the owner from completing the project, and various proposals were from time to time under negotiation with the Government. A recent proposal of the company, providing for the restoration of the *Mariposa* for a one-vessel passenger-cargo service to Australasia, along with the continued operation of four war-built freighters in this service, and the acquisition by the Government of the *Monterey* in its incompleated state, was presented to congressional committees for consideration of such enabling legislation as might be required.

#### *Shipping data*

Toward the close of the fiscal year a system was developed of reporting the position of all United States flag seagoing merchant vessels of 1,000 gross tons and over. American ship owners and operators cooperated in supplying, periodically, vessel-position reports which should prove to be of great value in times of national emergency.

The following regular reports were prepared for administrative use, and in some instances were made available to the general public.

Merchant fleets of the world as of June 30 and December 31, 1949.

Employment of United States flag merchant fleet as of June 30, September 30, and December 31, 1949, and March 31, 1950.

Deliveries of new merchant vessels during fiscal year 1949, and the calendar year 1949.

A monthly report of dry-cargo vessels and tankers under the control of the Maritime Administration and privately owned United States vessels.

Bimonthly tabulations of vessels operated by charterers and agents of the Maritime Administration, excluding tankers.

Bimonthly reports of changes in status of Maritime Administration-owned vessels.

Bimonthly reports showing employment and position of Maritime Administration-owned dry-cargo vessels bare-boat chartered to private operators and their distribution in United States foreign trade.

Numerous special reports were prepared for committees of Congress and for other Government agencies, concerning status and employment of United States flag merchant vessels, vessel construction, world merchant fleets, vessel ownership, chartered vessels, etc. Typical of these was a report, prepared for the Senate Subcommittee on Merchant Marine and Maritime Matters, showing all vessels 1,000 gross tons and over chartered as of January 1 and March 1, 1950, by the Maritime Commission to private operators, including those chartered under the Philippine Rehabilitation Act of 1946, by name, type, and tonnage, name and nationality of charterer, date of original charter party, actual or probable redelivery date, service or trade in which employed, and other vessel particulars. Another report, prepared for the same subcommittee, outlined by ownership, number, tonnage, and type, all United States privately owned merchant vessels registered under foreign flag.

Under an interdepartmental shipping statistics program, the Maritime Administration's statistical program was revised to insure comparability with shipping statistics prepared by other Government agencies. In addition, standard commodity and foreign and domestic port classifications were prepared and adopted by agencies participating in the program.

A review was undertaken of General Order No. 39, as amended, under which the Administration receives vessel utilization and performance reports from United States and foreign flag operators in foreign trade, to provide more complete information required in formulating policy with respect to subsidy and other determinations. Approximately 25,000 vessel utilization and performance reports for individual voyages in foreign trade were reviewed and analyzed. Just prior to the close of the fiscal year a report was begun which was designed to show port-to-port commodity movements in all domestic deep-sea trades, including the Great Lakes.

Traffic information reports were prepared with respect to proposed changes in itineraries and frequency of sailings on a number of the

established subsidized services and in connection with operating-differential subsidy applications for services that were currently operated on trade routes 1, 11, 29, and 31 without subsidy. Summaries and analyses were introduced for the benefit of all interested parties at hearings on applications involving passenger service on trade route No. 1 and cargo services on trade route 29. Extensive traffic data also were developed and presented at a hearing dealing with the operation of an unsubsidized freight service on trade route 17.

As of the end of the fiscal year the official register of foreign freight forwarders included the names and main office addresses of 519 United States citizen-owned freight forwarders and two foreign-owned forwarding firms located in the United States, who were eligible under the terms of General Order 70 to handle Economic Cooperation Administration shipments and similar relief and rehabilitation shipments. This information was submitted to the various Government agencies concerned with the utilization of forwarders' services.

#### *Transfers to foreign ownership and registry*

Appendix L lists the approvals granted under section 9 of the Shipping Act of 1916, as amended, for the transfer of United States flag vessels to foreign ownership and/or registry during the fiscal year. Of the 181 transferred, 136 were vessels of 1,000 gross tons and under, such as fishing vessels, pleasure craft, tugs, barges, and small freighters. Eighteen were vessels owned by the United States (16 dry-cargo vessels, 1 tanker, and 1 commercial vessel of under 1,000 gross tons). Some of the larger vessels were sold for scrap; others were vessels which had been declared constructive total losses and abandoned to the underwriters, or declared menaces to navigation and abandoned to the government of the country in whose waters the wrecks were located. Of the 28 privately owned vessels of 1,000 gross tons and over, 7 represented conditional approvals, that is, the owner was required to replace the vessel sold by new construction or otherwise, and the vessel was restricted from trading to and from United States ports for a period of years.

Thirteen applications for permission to transfer United States flag vessels to foreign ownership and registry were disapproved, including applications covering 12 war-built vessels sold under the provisions of the Merchant Ship Sales Act of 1946.

In connection with congressional hearings on transfer of United States flag vessels to foreign ownership and registry, numerous special statements were prepared listing the total number, tonnage, and type of all vessels sold alien, the country of registry, nationality of the buyer, and reasons for the sale, covering periods ranging from 1 to 10 years.

Ten violations of section 9 of the Shipping Act 1916, as amended, resulting from the sale alien and transfer to foreign registry of United States vessels without prior approval, were reported to the Department of Justice. One of these concerned the yacht *Chanticleer*, which was ordered forfeited to the United States. In lieu of forfeiture, however, a compromise offer of \$27,500 in settlement of the violation was subsequently accepted.

#### *Mortgages and charters*

Four mortgages to aliens were approved, the vessels remaining under United States flag and ownership. Fourteen charters to aliens were approved, each representing a period in excess of 1 year.

The Maritime Commission, as mortgagee, consented to the bareboat charter of 18 United States vessels which were covered by preferred mortgages in favor of the United States.

#### *Surrender of marine documents*

Under the Ship Mortgage Act of 1920, 289 applications were approved for the surrender of the marine documents of United States vessels covered by preferred mortgages, for the purpose of changes in tonnage, rig, name, home port, ownership, etc. The documents of 21 Government-owned vessels were surrendered, after the vessels were lost as a result of marine casualty or enemy action, scrapped, or transferred to the Department of Defense for use as public vessels.

## Finance

#### *Contract renegotiation*

Renegotiation of wartime contracts was concluded during the fiscal year in 152 cases, of which 74, having aggregate renegotiable sales of approximately \$237,041,999.80, were found to have realized excessive profits to the extent of \$18,185,236.37. The remainder of the cases completed either were found to have realized no excessive profits or were not subject to the provisions of the law.

This brought to \$507,780,032.10 the total of excess profits recapture and price reductions effected from inception of the program to June 30, 1950. This may be regarded as the final report of this agency for renegotiation under Public Law 528, Seventy-seventh Congress, and title VII of the Revenue Act of 1943, as there was no indication of any further recoveries of excessive profits at close of the fiscal year.

*Internal audits and procedures staff*

During the fiscal year an internal audits and procedures staff was established. The staffing of this organization was well under way at the close of the fiscal year, when a total of 10 accountants had been recruited. The audit report of the Corporation Audits Division of General Accounting Office, which was presented to Congress with the Comptroller General's letter dated February 6, 1950, had advocated the creation of such a staff.

Although this staff operated for only a part of the fiscal year, it rendered valuable assistance in setting up procedures for the many accounting reforms and suggestions recommended by representatives of the General Accounting Office.

*Analysis of financial statements*

Financial and operating statements received with applications to purchase and charter war-built vessels required analyses and recommendations. Analyses were made of financial statements required to be submitted periodically by purchasers of war-built vessels with mortgage aid, and by charterers of war-built vessels, and financial and operating statements submitted with applications under the provisions of the Merchant Marine Act, 1936, as amended.

*Reserve funds of subsidized operators*

The funds on deposit in the capital reserve and special reserve funds at the start of the year totaled \$86,508,720.48, of which \$46,377,647.99 was in the capital reserve fund and \$40,131,072.49 in the special reserve fund. The total amount on deposit in both funds at the end of the year amounted to \$80,105,931, of which \$46,086,968.82 was in the capital reserve fund, and \$34,018,962.18 in the special reserve fund, the details appearing in appendix M. The withdrawals from the capital reserve funds exceeded deposits during the year by approximately \$6,100,000. In addition to those covering transfers to the capital reserve fund, such withdrawals included approximately \$1,680,000 for preliminary payments on account of excess profits subject to recapture under operating-differential subsidy agreements.

*Operating-differential subsidy agreements*

Operating-differential subsidy agreements provide for annual accountings between the operator and the Maritime Administration for the purposes of determining amounts subject to recapture, amounts required to be deposited in the statutory reserve funds, and balances of subsidy payable to the operator.

There was in process of preparation a procedure to be followed by operators in the rendition to the Maritime Administration of annual

and final accountings (along the general lines of that prescribed in Supplement 21 to General Order 60 with respect to the rendition of accountings under bare-boat charter agreements) which will substantially reduce the time heretofore required to conduct audits of these accounts.

#### *Additional charter hire*

Bare-boat charter agreements provide for final audit by the Maritime Administration of the accounts of the charterer for the purpose of determining the amount of additional charter hire due. There were 62 contractors under the Warshipdemiscout 203 form and 88 under the Shipsalesdemise 303 form. Audits under these contracts are performed concurrently. Of the total of 88 contracts under 303 form, 71 were in effect during 1946, 82 during 1947, 74 during 1948, and 61 during 1949. There were also 10 contractors under special types of charter, of which 2 were in effect during 1946, 3 during 1947, 8 during 1948, and 5 during 1949. Thus, the annual audits due under these forms of charter through December 31, 1949, totaled 306. As at June 30, 1950, 35 audits had been completed in the field, and 36 were in process.

There was published in the Federal Register on March 30, 1950, as Supplement 21 to General Order 60, a procedure to be followed by charterers in the rendition of final accountings under Warshipdemiscout 203 and Shipsalesdemise 303 bare-boat charter agreements. This procedure will substantially reduce the time that otherwise would be required to conduct this type of audit.

#### *Termination of wartime operation program*

As of June 30, 1950, the following audits had been made in connection with the termination of wartime Government operations:

The 10 remaining audits of overhead expenses incurred by agents or general agents for the purpose of adjusting compensation under the provisions of various forms of service agreements, regulations, and orders were completed.

Also completed were the two remaining audits of accounts of contractors under the various master repair contracts.

In addition to the 54 audits on hand at the beginning of the year, 22 audits were required during the year covering subcontractors' accounts and accounts of contractors awarded repairs under lump-sum contracts. Of this total of 76, 49 were completed.

Sixty-one of the remaining 71 required audits of the accounts of stevedores under Warshipsteve form of contract were completed.

#### *Construction audits*

Appendix N shows the status of the wartime, interim, and long-range construction audit program.

*Accounting*

In cooperation with representatives of the General Accounting Office, an extensive program was inaugurated for modernizing and improving accounting procedures and organization, involving approved methods of internal control and simplification of accounting, resulting in increased efficiency and improved utilization of personnel.

Accounting for transactions originating in each district, including the control of accounts maintained by agents, was decentralized to the district offices in New York, New Orleans, and San Francisco, thereby permitting the release for other work or reduction of personnel in Washington without increasing the personnel in the district offices. The decentralized accounting, under which each district office maintains a complete set of books, including a general ledger controlled and integrated with the books in Washington, has expedited the accounting function through the recording of transactions in the area in which they originate, has eliminated a large amount of correspondence and the cumbersome process of transmitting large numbers of documents to Washington, has expedited the collection of receivables and the payment of public vouchers, and has permitted a more direct and vigorous approach to the liquidation of accounts maintained by agents, thereby expediting the closing of their books.

The accounting both in Washington and the district offices was largely mechanized through the utilization of bookkeeping and tabulating machines. A system of cost, expense, and collection tabulation was perfected whereby cumulative monthly statements of all costs, expenses, and collections by location, project, and object are prepared for use of budget and management. A system of accounting was perfected for the recording and control of all fixed and movable property, including materials and supplies. An improved system of accounting for cash receipts and disbursements was installed, whereby through the elimination of seven manually maintained registers and the establishing of five new registers designed for posting on bookkeeping machines, thereby utilizing surplus machine time, improved controls were established and the work which formerly required seven employees is now being performed by three. Accounting procedures for control of receivables, notes and mortgages, and cash deposits were revised and mechanized.

The procedure for controlling agents' accounts was revised, and action was taken through field surveys in the offices of agents to expedite the liquidation of such accounts by the scheduling of open items for handling on a group basis, and by instructing the agents with respect to necessary accounting adjustments and the proper handling of certain items. This program will be continued with the ultimate goal of closing the books of all agents by June 30, 1951, except for current transactions and items in litigation.

The work with respect to the backlog that existed as of July 1, 1947, which was started during the fiscal year 1949, was completed during the fiscal year 1950. During the course of this work, 479,221 backlog accounting documents were screened.

The revision and simplification of accounting procedures and the completing of certain backlog work made it possible to reduce the personnel in the Division of Accounts by 86 employees. The work of perfecting the present accounting system was being continued in collaboration with the General Accounting Office.

Appendix P lists appropriations, transfers, collections, and disbursements for the fiscal year.

*Insurance*

The processing of insurances required by the terms of mortgage, charter, construction, and subsidy contracts continued on practically the same basis as during the preceding fiscal year, although the total amount of insurance approved was less. The lower amount was due to reduction in the amounts of insurance carried by some mortgagors, particularly noncitizens, to save dollar premiums, and to a decrease in the number of vessels under mortgage and charter.

Progress was made in bringing the work in connection with mortgage sales to noncitizens to a current basis, and it was expected that this work would be entirely current by June 30, 1951, provided present conditions prevail until then.

The approximate amounts of insurance processed and the proportions placed in the American and foreign markets by mortgagors, charterers, and other contractors is indicated in the following table:

Type	Total amount	Percentage American	Percentage foreign
Marine hull.....	\$1, 175, 182, 709	40	60
Marine protection and indemnity.....	1, 316, 448, 410	54	46
War risk hull.....	2, 853, 260, 277	6	94
War risk protection and indemnity.....	2, 190, 006, 279	5	95
Miscellaneous.....	72, 800, 500	50	50

During the fiscal year the Government assumed the protection and indemnity risks on 314 vessels allocated to general agents either for stripping and lay-up or breaking out of lay-up, in addition to a few vessels which were operated for its account, instead of purchasing this insurance in the commercial market as in the past. Experience indicated that the premiums which would be paid to the underwriters would be materially greater than the losses. The results showed the wisdom of assuming these risks.

The Wartimepandi agreements under which the Maritime Commission and War Shipping Administration purchased protection and indemnity insurance terminated March 1, 1948, but there were many

claims still outstanding. Efforts were made to collect these claims from the insurers and to remove from the records all items on which it was felt no claims would eventually be presented. Under the recapture provision of these agreements, additional amounts were paid by the insurers. The total amount recovered in this way was \$35,000,000.

There were 120 shipbuilding and repair yards authorized to make repairs under the master ship lumpsum repair contract, who were required to comply with insurance requirements to guarantee fulfillment of their obligations for any damage through their fault.

Private contractors leasing Government terminals were required to obtain approved insurance policies covering various types of damage.

## Claims

Concentrated effort was continued to dispose of the large number of claims for and against the Government arising from activities of the Maritime Commission and the War Shipping Administration. A survey was completed to determine the soundness of the inventory of claims and to observe and test-check the procedures and settlements with a view toward eliminating unnecessary functions and procedures so as to expedite the processing and settlement of claims. The test-checks of the settled cases indicated the settlements made were proper and that the Government's interest was being adequately protected.

The claims inventory as of February 28, 1950, consisting of approximately 21,800 claims, was surveyed with the view of establishing a sound inventory as of June 30, 1950. The result of this survey was a reduction of approximately 17,250 claims and the establishment of a sound inventory of 4,548 claims as of June 30.

The reduction of 17,250 claims was occasioned by (1) the regrouping of some 13,700 individual items by firms, resulting in a restated inventory of these claims of approximately 1,450; (2) the transfer of approximately 4,300 claims to the Division of Insurance; (3) the transfer of approximately 400 agency claims to the Division of Accounts; and (4) the elimination of miscellaneous duplicate and fictitious claims. Subsequent to May 23, 1950, authority was delegated to the Division of Claims to settle finally all claims in favor of or against the United States, as represented by the Maritime Administration, provided the settlement value of each claim is determined to be not

in excess of \$100,000. Claims in excess of \$100,000 are referred to the Maritime Administrator for settlement.

During the year a total of 1,942 claims were disposed of, which involved \$5,801,958 in claims in favor of the United States and \$19,063,812 in claims against the United States. The percentage of recovery on claims in favor of the United States averaged slightly over 55 percent, and claims against the United States were settled for approximately 70 percent of the claim value.

Pursuant to authorization from the Comptroller General and in continuation of the program commenced during the fiscal year 1949, a mutual waiver agreement was entered into with the Reconstruction Finance Corporation. At the close of the fiscal year 1950, agreements were being completed with the Department of Justice and the Post Office Department. Agreements were under discussion with the State Department, General Services Administration, War Assets Administration, Office of War Information, United Nations Relief and Rehabilitation Administration, and Federal Security Agency.

The total number of vessels for which applications had been filed for adjustment for prior sales to citizens under section 9 of the Merchant Ship Sales Act of 1946 was 204, of which applications covering 12 vessels were subsequently withdrawn, leaving for consideration applications covering a total of 192 vessels.

The number of vessels for which adjustments were approved stood at 141 as of June 30, 1950. Of these, adjustment agreements had been executed for 137 as of the end of the period. Of the 51 vessels for which adjustments had not yet been approved, applications covering 3 had been tentatively approved and submitted to the Chairman, Committee on Merchant Marine and Fisheries of the House of Representatives, for review and comment. The processing of applications covering 29 other vessels was approaching completion.

Reprocessing of adjustments for 33 vessels of the 137 for which interim adjustments had been executed was being undertaken on the basis of revised policies adopted by the United States Maritime Commission subsequent to original approval of these cases. One application covering 1 vessel of the 33 was nearly completed. Subsequent to May 23, 1950, a review was begun of the policies followed under section 9 with particular reference to the determination of readjusted trade-in allowances. Upon completion of the review, policy guides were to be set up which should permit the prompt disposition of the remaining cases and redetermination, if necessary, of cases previously processed.

Many open items appearing on general agents books were cleared during the fiscal year. Under a procedure established by the Maritime Administrator, the Division of Accounts was to analyze and close

the books of the general agents and refer to the Division of Claims for settlement those disputed third party liabilities, the responsibility for the settlement of which was assumed by the Administration by the action of its Comptroller in relieving the general agents of such liabilities. A fair estimate of the number of disputed third party liabilities which would arise could not be made at the end of the fiscal year.

Appendix O shows the number and amounts of claims estimated to be on hand as of June 30, 1950.

## Legal Activities

### *Legislation*

The authority of the Secretary of Commerce to operate vessels and to charter and sell war-built vessels terminated June 30, 1950, except as authorized by Public Law 591, Eighty-first Congress, approved June 30, 1950. Sales authority for war-built vessels was continued by Public Law 591 to January 15, 1951. Authority to charter war-built dry-cargo vessels owned by the United States was authorized on a limited basis in special circumstances and subject to appropriate findings in accordance with standards prescribed by the statute. The Secretary of Commerce may charter passenger vessels, whether war-built or not, pursuant to title VII of the Merchant Marine Act, 1936, as amended. No time limit on the authority to charter, other than in connection with charters in effect on June 30, 1950, was imposed in the statute. The protection of privately owned vessels is an objective in acting on applications for charters.

Extended hearings on the general subject of the Merchant Marine, shipbuilding, and shipping problems were continued during the second session of the Eighty-first Congress by both House and Senate committees. Much statistical data and other material were furnished for these hearings, which also required testimony by officials and staff as well as analysis and extensive study of the problems under consideration by the committees.

The privilege of foreign flag (Canadian) vessels to serve certain Alaskan ports until January 30, 1951, and to transport iron ore on the Great Lakes during the 1950 season was continued by statute.

The 50 percent United States flag vessel participation provision in the Economic Cooperation Act was included in the Mutual Defense Assistance Act.

There was unusual activity and interest in Merchant Marine legislation, as evidenced by the introduction of numerous bills, particu-

larly to amend the Merchant Marine Act, 1936, and the Merchant Ship Sales Act of 1946. Legislative reports continued in large volume. They covered such subjects as the amendments to the 1936 act, standby marine risk insurance authority, shipbuilding and ship repair programs, Economic Cooperation Act and Mutual Defense Assistance Act, amendment of the Merchant Ship Sales Act in order to aid Great Lakes shipping, commercial operation of certain obsolete vessels on the Great Lakes, "tramp" or irregular service ocean shipping, operation of merchant vessels by the military, transfers of vessels to foreign ownership or registry, court review of regulatory orders of the Maritime Commission, provisions concerning officers and crews of vessels, State nautical schools, Panama Canal tolls, Great Lakes-St. Lawrence Seaway, implementation of international labor office conventions relating to maritime matters, seamen's claims, hospital and medical benefits for seamen, nautical and maritime education, maritime safety and navigation, seamen and labor legislation, and reorganization proposals affecting maritime agencies and activities.

Legislation was passed pertaining to the exchange of lands between the State of New York and the Government at the United States Maritime Service Training Station, Sheepshead Bay, N. Y., and the cession of jurisdiction by the State of New York to the lands comprising the training station; also for the grant of an easement to the East Bay Municipal Utility District, an agency of the State of California, for the construction and operation of an interceptor sewer pipe line in and under certain Government-owned lands comprising a part of the Maritime Alameda Shipyard, Alameda, Calif.

*Operating-differential subsidy, charter and agency agreements, and sales*

On July 13, 1949, upon conclusion of extensive negotiations, conferences, and revisions, the Maritime Commission approved and adopted the standard form of part II of the operating subsidy contract containing standard provisions for general application to all subsidized operators. This revision was required for the purpose of modernizing the contract by eliminating obsolete provisions and modifying others in order to reflect postwar changes in legislation and taxes, the establishment of new routes and sailing requirements, and new equipment in use. On December 21, 1949, after lengthy discussions, the Commission approved and adopted a definition of "capital necessarily employed in the business" and published it as its General Order 71. Part II as previously adopted was amended accordingly. Necessary revisions of each part I, containing special and pertinent provisions applicable to each specific operator, were concluded with respect to seven operators, and during the year eight contracts and one addendum were executed.

On July 1, 1949, there were approximately 45 general agency service agreements in effect. About 37 of these agreements were extended to December 31, 1949, to provide adequate husbanding services in connection with the placing of vessels in lay-up and the preparation and delivery of vessels to buyers or charterers. Of the 33 agency agreements effective on May 24, 1950, 32 were extended by agreement to August 31, 1950, and forms of addenda and endorsements to the service agreement bonds were prepared covering the extensions.

Problems were cleared and documents prepared in connection with the foregoing agreements and the termination and liquidation of various other agency agreements entered into by the War Shipping Administration. The backlog of this work which had accumulated during the postwar period was disposed of, and at the end of the fiscal year this work was current.

Numerous reductions were made in the amount of the blanket surety bonds posted by charterers under the bare-boat charter agreements to reflect the redelivery of vessels, and many questions were considered relating to such bonds and to the performance bonds under the agency agreements.

Standard bare-boat charters for dry-cargo vessels (Shipsalesdemise 303), entered into pursuant to the Merchant Ship Sales Act of 1946, were extended to June 30, 1950, under provisions of Public Law 147, Eighty-first Congress, requiring minimum charter periods, and provisions of Public Law 343, Eighty-first Congress, with respect to inventory and disposition at redelivery of consumable stores, slop chest, and bunkers.

Addenda were also prepared in connection with the extension of the passenger charters on the S. S. *President Cleveland*, S. S. *President Wilson*, and S. S. *Washington*, as well as special addenda authorized by Commission action. A special passenger charter was prepared, covering the use of the S. S. *General W. H. Gordon*. Conferences were held with representatives of the shipping industry concerning the handling and disposition of charter disputes.

Final approval was given on June 30, 1950, to a form of husbanding agreement.

Legal details were handled in connection with the disposal of 20 vessels for scrapping or operation; preparation of invitations to bid, contracts, bonds, enforcement of liquidated damages, and miscellaneous legal matters arising in the course of vessel construction; preparation of 10 contracts for sale of 21 ships; instructions concerning transfers of title between mortgagors; and institution of foreclosure of mortgage proceedings on a number of vessels sold to the Government of the Republic of China which were in default.

Legal clearance was given to 543 cases covering illegal sales alien, surrender of marine documents, charters alien, and transfers of vessels

on which there were mortgages to foreign ownership, registry and/or flag. There were 56 satisfactions of mortgages prepared on payment in full of the outstanding debts.

### *Labor law*

Problems affecting seamen under maritime law, including claims for wages, bonuses, personal injuries, unemployment compensation, and issues under the Second Seamen's War Risk Policy, P & I policies, and the WSA General Agency Agreement, continued to require attention. The employee status of GAA seamen was clarified by the United States Supreme Court in *Cosmopolitan Shipping Company, Inc. v. McAllister*, 337 U. S. 783, and related cases, which overruled *Hust v. Moore-McCormack Lines, Inc.*, 328 U. S. 707. To avoid time limitations against suits originally brought on the theory that GAA seamen were employees of general agents and not of the Government, bills were introduced in the Eighty-first Congress extending the time to bring such suits under the Suits in Admiralty Act. An immediate effect of the *McAllister* decision was settlement of the controversy with California for unemployment insurance taxes on GAA seamen's wages, assessments thereon being canceled.

An active part was taken in labor litigation affecting the public and financial interest of the United States. The portal-to-portal claims of guards, firemen, and similar employees were substantially disposed of by judgment of dismissal or settlement, and comparatively few claims remained pending outcome of appeal. The west coast night relief engineer suits for additional overtime were dismissed. More than 300 overtime-on-overtime suits were still pending in various State and Federal courts, awaiting decision in test cases. Collateral claims, such as reimbursement of counsel fees and litigation expense arising from these suits, were being reviewed.

Legal aspects of collective bargaining and labor-management relations between shipyard, steamship, and waterfront employers and maritime unions, problems dealing with minimum wages, manning scales, and working conditions of unlicensed personnel on subsidized vessels, and injunction provisions of the Appropriation Acts, were among matters given attention during the past fiscal year.

The Maritime Administration participated with the Departments of Justice and Labor, and the Coast Guard, in the program to eliminate subversive seamen from the Merchant Marine. Its proposal for voluntary action between labor and management was adopted.

### *Just compensation*

A total of 129 claims for just compensation were settled out of court for \$3,646,737.42 in accordance with the decisions of the Comptroller General, and were transmitted to the General Accounting

Office for approval and payment. At the close of the fiscal year, claims involving 92 vessels and totaling \$4,479,787.93 remained to be settled or processed for payment, in addition to the claims in litigation. Of the cases in court, claims totaling \$29,018,664.55 involving 36 vessels were settled for \$13,225,284.97. New cases involving 20 vessels were filed in the courts for a total of \$10,619,920.62. At the close of the fiscal year, the unsettled cases in litigation involved 176 vessels and totaled \$71,550,779.93.

### *Litigation and administrative hearing*

At the beginning of the fiscal year there was a workload of 10,137 litigated and unlitigated cases involving \$658,260,047. At the end of the year the workload was 4,499 cases involving \$339,978,484.

Pending were approximately 173 litigated cases concerning all types of Federal, State, and foreign-country tax questions estimated to amount to \$4,300,000. Twenty-six cases were closed either by final determination of litigation or by compromise, resulting in an amount collected for the Government of \$763,593.62. Among the cases resulting in favorable decision for the Government was *Ernest Kreher et al. v. United States*, a just-compensation case based upon the United States' alleged illegal seizure of Tampa Shipyards, Inc., involving \$2,078,000, where the Court of Claims dismissed the plaintiff's petition and denied the plaintiff's motion for a new trial.

In November 1949 the Maritime Commission in *Agreements and Practices Pertaining to Brokerage* (Docket 657) directed a large group of steamship conferences to remove from the conference agreements restrictions forbidding member lines from paying brokerage to freight forwarders. The Commission's order was attacked before three-judge district courts in New York and San Francisco. Each court heard argument on motions by the conferences for a preliminary injunction suspending operation of the Commission's order. Both motions were denied. In June 1950 the New York case was heard on plaintiff's application for final injunction and was taken under advisement by the court.

In Docket 689, an investigation of certain "irregular" carriers between the United States Pacific coast and Hawaii, the Commission found that some of these operators were engaged in common carriage by sea, and that they had not filed tariffs as required by the Inter-coastal Shipping Act.

The Interstate Commerce Commission in *All-Rail Commodity Rates Between California, Oregon, and Washington*, 277 I. C. C., 511, denied relief to Pacific coastwise common carriers through competitive rail rate adjustments. The Maritime Commission, in conjunction with Pacific coastwise common carriers, had urged the Interstate Commerce Commission to require increases in various competitive rail rates

which were claimed to be unreasonably low and which had seriously interfered with the revival of water transportation along the Pacific coast.

### *Real Property*

In connection with real estate and collateral matters arising from the ownership and use of land by the Maritime Commission and the Maritime Administration, numerous leases, permits, easements, releases, and other legal documents were prepared and executed. Many settlements, adjustments, stipulations, and judgments pertaining to condemnation proceedings instituted during World War II and thereafter in connection with the reserve fleet were partially or completely disposed of.

### *Tort claims*

Numerous claims were made under parts 2 and 3 of the Federal Tort Claims Act. Four necessitated payment, totaling \$13,089.82 out of appropriated funds. These claims were as follows:

(1) Louis E. Javits—Payment for damage to Chrysler automobile, New York, N. Y., resulting from negligent operation of Government vehicle, April 30, 1949. Claimed and paid \$93.50.

(2) United Mutual Insurance Co.—Payment for damage to private vehicle, San Francisco, Calif., Oct. 31, 1946. Claimed \$399.99; paid \$171.32.

(3) Airport Motors, Inc.—Property damage to neon sign caused by collision of vehicle operated by Maritime Commission employee April 16, 1946, Jackson Heights, Long Island, N. Y. Claimed \$395; paid \$325.

(4) Shelton L. Rouville—Personal injuries received during lifeboat training course at United States Maritime Service, Training Station, Alameda, Calif., August 26, 1948. Claimed \$50,000; paid \$12,500.

## Regulation of Carriers

An increase in available ship tonnage and decrease in cargo tonnage resulted in a leveling off and a slight downward trend in freight rates. This situation was the cause of some competitive practices on the part of ocean carriers, both conference and nonconference, which necessitated close attention and supervision to see that the regulatory provisions of the Shipping Act, 1916, which deal primarily with the prohibitions of unjust discriminations and unequal treatment of shippers, ports, commodities, and carriers, were not violated.

In an effort to save dollar exchange various foreign governments issued orders or took other steps to require the payment of freights from the United States in the currencies of those countries. This practice could very seriously cripple United States flag carriers through their inability to use the foreign currencies unless adequate arrangements were made to accomplish transfers to American dollars within a reasonable time. To meet the situation, carriers, with the assistance of Government agencies, endeavored to work out arrangements with the foreign governments for the prompt conversion of their freight moneys to United States dollars. These efforts met with some degree of success, but the situation continued to be a source of potential danger.

Efforts were made to encourage the adoption of rules to improve containers used in foreign commerce in order to reduce damage, pilferage, and loss. Every encouragement was given to the weighing and inspection bureau established on the Pacific coast to assure accuracy of weights, measurements, description of goods, and adequacy of packaging.

#### *Conference and other agreements*

The procedure covering the receipt, scrutiny, and approval of agreements received for approval was set forth in a general order, in which it was required for the first time that a synopsis be published in the Federal Register prior to approval, unless special circumstances existed which would make such a course unnecessary or not in the public interest.

During the fiscal year 43 agreements, 59 modifications, and 16 cancellations were approved. During that period, 218 changes in conference membership and 2,678 minutes of meetings of conferences were received. On June 30 there were requests pending for approval of 34 agreements, 28 modifications, and 6 cancellations of existing agreements. On that date there were 113 approved conference agreements in effect and 322 other various kinds of agreements.

Approval of several proposed conference agreements was held up pending determination of litigation involving the legality of the exclusive-use contract. The uncertainty with respect to the lawfulness of the practice and the competition encountered by conference members from outside carriers were such that serious efforts had to be taken to prevent the dissolution of conferences and the outbreak of possible disastrous rate wars.

The decision of the Maritime Commission that conference prohibitions against the payment of brokerage were detrimental to the commerce of the United States resulted in litigation to determine the lawfulness of the decision.

### *Foreign freight rates*

During the fiscal year a total of 19,068 rate filings were received covering freight and passenger tariffs in the foreign trades, an increase of 2,300 over the previous fiscal year.

All export conferences on the Pacific coast agreed to publish handling charges in their tariffs rather than to refer to other tariffs for these charges. Inbound conferences on the Pacific coast were urged to adopt the same practice.

In addition to the downward trend of freight rates, many surcharges imposed because of delays in ports were either eliminated or reduced. A spot check made in April 1950 of rate changes in all trades disclosed approximately 2,229 reductions as against 73 increases in specific rates.

There was a considerable increase in requests from the public and other government agencies for information concerning construction and interpretation of tariffs and for specific rate information.

### *Freight rates—United States Territories and possessions*

The turn-over of carriers serving United States Territories and possessions from the continental United States which was noted in the preceding fiscal year was not repeated.

As a result of legislation passed by Congress, the Canadian Pacific Railway Co. entered the passenger service to Alaska with Canadian vessels. One new carrier filed rates for service between Atlantic and Gulf ports to Puerto Rico and the Virgin Islands, but there was no indication that traffic was actually moving by that carrier.

A new carrier entered the Hawaiian interisland trade, using tugs and barges to replace a former carrier. A short and sudden influx of small carriers developed to serve Hawaii during the stevedore strike in the island, but they withdrew when the strike ended. The common carrier status of these operators was investigated.

During the fiscal year 558 new tariff schedules were received; 26 special permission applications to file rates on less than the statutory notice were received, 24 of which were approved, 1 was denied, and 1 was passed to files without action owing to changed conditions.

### *Terminals*

Progress was made toward greater uniformity of terminal rates and rules, better tariff techniques, and better and more adequate notice to the public of tariff changes. A total of 1,593 tariff schedules were received.

### *Freight forwarders*

Regulation of the practices of freight forwarders was greatly strengthened by the publication of proposed rules governing the in-

dustry in the Federal Register December 3, 1949. Following receipt of comments and suggestions, final rules were adopted May 18, 1950, and published May 24, 1950, as General Order 72. The members of the industry were given 60 days after May 24, in which to apply for certificates of registration. By June 30, 368 applications for certificates had been received and 318 certificates issued.

### *Dockets*

During the year nine new complaints were filed, three orders of investigation issued, nine decisions of the United States Maritime Commission were handed down and the appropriate orders served, as were orders covering one dismissal and one reargument.

## Hearings Before Trial Examiners

At the beginning of the fiscal year 24 complaints and/or investigations were pending, including regulatory and subsidy cases and miscellaneous proceedings. During the year 17 new proceedings were filed, 14 cases were decided, of which 2 were to receive further consideration, and 29 were pending as of June 30, 1950. The examiners conducted hearings in 17 cases, issued 15 recommended decisions, and prepared the final order in 1 case where no decision was issued. The Maritime Commission heard oral argument in 6 cases. Work was completed on a digest of volume II of the Commission's decisions, which was ordered to be printed. Work continued on a revision of the Rules of Procedure in preparation for a publication of revised rules.

There follows a brief outline of the issues involved in final decisions, recommended decisions, and pending cases.

### *Final decisions of the Commission*

Docket No. 621—*New York Freight Forwarder Investigation, 3 U. S. M. C. 157*. Persons carrying on the business of forwarding in connection with a common carrier by water defined. Certain practices of forwarders in the making of charges, billing, and issuing a receipt for goods which purports to be a bill of lading, found to be unreasonable and unfair. Need found for registration of forwarders with the Commission.

Docket No. 630—*Sigfried Olsen v. W. S. A. and Grace Line, Inc.* The Commission does not have jurisdiction over claims against the United States under the regulatory provisions of the shipping acts. In its administrative capacity, the Commission found that respondent's

demurrage rule and charges are not unreasonable or otherwise unlawful. Pending reargument and reconsideration by the Federal Maritime Board.

Docket No. 638—*Waterman v. Stockholms Rederiaktiebolag Svea*, 3 U. S. M. C. 131. Respondent, in refusing to afford complainants an equal opportunity with their competitor to secure space on its vessel, violated sections 14 Fourth and 16 of the Shipping Act, 1916. Matter assigned for further hearing with respect to the amount of reparation to be awarded complainants.

Docket No. 651—*Carloading at Southern California Ports*, 3 U. S. M. C. 137. The present rate structure and any basis of rates lower than costs of service was noncompensatory, burdensome upon other services, and detrimental to commerce. Proposed increased rate structure not justified and case held open to enable respondents to present evidence of costs over substantial period.

Docket No. 657—*Agreements and Practices re Brokerage*, 3 U. S. M. C. 170. Provisions prohibiting the payment of brokerage found to be detrimental to the commerce of the United States under section 15 of the Shipping Act, 1916.

Docket No. 674—*Ken Royce, Inc. v. Pacific Transport Lines, Inc.*, 3 U. S. M. C. 183. Charging of tariff unit weight rates instead of tariff charter per diem rates on surplus road building equipment from Okinawa and Guam to Los Angeles and San Francisco, Calif., not in violation of sections 16, 17, or 18 of Shipping Act, 1916. Complaint dismissed.

Docket No. 680—*Himala International v. Greek Line*, 3 U. S. M. C. 187. Rate on lanolin or cocculus not shown to be in violation of North Atlantic-Mediterranean Freight Conference agreement or of sections 16 or 17 of Shipping Act, 1916. Complaint dismissed.

Docket No. 689—*In the Matter of Certain Carriers Engaged in Transportation Between Pacific Coast Ports of the United States and Hawaii*. Certain respondents found subject to Intercoastal Shipping Act, 1933, in respect to transportation of property between continental United States and Hawaii, and to have violated section 2 of that act by engaging in such transportation without having filed tariffs with the Commission.

Docket No. 690—*In the Matter of the Practices of Members of Conferences to Absorb Certain Insurance Premiums Chargeable to Shippers by Insurance Companies*. Provisions of conference agreements authorizing absorption of excess cargo insurance premiums not shown to be unlawful, or to require or justify disapproval under section 15 of the Shipping Act, 1916. Amendment of Agreement No. 7540-3, Leeward and Windward Islands and Guianas Conference, approved. Tariff provisions should in all instances be consistent with the provisions

of the applicable conference agreements, and should in all instances specify whether or not insurance premiums will be absorbed, together with any limitations applicable to the absorption.

*American-Hawaiian Steamship Company and Pittsburgh Steamship Company—Applications for Extension of Period for Commitment of Construction Reserve Fund Deposits under section 511 of the Merchant Marine Act, 1936, as amended.* The period from and after December 1, 1949, within which deposits in applicants' Construction Reserve Fund shall be expended or obligated for construction or acquisition of new vessels extended to September 30, 1951.

*Moore-McCormack Lines, Inc., Resumption of Operating-Differential Subsidy for "Good Neighbor Fleet."* The passenger carryings of foreign-flag cargo vessels and of certain cruise ships on Trade Route No. 1 constitute foreign competition with the Good Neighbor Fleet, and an operating subsidy is necessary to meet such competition.

*Eastern Steamship Lines, Inc.—Application for Extension of Period for Commitment of Construction Reserve Fund Deposits under section 511 of the Merchant Marine Act, 1936, as amended.* The periods from and after May 7, 1950, within which various deposits in applicant's Construction Reserve Fund shall be expended or obligated for construction or acquisition of new vessels extended to September 30, 1951, February 2, 1952, and March 10, 1952, respectively.

*Pacific Argentine Brazil Line, Inc.—Application under section 805 (a) of the Merchant Marine Act, 1936, as amended, for permission for its parent company, Pope & Talbot, Inc., to engage in coastwise trade.* Application granted for permission to engage in northbound transportation of automobiles and parts from California ports south of, but not including, Crescent City, to ports in Oregon and Washington.

#### *Recommended decisions of trial examiners*<sup>1</sup>

Docket No. 638—*Waterman v. Stockholms Rederiaktiebolag Svea et al.* On further hearing, complainant Waterman found to have been injured to the extent of \$13,914.06 and complainant Cox to the extent of \$17,813.22.

Docket No. 639—*Status of Carloaders and Unloaders.* Rate structure found noncompensatory as a whole. Direct labor and overhead cost studies approved and found sufficient to determine compensatory rates. Decision on rates reflecting cost studies should be deferred until after their establishment.

Docket No. 675—*Port Commission of the City of Beaumont et al. v. Seatrains Lines, Inc.* Respondent's port equalization circular, proportional rates, and absorption practices found to be unjust devices

<sup>1</sup> These decisions are not final but are subject to review by the Federal Maritime Board

or means in violation of section 16 of the Shipping Act, 1916, but not shown to be otherwise unlawful.

Docket No. 678—*Increased Rates—Ship's Anchorage to Shore—Nome, Alaska.* Respondent's rates as a whole for the transportation of commodities from and to points in Alaska not shown to be unlawful. Suspended schedules not justified.

Docket No. 684—*Isbrandsten Company, Inc. v. North Atlantic Continental Freight Conference et al.* The proposed exclusive patronage contract/noncontract rate systems of North Atlantic Continental Freight Conference and Continental North Atlantic Westbound Freight Conference should be found not to be in violation of the Shipping Act, 1916, or in contravention of section 15 thereof, but certain provisions of the proposed contracts should be found to be in violation of the act.

Docket No. 693—*In the Matter of Agreement No. 6870 and the Practices of the Parties Thereto with Respect to Rates Granted Oil Companies.* Agreements Nos. 6870 and 6190, in so far as they authorize special rates to oil companies on supplies and equipment for use in Curacao, Aruba, Bonaire, Netherlands West Indies, and Venezuela, have not been shown to be in violation of sections 14, 16, and 17 of the Shipping Act, 1916, or in contravention of section 15 thereof, and should not be disapproved.

*In the Matter of the Application of American President Lines, Ltd. to Continue Operation after December 31, 1949, of Atlantic-Straits Freight Service C-2, Trade Route No. 17, without Operating-Differential Subsidy.* The application should be denied for following reasons: (1) existing American-flag services not shown inadequate, (2) unsubsidized operation diverts cargo and revenue from other subsidized and unsubsidized American-flag services, including applicant's own subsidized services, (3) applicant has no "grandfather" rights to operate intercoastally in Atlantic-Straits service under section 805 (a) of Merchant Marine Act, 1936, and has not shown that public interest and convenience will be served by continuation of such operation, and (4) operation of Atlantic-Straits service would be unduly advantageous to applicant and would result in undue prejudice and unfair competition to other American flag lines, and prejudice to objects and policy of said act.

Decisions of the examiners in six additional cases were the subject of final reports and are referred to under that section. They are Docket Nos. 689 and 690; also *American Hawaiian Steamship Company and Pittsburgh Steamship Company, and Eastern Steamship Lines, Inc.—Applications for Extension of Period for Commitment of Construction Reserve Fund Deposits under Section 511 of the Merchant Marine Act, 1936, as amended; Moore-McCormack Lines, Inc.—Application for*

*Resumption of Operating-Differential Subsidy for "Good Neighbor Fleet"; and Pacific Argentine Brazil Line, Inc.—Application under Section 805(a) of the Merchant Marine Act, 1936, as amended, for Permission for its Parent Company, Pope & Talbot, Inc., To Engage in the Coastwise Trade.* A supplemental decision was issued in Docket No. 684, and a report on further hearing in the Eastern Steamship Lines, Inc., case.

*Pending proceedings*

Docket No. 691—*United Nations and UNRRA v. Hellenic & States Marine Corp.* Complaint seeks reparation for alleged unlawful rates assessed on shipment of cotton from New York to Trieste.

Docket No. 692—*Los Angeles Traffic Mgrs. Conf. v. Southern California Carloading Tariff Bureau.* Complaint alleges that carriers and carloaders assess a "double" charge for transferring cargo between ship and rail cars.

Docket No. 695—*Seattle Traffic Association v. Pacific Westbound Conference et al.* Complaint alleges unlawful discrimination against ports in Washington and Oregon in favor of California ports on charges assessed for handling cargo between ship and pier.

Docket No. 696—*Feldman Family Clothing Export & Shipping Co. v. Bogaty & Hudson Shipping Co.* Complainant seeks reparation in connection with contract for shipments between New York and Poland, based upon violation of sections 16, 17, 18, and 20 of the Shipping Act, 1916.

Docket No. 699—*Hecht, Levis & Kahn, Inc., and New England Trading Corporation v. Isbrandtsen Company, Inc.* Complainants seek reparation in connection with shipment of baled jute from Chittagong, Pakistan, to New York.

Docket No. 700—*Pennsylvania Motor Truck Association et al. v. Philadelphia Piers, Inc., et al.* Complainants allege that respondents' revision of charges for use of their wharf facilities at Philadelphia, Pa., allowing a maximum free time of only 48 hours to shippers by truck but 5 days to rail shippers, and making the charges for 15 days' storage after free time in the case of shippers by truck the same as for 30 days for shippers by rail, violates sections 16 and 17 of the Shipping Act, 1916.

*Application of Pacific Far East Line for Operating-Differential Subsidy.* Application for operating-differential subsidy on Freight Service 2 of Trade Route No. 29 (between California ports and the Far East).

*Application of American President Lines for Authority to Operate between California Ports and Guam, Midway, and Wake.* Application

under Section 805 (a) Merchant Marine Act, 1936, as amended, of subsidized operator for permission to operate in domestic offshore trade.

The 21 other pending proceedings, referred to elsewhere in this section or in the annual report for the fiscal year 1949, are as follows: Docket Nos. 630, 638, 639, 651, 661, 675, 676, 677, 678, 681, 684, 685, 686, 687, 693, 697, and 698. Also *Arnold Bernstein Line, Inc.—Subsidy Case*; *Minimum Wage Case*; *American President Lines, Ltd.—Application for Continued Operation After December 31, 1949, of Atlantic-Straits Freight Service C-2, Trade Route No. 17, Without Operating-Differential Subsidy*; and *Pacific Transport Lines, Inc.—Subsidy Case*.

## Maritime Labor Relations

With the exception of the protracted longshoremen's strike in Hawaii, there were no major industrial disturbances in the maritime industry during the fiscal year. Such strikes or work stoppages as did occur were either of short duration or local in their effect. The primary reason for the period of relative industrial peace was that most union agreements had been signed for a period of 2 or 3 years and, while providing for periodic wage reviews, contained a no-strike clause.

As a result of the Chinese Nationalist Government note to the State Department with respect to shipping entering Chinese waters, the maritime unions secured agreements with the operators calling for the payment of a bonus while the ships on which they were employed were in such waters. There were three such areas, in two of which a bonus of 75 percent of the basic monthly wage was payable, and in the third area a 100-percent bonus was payable.

When the Korean situation developed, an agreement was reached between the maritime unions and the ship operators which provided for the payment of a 100-percent bonus while the ships were in two additional areas, and also increased to 100 percent the bonus previously payable in the original three areas. In addition, a \$10,000 life insurance policy was taken out on each seaman.

The Maritime War Emergency Board, set up during World War II to prescribe and outline bonus areas and payments, met and decided that two outstanding decisions—one with respect to insurance and the other with respect to bonus areas—would be discontinued as of September 30, 1950, unless in the meanwhile the unions and operators met and mutually agreed to other conditions.

There was a marked trend in the industry, particularly with respect to seagoing personnel and longshoremen, toward the development of welfare plans. All major unions in the maritime industry have now reached agreement with their employers on this subject. The provisions vary from union to union. One large ship construction and ship repair firm also extended welfare plans to its employees.

Employment in both the ship construction and repair industry and in the maritime industry continued to decline during the fiscal year. Employment on seagoing vessels of 1,000 gross tons and over dropped from an estimated 69,300 on June 30, 1949, to 57,250 on June 30, 1950. Employment in commercial ship construction and repair yards, as reported by the Shipbuilders Council of America, dropped from 63,608 employed by 85 yards at the beginning of the year to 42,538 in 82 yards at the end of the year.

## National and International Cooperation

On June 27, 1950, the Senate ratified the Convention establishing the Intergovernmental Maritime Consultative Organization, a specialized shipping agency subsidiary to the United Nations. This organization will be established when 21 States, of which seven shall each have a total tonnage of not less than 1,000,000 gross tons of shipping, have become parties to the Convention. Until the first assembly of the Intergovernmental Maritime Consultative Organization (IMCO) is called, the Transport and Communications Commission of the United Nations acts as temporary secretariat on such problems of international shipping as are referred to the United Nations, and this Commission communicates in turn with the member governments.

The Interdepartmental Shipping Coordinating Committee, on which the Maritime Administration is represented, automatically receives from the Department of State such shipping problems as may have been referred to the United States Government from the Transport and Communications Commission of the United Nations and other international organizations. This committee provides a medium for obtaining the views and comments of the interested Federal agencies, as well as those of industry and maritime labor, in the development of an agreed position on United States shipping policy in such matters. The committee had under consideration such problems as unification of tonnage measurement, pollution of sea water by oil, and international sanitary requirements.

A member of the Maritime Administration staff was appointed by the President to be the United States member on the North Atlantic

Planning Board for Ocean Shipping which was established by the North Atlantic Treaty Council in May 1950. The function of the Planning Board is to survey shipping resources of the maritime nations among the North Atlantic Pact signatories and to plan specifically for the mobilization, control, and allocation of oceangoing merchant shipping on a world-wide basis in the event of an emergency.

At the request of the Department of State a member of the staff was designated to work with a technical committee preparing for the Administrative Conference to be held at The Hague for the purpose of adopting an International Radio Frequency List, based on the allocations appearing in article 5 of the International Radio Regulations, Atlantic City Conference, 1947. A member of the technical staff also served on an advisory committee, preparatory to discussion of a proposed treaty between the United States and Canada for the promotion of maritime safety on the Great Lakes.

A member of the staff, designated as adviser on maritime labor to the United States Delegation, attended the Thirty-Second Session of the International Labor Organization Conference in Geneva, Switzerland, June-July of 1949.

At the request of the Institute of International Education, conferences and discussions on governmental shipping procedures were arranged for members of the Ministry of Transportation of Japan, who visited the United States under the auspices of a re-education program sponsored by the United States Army.

Arrangements were made for a representative of the Seaways and Harbors Administration of the Turkish Government to study organizational methods in the United States shipping industry.

In collaboration with the Department of State, representations were made to the French Government with a view to its recognition of the American Bureau of Shipping as an official classification society. (Such recognition has since been extended by the French Government.)

Discussions were conducted with the State Department and the Economic Cooperation Administration on the congestion at the Port of Beira, Portuguese East Africa, which was adversely affecting the importation of strategic materials into the United States. Steps being taken by the Portuguese Government to relieve such congestion were closely followed.

The negotiations between the Department of State and the Soviet Government concerning certain lend-lease vessels still held by that Government were closely followed.

The Department of State was advised on steps taken in the event of default by any foreign government on mortgage or insurance payments on vessels purchased under the Merchant Ship Sales Act, 1946. The closest liaison with the Department was maintained with regard to problems arising from the default of the National Government of the

Republic of China on its mortgage obligations to the United States. Considerable progress was made during the fiscal year in the reduction of outstanding Chinese indebtedness, and preliminary steps were taken to recover four vessels which had been sold to the Chinese Government, in order to protect the equity of the United States in these ships.

As a result of the representations of the Department of State and Philippine shipping interests, the Maritime Administration extended the charters on certain war-built vessels to Philippine nationals for the life of the Philippine Rehabilitation Act.

In close conjunction with and through the Department of State, protests were made against the actions of foreign governments discriminating against American merchant shipping. At the request of the Department of State, a member of the staff was designated to act in an advisory capacity to the American Ambassador at conferences held in Rio de Janeiro on certain administrative orders issued by the Banco do Brasil, a government agency, which, in effect, discriminated against American flag vessels. Members of the staff were also designated to act as advisers to the Ambassadors in Venezuela and in Cuba on problems affecting American merchant shipping.

Budgetary limitations continued to curtail the establishment of additional maritime attaché posts. Information required for estimating foreign construction and operating costs was sent by the Department of State to certain strategic foreign service posts in an endeavor to increase the quality and volume of necessary detailed information required for subsidy determinations. A representative maintained in Japan to work with the Armed Forces of Occupation was designated to attend the Economic-Commercial Conference of diplomatic and consular officers stationed in the Far East held in Tokyo during April 1950.

Collaboration was continued with the Joint Military Transportation Committee of the Joint Chiefs of Staff and various committees of the Munitions Board, to promote full understanding and cooperation on plans for industrial mobilization and merchant shipping requirements for national defense and security.

A survey of merchant shipping requirements, availabilities, and projected operations in the event of a war or national emergency was undertaken with the cooperation of industry and in collaboration with the National Security Resources Board. At the end of the fiscal year, this survey was well on its way to completion.

Contact was maintained with Government agencies such as Economic Cooperation Administration, Export-Import Bank, Federal Supply Service, and the Department of the Army to promote their employment of American flag vessels for cargo movements financed under their respective programs, such as importations for the muni-

tions stockpile, and foreign civilian relief programs. Contact with these agencies also included handling specific appeals of American owners and operators regarding their inability to participate in particular movements of such commodities as rubber, chrome, manganese, and quebracho extract.

In response to complaints from the American shipping industry regarding its participation in Japanese traffic, and to inquiries from the Merchant Marine Subcommittees of the Senate and House regarding the practices of SCAP, a study was made of the movement of civilian relief (GARIOA) cargo shipped to Japan during the calendar year 1949. Reports indicated that American vessels carried about 55 percent of the 7,000,000 tons procured in all areas, 67 percent of the United States procurements, and 8 percent of the limited procurements in foreign areas during that year. In the first 6 months of the calendar year 1950 there was an improvement—most of this Government-purchased cargo was procured in the United States, and almost all of it was shipped in American flag vessels. However, the GARIOA movement has greatly decreased and the majority of Japanese imports are now for Japanese account and under their own routing control. This situation, coupled with the rehabilitation of Japanese shipping, creates competition of a serious nature for the American Merchant Marine in the Far Eastern and trans-Pacific area, and attention to these problems was being continued.

Under Public Resolution 17, Seventy-third Congress, cargo movements financed by Export-Import Bank loans to foreign countries are carried by American vessels except when waivers are obtained from the Federal Maritime Board permitting participation of the vessels of the recipient countries. In connection with such waivers, efforts were being made to encourage the removal of discriminatory practices which adversely affect United States ships.

Membership was maintained on the subcommittee on travel, an interdepartmental committee of the Government, the purpose of which is to simplify visa and customs restrictions and promote travel throughout the world. Contact was maintained with the Economic Cooperation Administration in connection with the directive in the Economic Cooperation Administration Act to promote travel, including student group movements, to European countries.

Interline traffic agreements of sea and air carriers were reviewed during this period as a means of promoting international passenger traffic, in connection with the obligation of subsidized operators to submit such agreements to the Maritime Board for approval under the subsidy agreements.



	406	3,341	5,199	6	45	28	149	957	1,434	251	2,338	3,737
Privately owned.....												
Foreign to foreign.....	79	770	1,252				11	75	112	68	693	1,120
U. S. M. A. vessels.....												
Chartered.....												
G. A. A.....												
Privately owned.....	79	770	1,252				11	75	112	68	695	1,120
Inactive vessels.....												
Temporarily inactive.....			22,098	32	335	222	2,164	15,308	21,851	67	403	624
U. S. N. J. vessels.....	81	577	845	4	47	27	42	255	383	40	274	434
Chartered.....	0	38	56				6	38	56			
G. A. A.....	6	58	56				6	38	56			
Privately owned.....	80	548	788	4	47	27	36	216	326	40	274	434
U. S. M. A. Reserve Fleet.....	2,177	15,559	21,833	28	288	195	2,122	15,142	21,465	27	123	193

	Number	Gross tons	Deadweight tons
Total.....	108	639	652
Which if added to above total.....	3,408	25,475	36,526
Would equal U. S. fleet (cf. appendix B).....	3,516	26,114	37,478

1 Excludes the following U. S. M. A. owned tonnage transferred to:  
 Philippine flag (Rehabilitation Act)  
 U. S. R. (Lend-Lease)  
 U. S. military (BP chartered and loaned)

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

APPENDIX B

Merchant fleets of the world as of June 30, 1950—Number, gross and deadweight tonnage of seagoing steam and motor merchant vessels of 1,000 gross tons and over (excludes vessels on the Great Lakes and inland waterways and special types such as channel vessels, icebreakers, cable ships, etc., and merchant vessels owned by any military force)

[Tonnage in thousands]

Flag	Total		Type of vessel															
	Number	Gross tons	Combination passenger and cargo		Combination passenger and cargo refrigerated		Freighters		Freighters-refrigerated		Bulk carriers		Tankers (including whaling tankers)					
			Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons		
Total—all flags.....	13,070	74,999	1,031	7,856	5,824	690	9,065	47,118	369,027	233	1,536	1,736	550	1,716	2,762	2,071	16,481	23,261
United States.....	3,516	26,114	77	820	612	33	2,847	20,248	28,886	46	273	285	38	357	076	481	4,368	6,976
British Empire.....	3,109	18,869	333	2,832	2,125	51	611	9,940	14,690	102	897	1,044	231	558	859	527	3,947	5,846
United Kingdom.....	2,583	16,571	232	1,646	1,800	19	672	8,338	12,312	100	889	1,037	203	471	726	495	3,774	5,585
Canada.....	167	610	1	221	36	5	116	663	958				18	60	94	23	146	222
Australia.....	120	430	17	89	74	1	8	85	268	424			18	60	94			
New Zealand.....	49	170	8	37	12	1	4	33	96	131			2	10	16			
India.....	75	397	536	15	68	80	57	286	435				2	10	16			
Union of South Africa.....	18	116	1	10	12			16	96	138			9	30	38			
Pakistan.....	9	49	76					8	46	70			2	8	8			
Other countries.....	85	273	33	110	114			43	145	219			2	3	4			
Argentina.....	124	718			76			68	360	581			4	10	12			
Belgium.....	180	619	11	96	76			13	68	361			3	5	7			
Brazil.....	159	598	11	92	99			10	55	234			2	3	5			
Bulgaria.....	3	13	50	123	124			115	434	610			4	5	6			
China.....	42	160	8	35	40			3	9	14								
Colombia.....	176	549	18	55	38			20	81	108			14	44	63			
Cuba.....	10	29	36					128	121	585			2	6	9			
Cuba (free zone).....	1	2						5	25	31								
Denmark.....	363	1,062	1	2	2			8	22	31								
Dominican Republic.....	2	4	26	81	77			293	783	1,199			11	23	33			
Ecuador.....	23	94	1	1	1			1	12	17								
Egypt.....	15	25	2	3	2			16	3	38			1	2	4			
Estonia.....	15	25	2	3	2			9	13	23			1	4	5			
Finland.....	171	440	4	8	4			153	369	578			7	17	20			

France	511	2,825	3,595	68	616	401	3	30	28	293	1,348	1,972	20	71	64	56	181	256	71	579	878
Germany	89	235	359	4	17	22	22	11	1	71	164	287	1	1	1	10	24	36	4	29	45
Greece	227	1,268	1,933	11	52	35	3	18	15	193	1,090	1,695	14	57	51	10	30	51	13	67	152
Honduras	89	500	708	2	5	3	4	1	1	57	208	398	1	1	1	1	1	1	12	151	242
Hungary	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Iceland	13	31	36	3	7	4	1	2	2	9	23	31	1	1	1	1	1	1	1	1	1
Iran	1	7	10	1	1	1	1	1	1	1	7	10	1	1	1	1	1	1	1	1	1
Ireland	13	38	56	1	1	1	1	1	1	10	26	37	1	1	1	3	12	19	1	1	1
Israel	19	82	108	3	13	10	1	1	1	16	69	98	1	1	1	1	1	1	1	1	1
Italy	406	2,413	3,382	46	376	309	1	11	9	272	1,441	2,163	3	13	14	11	47	78	73	525	810
Japan	308	1,214	1,766	23	99	99	1	1	1	250	896	1,342	3	22	33	2	4	5	30	163	283
Korea	3	6	9	2	3	4	1	1	1	1	3	5	1	1	1	1	1	1	1	1	1
Latvia	9	19	30	1	3	4	1	1	1	9	19	30	1	1	1	1	1	1	1	1	1
Lithuania	1	3	4	1	1	1	1	1	1	1	3	4	1	1	1	1	1	1	1	1	1
Liberia	21	286	485	1	1	1	1	1	1	1	3	4	1	1	1	1	1	1	1	1	1
Mexico	21	106	156	1	1	1	1	1	1	6	17	19	1	1	1	1	1	1	1	1	1
Netherlands	493	2,775	3,672	89	635	596	1	1	1	299	1,565	2,291	1	2	3	1	5	8	13	102	768
Nicaragua	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Norway	6	10	10	1	1	1	1	1	1	3	6	10	1	1	1	1	1	1	1	1	1
Panama	945	4,968	7,567	27	108	82	2	4	2	607	2,330	3,635	19	62	68	17	40	63	273	2,445	3,716
Peru	19	77	102	4	22	24	1	15	11	235	1,297	1,815	4	18	22	27	87	150	192	1,786	2,819
Philippines	485	3,417	4,984	26	213	167	1	1	1	12	48	67	1	1	1	1	1	1	1	1	1
Poland	71	81	112	3	8	7	1	1	1	15	60	86	1	1	1	1	1	1	1	1	1
Portugal	33	143	196	1	14	6	1	1	1	31	110	103	1	4	3	5	10	15	1	1	1
Romania	90	388	527	20	129	121	1	1	1	64	219	345	1	1	1	1	1	1	1	1	1
Russia	1	1	1	1	1	1	1	1	1	2	8	12	1	1	1	1	1	1	1	1	1
Siam	260	917	1,316	35	169	133	1	1	1	197	614	939	1	1	1	1	1	1	1	1	1
Spain	539	1,792	2,765	30	183	188	1	1	1	415	1,069	1,690	9	34	40	13	36	54	24	138	189
Sweden	12	47	70	1	1	1	1	1	1	10	35	55	1	1	1	1	1	1	1	1	1
Switzerland	101	348	460	25	102	62	1	1	1	68	212	325	2	1	1	2	4	5	6	12	18
Turkey	11	70	104	2	10	12	1	1	1	7	33	50	1	1	1	1	1	1	1	1	1
Uruguay	437	1,365	1,824	63	308	237	1	1	1	322	838	1,313	11	38	47	10	20	32	31	134	193
U. S. S. R.	48	134	179	3	4	4	1	1	1	9	94	94	1	1	1	1	1	1	1	1	1
Venezuela	47	197	316	2	10	12	1	1	1	43	177	287	1	1	1	1	1	1	1	1	1
Yugoslavia	3	6	8	1	1	1	1	1	1	6	6	8	1	1	1	1	1	1	1	1	1
Unknown	3	6	8	1	1	1	1	1	1	3	6	8	1	1	1	1	1	1	1	1	1

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

Total	91	544	823	1	5	5	1	1	1	87	521	790	2	12	17	2	12	17	1	7	12
Philippines	8	27	38	1	1	1	1	1	1	8	27	38	1	1	1	1	1	1	1	1	1
U. S. S. R.	83	518	736	1	5	5	1	1	1	79	495	732	2	12	17	2	12	17	1	7	12

Note.—Individual tonnages are not additive since the detail figures have been rounded to the nearest thousand.



FREIGHTERS

Total.....	263	1,598,646		121	826,118	28	158,898	17	89,400	19	74,930	11	70,480	15	101,970	20	100,325	32	146,575		
United States.....	78	555,899		78	555,899																
United Kingdom.....	59	318,372		13	72,680	15	107,190	2	18,220		19	74,930	5	29,400					5	15,942	
Norway.....	25	168,871		2	10,464	1	1,730	4	26,480					15	101,970	3	15,510		3	13,227	
France.....	16	91,450		7	34,910																
Denmark.....	7	34,950		1	12,750																
Netherlands.....	11	46,565		1	1,550	10	45,015	6	22,200												
Sweden.....	17	84,815																			
Japan.....	4	36,800		4	36,800																
Panama.....	4	240,924		15	101,055	2	4,363	5	22,500												
All others.....	46																			2A	112,406

TANKERS

Total.....	125	2,202,687	40	1,065,308	47	656,812	21	290,610	5	51,002	3	7,255	2	33,400	1	2,550	1	18,500	5	77,250	
United States.....	4	107,125	4	107,125	20	268,175															
United Kingdom.....	20	608,125			17	287,340	17	240,810	1	16,000	3	7,255									
Norway.....	41	20,850																			
France.....	3	48,000																			
Denmark.....	7	52,789			1	12,600	1	18,500	1	1,800											
Netherlands.....	2	11,860			5	33,097															
Sweden.....	2				1	10,350	1	1,800	2	19,702											
Japan.....	23	569,951			2	36,000															
Panama.....	22	300,812	21	553,961	1	9,250	2	39,800	1	13,500											
All others.....	22		15	404,232	1															3	44,050

## APPENDIX D

Number and dead-weight tonnage of vessels delivered by United States shipyards for the Maritime Administration, private and foreign account, July 1, 1949, to June 30, 1950

Account and vessel type	Total		July 1, 1949, to Sept. 30, 1949		Oct 1, 1949, to Dec. 31, 1949		Jan. 1, 1950, to Mar. 31, 1950		Apr 1, 1950, to June 1 1950	
	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight
<b>Maritime Administration</b>										
Major types:										
Dry cargo:										
Standard cargo										
Combination passenger and cargo										
Total Maritime Administration										
<b>Private and foreign account</b>										
Major types:										
Cargo:										
Combination passenger and cargo										
Tankers	40	1,065,308	10	245,984	13	359,259	10	263,119	7	196,946
Total major types	40	1,065,308	10	245,984	13	359,259	10	263,119	7	196,946
Minor types:										
Coastal cargo										
Tankers										
Total minor types										
Total private and foreign account	40	1,065,308	10	245,984	13	359,259	10	263,119	7	196,946
Grand total	40	1,065,308	10	245,984	13	359,259	10	263,119	7	196,946

<sup>1</sup> Includes 2 vessels of 56,869 dead-weight for operation under the Liberian flag, 6 vessels of 153,370 dead-weight for operation under the Panamanian flag, 1 vessel of 28,385 dead-weight for operation under the Honduran flag, and 1 vessel of 7,360 dead-weight for operation under the Venezuelan flag.

<sup>2</sup> Includes 4 vessels of 112,881 dead-weight for operation under the Liberian flag, 6 vessels of 162,787 dead-weight for operation under the Panamanian flag, 2 vessels of 56,770 dead-weight for operation under the Honduran flag, and 1 vessel of 26,821 dead-weight for operation under the United States flag.

<sup>3</sup> Includes 1 vessel of 26,853 dead-weight for operation under the Liberian flag, 1 vessel of 28,385 dead-weight for operation under the Honduran flag, 6 vessels of 154,363 dead-weight for operation under the Panamanian flag, and 2 vessels of 53,518 dead-weight for operation under the United States flag.

<sup>4</sup> Includes 2 vessels of 58,344 dead-weight for operation under the Liberian flag, 1 vessel of 28,385 dead-weight for operation under the Honduran flag and 3 vessels of 83,431 dead-weight for operation under the Panamanian flag, and 1 vessel of 26,786 for operation under the United States flag.

## APPENDIX E

Progress of construction on vessels under Maritime Administration contract as of June 30, 1950

Type	Name	Operator	Builder	Percent of completion	Date of contract	Keel laid	Estimated delivery
F3-S2-DL2	Independence	American Export Lines	Bethlehem Steel Co., Quincy, Mass.	62.33	Aug. 11, 1948	Mar. 29, 1949	Jan. 10, 1951
F3-S2-DL2	Constitution	do	do	49.32	do	July 12, 1949	Apr. 9, 1951
P2-S1-DN1	President Jackson. <sup>1</sup>	American President Lines	New York Shipbuilding Corp.	50.95	Aug. 18, 1948	June 1, 1949	Dec. 16, 1950
P2-S1-DN1	President Adams. <sup>1</sup>	do	do	44.62	do	Aug. 1, 1949	Feb. 15, 1951
P2-S1-DN1	President Hayes. <sup>1</sup>	do	do	39.11	do	Sept. 30, 1949	Apr. 15, 1951
F6-S4-DS1	United States	United States Lines	Newport News Shipbuilding & Dry Dock Co.	22.9	Apr. 7, 1949	Feb. 8, 1950	Apr. 3, 1952
C3-S-DX1	Schuyler Otis Bland.	Maritime Administration	Ingalls Shipbuilding Corp.	13.1	Oct. 7, 1949	May 9, 1950	Feb. 9, 1951

<sup>1</sup> These vessels were taken over by the Department of Defense in September 1950, for completion as troop transports.

APPENDIX F

New ship construction, reconditioning and betterment as at June 30, 1950

	Number of ships	Type	Gross tonnage	Estimated or actual date of completion	Estimated construction cost
<i>Fiscal year 1947-48 program authorized by Public Laws 269 and 262</i>					
Ships under construction:					
Round-the-world.....	2	Passenger-cargo.....	25,320	Feb. 15, 1951	\$26,000,000
North Atlantic-Mediterranean.....	2	do.....	41,000	Apr. 9, 1951	58,000,000
Total.....	4		66,320		84,000,000
Reconditioning and betterment:					
Matson Navigation Co.....	2	C3-S-A2.....		Mar. 29, 1948	752,696
Pope & Talbot.....	2	C3-S-A2.....		Nov. 17, 1948	696,256
Isthmian S. S. Co.....	4	C3-S-A2.....		July 15, 1948	1,469,049
American Export Lines.....	4	Passenger-cargo.....		Nov. 22, 1948	4,654,471
American President Lines, Ltd.....	3	C3-S-A2.....		Apr. 5, 1949	1,825,808
New York & Cuba Mail S. S. Co.....	2	C2-S-B1.....		Dec. 23, 1948	154,048
Total (maritime portion only).....	17				9,552,328
Reserve for changes and extras.....					5,447,672
Total appropriated for reconditioning and betterment.....					15,000,000
Total fiscal year 1947-48 program.....					99,000,000
<i>Fiscal year 1949 program authorized by Public Law 302</i>					
Ships under construction:					
Round-the-world.....	1	Passenger-cargo.....	12,660	Apr. 15, 1951	13,000,000
North Atlantic service.....	1	Passenger.....	48,000	Apr. 3, 1952	73,000,000
Total.....	2		60,660		86,000,000
Reconditioning and betterment:					
Farrell Lines.....	2	Passenger-cargo.....		Aug. 13, 1949	849,194
Mississippi Shipping Co., Inc.....	6	C1-A.....		July 30, 1949	673,513
Total.....	8				1,522,712
Reserve for changes and extras.....					477,288
Total reconditioning and betterment.....					2,000,000
Unobligated balance of appropriation.....					16,000,000
Total fiscal year 1949 program.....					104,000,000
<i>Fiscal year 1950 program authorized by Public Laws 266 and 759</i>					
Ships under construction:					
Title VII of Merchant Marine Act, 1936.....	1	Cargo prototype.....	8,800	Feb. 9, 1951	5,500,000
		Design for cargo prototype.....		June 9, 1951	1,100,000
Total.....	1				6,600,000
Proposed construction (as of June 30, 1951):					
New York to Caribbean.....	2	Combination.....	22,000	Sept. 30, 1952	31,500,000
West coast United States.....	2	Trailerships.....	18,000	Feb. 1, 1952	22,000,000
		Design for National Defense vessels.....			3,900,000
Total.....	4				57,400,000
Proposed miscellaneous betterment.....					875,000
Total fiscal year 1950 program.....					64,875,000

APPENDIX G

Bareboat-chartered vessels, by months, fiscal year 1950

Type	1949						1950						
	June 30	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 28	Mar. 31	Apr. 30	May 31	June 30
Liberty	250	203	139	117	99	67	41	29	26	22	20	17	8
Passenger	11	11	11	9	8	8	8	8	8	8	8	8	8
Reefer	12	12	11	11	11	11	11	11	11	11	10	9	8
C1-M-A V1	19	17	17	16	17	17	17	17	17	17	17	17	17
C1B, C1A	3	3	1	1									
C3													
C4	13	13	13	13	13	13	13	13	12	11	11	10	10
VC2-S-AP2	40	42	36	32	29	25	20	17	16	10	8	6	4
VC2-S-AP3	24	19	16	14	12	10	9	6	4	4	4	3	3
N3	3	3	4	4	4	4	3	3	3	3	3	2	2
Great Lakes	6	6	6	6	6	5	5	5	5	5	5	5	5
Ferry	1	1	1	1	1	1	1	1	1	1	1	1	1
Total	382	330	255	224	200	161	128	110	103	92	87	78	66

APPENDIX H

Vessels in reserve fleet, by months, fiscal year 1950

Fleet	1949						1950					
	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 28	Mar. 31	Apr. 30	May 31	June 30
Astoria, Oreg.	165	177	180	186	188	190	195	200	200	201	203	208
Baltimore, Md.	2	2	2	2	2	2	2	2	2	2	2	2
Beaumont, Tex.	173	204	208	216	226	233	230	244	245	246	250	250
Hudson River, N. Y.	128	136	146	143	155	149	151	153	155	156	157	153
James River, Va.	441	443	446	446	447	446	449	446	448	448	448	450
Mobile, Ala.	249	273	287	288	309	334	340	340	344	345	346	347
Olympia, Wash.	61	62	64	65	66	66	70	73	74	82	88	93
Suisun Bay, Calif.	331	332	339	341	342	343	344	344	344	345	347	348
Wilmington, N. C.	421	421	423	425	426	426	427	427	427	426	426	426
Total	1,971	2,050	2,095	2,112	2,161	2,189	2,217	2,229	2,239	2,251	2,267	2,277

APPENDIX I

Status of sales under Merchant Ship Sales Act of 1946, as amended, as of June 30, 1950

	Purchase application approved			Title transferred			Available for sale <sup>1</sup>			Pending purchase applications, United States registry
	United States registry	Foreign registry	Total	United States registry	Foreign registry	Total	Merchant vessels	Military auxiliaries	Total	
Major type dry cargo:										
C1A (S)	6		6	6		6	5	7	12	
C1A (M)	5	37	42	5	37	42				
C1B (S)	12	3	15	12	3	15	18	17	35	5
C1B (M)		2	2		2	2	4	1	5	2
C1-S-A Y1		6	6		6	6		5	5	
Total C1	23	48	71	23	48	71	27	30	57	7
C2 refrigerated							14		14	
C2-S-A J1	40		40	40		40		1	1	
C2-S-E1	76	4	80	76	4	80		3	3	7
C2-S-E1	4	4	8	4	4	8				
Other C2	4	4	8	4	4	8		5	5	
Total C2	124	8	132	124	8	132	14	9	23	7

See footnote at end of table.

APPENDIX I—Continued

Status of sales under Merchant Ship Sales Act of 1946, as amended, as of June 30, 1950—Continued

	Purchase application approved			Title transferred			Available for sale <sup>1</sup>			Pending purchase applications, United States registry
	United States registry	Foreign registry	Total	United States registry	Foreign registry	Total	Merchant vessels	Military auxiliaries	Total	
Major typedy dry cargo—Con.										
C3-S-A2	75		75	75		75				
C3-S-A3	7		7	7		7				
Other C3	6		6	6		6				
Total C3	88		88	88		88				
C4							15	30	45	30
Total C type	235	56	291	235	56	291	56	69	125	44
Passenger types	1		1	1		1	2	7	9	2
EC2-S-AV1	24		24	24		24				
EC2-S-C1	112	589	701	111	589	700	1,262	352	1,614	14
Z-EC2	1		1	1		1	34	8	42	2
Z-ET1 (tanker)	148		48	47		47	8	3	11	81
Total Liberty <sup>2</sup>	137	589	726	136	589	725	1,296	360	1,656	16
VC2-S-AP2	13	66	79	11	66	77	137	40	177	
VC2-S-AP3	30	34	64	30	34	64	63	7	70	12
VC2-M-AP4							1		1	
VC2-S-AP5								60	60	
Total Victory	43	100	143	41	100	141	201	107	308	12
Total major type dry cargo and passenger <sup>3</sup>	416	745	1,161	413	745	1,158	1,555	543	2,098	74
Coastal type dry cargo:										
N3-M-A1	1		1					13	13	4
N3-S-A1		32	32		32	32				
N3-S-A2		29	29		29	29	11		11	
C1-M-AV1	6	91	97	6	91	97	63	23	86	3
C1-M-AV1 refrigerated								14	14	
C1-MT-BU1	4		4	4		4				
YF (bargo)	16		16	16		16				41
Total coastal type dry cargo	27	152	179	26	152	178	74	50	124	8
Total dry cargo and passenger	443	397	1,340	439	397	1,336	1,629	593	2,222	82
Major type tankers (including Z-ET1):										
T2-SE-A1	187	203	390	187	203	390				4169
T2-SE-A2										
T3-S-A1	5		5	5		5				
Special (Z-ET1—from Liberty group)	10		10	10		10		2	2	
Total major type tankers (including Z-ET1)	250	203	453	240	203	452	8	5	13	250
T1-M-BT (coastal tanker)	5	13	18	5	13	18	4		4	
Total tankers (including Z-ET1)	255	216	471	254	216	470	12	5	17	250
Grand total, all types	698	1,113	1,811	693	1,113	1,806	1,641	598	2,239	332

<sup>1</sup> Subject to changing requirements of the Government.

<sup>2</sup> One applicant found to be in default under the contract of sale and vessel has been returned to reserve fleet.

<sup>3</sup> ZET1—tanker—from Liberty group not included in this figure—see major type tanker group.

<sup>4</sup> At present the Administration has no T2 tankers and YF barges for sale.

## APPENDIX J

*Subsidized operators with extended (postwar) subsidy agreements containing tentative subsidy rates*

Name of operator	Effective date subsidy payments to be resumed	Expiration date of agreement	Number of vessels normally assigned			Tentative rates available
			Passenger	Cargo and passenger	Cargo	
American Mail Line, Ltd.....	Jan. 1, 1947	Dec. 31, 1960 <sup>1</sup>	-----	-----	9	Yes.
Farrell Lines, Inc.:						
South and East Africa Service.....	do	Dec. 31, 1959	-----	2	9	Yes. <sup>2</sup>
West Africa Service.....	Apr. 25, 1947	do	-----	-----	5	Yes.
Grace Line, Inc.....	Jan. 1, 1947	Dec. 31, 1957	-----	6	9	Yes.
Lykes Bros. S. S. Co., Inc.....	do	do	-----	-----	51	Yes. <sup>3</sup>
Mississippi Shipping Co., Inc.....	do	do <sup>4</sup>	-----	3	11	Yes.
Seas Shipping Co., Inc.....	do	do	-----	-----	12	Yes.
United States Lines Co.:						
Cargo services.....	Jan. 1, 1948	Dec. 31, 1949 <sup>5</sup>	-----	-----	40	Yes.
S. S. America.....	Aug. 2, 1948	Aug. 1, 1958	1	-----	-----	Yes.

<sup>1</sup> Contract is subject to earlier termination if satisfactory arrangements for replacement of vessels are not completed prior to each vessel reaching 18 years of age. (Oldest vessel will become 18 years old in 1959.)

<sup>2</sup> Tentative rates for cargo/passenger vessels have not been prepared.

<sup>3</sup> Tentative rates for Africa service have not been prepared.

<sup>4</sup> Date to which conditional extension authorized (new construction).

<sup>5</sup> Contract has expired. New contract to be effective Jan. 1, 1950.

*Subsidized operator with preliminary (postwar) subsidy agreement without tentative subsidy rates*

Name of operator	Effective date of subsidy agreement	Expiration date of agreement	Number of ships normally assigned		
			Passenger	Cargo and passenger	Cargo
Pacific Argentine-Brazil Line, Inc.....	Jan. 26, 1949	Dec. 31, 1958	-----	-----	4

APPENDIX J—Continued

Subsidized operators whose subsidy agreements have not been amended to encompass postwar resumption, modification of or term extension

Name of operator	Effective date subsidy payments to be resumed	Expiration date of authorized extension	Number of vessels normally assigned			Tentative rates available
			Pas-senger	Cargo and pas-senger	Cargo	
American Export Lines, Inc. <sup>1</sup>	Jan. 1, 1948	Dec. 31, 1965		5	24	No.
American President Lines, Ltd.	Jan. 1, 1947	Sept. 30, 1958*		5	11	No.
Moore-McCormack Lines, Inc.:						
Cargo services	Jan. 1, 1947	June 30, 1951			34	Yes.
Good-Neighbor fleet	May 8, 1949	June 30, 1951 <sup>2</sup>	3			No.
New York & Cuba Mail S. S. Co. <sup>3</sup>	Jan. 1, 1947	Dec. 31, 1953			6	No.
The Oceanic Steamship Co. <sup>4</sup>	do.	Sept. 30, 1950			4	No.
United States Lines Co.	Jan. 1, 1950	( <sup>5</sup> )			40	Pending.

<sup>1</sup> Two new passenger vessels to enter service in January and April 1951 (*Constitution* and *Independence*).

<sup>2</sup> Includes 4 vessels acquired from Shepard S. S. Co. with respect to which application for increase in sailings has been made but not as yet approved.

<sup>3</sup> Date to which conditional extension authorized.

<sup>4</sup> Presently operating: In Trans-Pacific services 3 chartered cargo/passenger vessels and 5 owned cargo vessels. In round-the-world service 2 cargo/passenger vessels and 6 cargo vessels, 4 of latter to be replaced by 3 faster cargo/passenger vessels now building for delivery December 1950 and June 1951. Further revision of vessel assignments contemplated under subsidy contract requirement of submission of satisfactory cargo/passenger vessel replacement program by Dec. 31, 1950, with application now pending for aid in construction of 4 such cargo/passenger vessels.

<sup>5</sup> Subject to cancellation after Dec. 31, 1950. Bids have been invited for the operation of these vessels and the operation of the service with new construction.

<sup>6</sup> 5 owned and 1 chartered cargo vessels constitute present fleet. 3 cargo/passenger vessels which operated prewar with 2 cargo vessels not now available.

<sup>7</sup> 4 owned cargo vessels constitute present fleet. Two cargo/passenger vessels—*Maritosa* and *Monterey*—have not been reconverted for resumption of service. Temporarily postwar a chartered troop carrier performed austerity passenger service, subsidization of which not definitely determined.

<sup>8</sup> Upon each vessel's reaching the age of 17 years, with automatic extension until each vessel reaches the age of 20 years, provided satisfactory arrangements for replacement of each vessel are undertaken prior to each vessel's becoming 17 years old.

Pending applications for operating-differential subsidies

Name of applicant	Number and type of vessels proposed for operation	Proposed operation	Number of voy-ages proposed per annum
Gulf & South American S. S. Co.	4 C-2 cargo	Trade route 31—United States Gulf to West Coast of South America.	18-30
Arnold Bernstein S. S. Corp.	2 P-2 cargo-passenger	Trade route 8—United States North Atlantic to Belgium and Netherlands.	31
South Atlantic S. S. Co.	4 C-2 cargo	Trade route 11—United States South Atlantic to United Kingdom and Continent.	24-36
Pacific Transport Line, Inc.	5 C-3 cargo	Trade route 29—California to Far East.	24
Pacific Far East Line, Inc.	11 C-2 cargo	do.	52
United States Lines Co.	6 VC-2 cargo	Trade route 8—United States North Atlantic to Antwerp-Rotterdam.	45-52
Black Diamond S. S. Corp. <sup>1</sup>	11 VC-2 cargo	do.	52-104

<sup>1</sup> Suspended at request of company.

## APPENDIX K

Statement as of Apr. 21, 1950, of subsidy accruals, recapture accruals, and payments thereof to the Government, as to all subsidized operators whose first recapture periods (5 or 10 years, as the case may be) terminated on Dec. 31, 1949, or prior thereto; also similar information projected with respect to one subsidized operator whose first recapture period terminates as of Dec. 31, 1950

Company	(1) Original date of contract	(2) Termination date of first recapture period	(3) Total esti- mated subsidy accrual <sup>1</sup>	(4) 50 percent of profits in excess of 10 percent on capital necessarily employed in the business	(5) Estimated recapture accrual (lower of columns 3 and 4)	(6) Recapture actually paid to the Government <sup>2</sup>	(7) Estimated cost to the Government (column 3 less column 6)
American Export Lines, Inc.	Jan. 24, 1938	Dec. 31, 1947	\$5,307,741.24	\$12,509,594.17	\$5,307,741.24	\$5,252,628.66	\$2,168,141.69
American Mail Line, Ltd.	Apr. 2, 1941	Dec. 31, 1950	4,579,489.48	2,416,317.79	2,416,317.79		5,310,382.64
American President Lines, Ltd.	Oct. 6, 1938	Sept. 30, 1948	14,223,982.54	8,913,649.90	8,913,649.90	6,102,000.00	3,482,798.78
Carroll Lines, Inc.	Apr. 23, 1940	Dec. 31, 1949	4,582,790.78	1,100,000.00	1,100,000.00	2,333,206.92	1,790,454.98
Clyde Line, Inc.	Dec. 31, 1937	Dec. 31, 1947	6,587,947.67	4,797,492.69	4,797,492.69	5,693,078.24	1,790,454.98
Lykes Bros. Steamship Co., Inc.	do	do	8,480,228.85	12,428,095.93	8,480,228.85	1,736,872.51	
Mississippi Shipping Co., Inc.	do	do	2,427,155.19	4,426,312.10	2,427,155.19	3,449,250.56	
Moore McCormack Lines, Inc.	Sept. 30, 1938	Sept. 30, 1948	11,184,931.35	20,619,387.21	11,184,931.35	657,080.13	1,133,098.10
New York & Cuba Mail Steamship Co.	Dec. 31, 1937	Dec. 31, 1947	2,289,322.07	1,150,223.97	1,150,223.97	557,285.82	1,873,387.92
The Oceanic Steamship Co.	do	do	2,431,178.74	567,285.82	567,285.82	1,100,693.86	
Seas Shipping Co., Inc.	Oct. 14, 1938	Sept. 30, 1948	2,413,402.16	4,162,341.55	2,413,402.16		
United States Lines Co.	Dec. 31, 1937	Dec. 31, 1942	6,040,917.24	1,120,161.48	1,120,161.48	4,920,000.00	
Total			70,549,051.31	74,200,772.61	49,874,580.44	27,579,203.57	20,674,470.87

<sup>1</sup> The amounts in this column represent total payments applicable to the prewar period (that is, prior to calendar year 1943) and to estimated accruals applicable to the postwar period (that is, subsequent to calendar year 1946). As to the latter period, no subsidy payments actually were made until very recently.

<sup>2</sup> 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, 1949, or prior thereto. The recapture accrual applicable to such operators for the prewar period and included in column 5 actually totals \$28,477,080.05 as against collections to date of \$27,579,203.57. The difference in these 2 amounts is represented by 10 percent hold-back in some cases and amounts in dispute in others.

## APPENDIX L

Type, number, gross tonnage, average age of vessels approved for transfer to alien ownership and/or registry and flag pursuant to sec. 9 of the Shipping Act 1916, as amended, for period July 1, 1949, through June 30, 1950

Type	Number	Total gross tonnage	Average age
<i>Privately owned</i>			
Sailing vessels, schooners.....	2	932	35.5
Tugs and barges.....	24	14,752	20.0
Pleasure vessels, yachts, etc.....	23	2,035	14.7
Tankers.....	10	83,911	13.5
Commercial vessels under 1,000 gross tons (fishing vessels, etc.).....	89	10,759	16.3
Commercial vessels over 1,000 gross tons (cargo; combination cargo-passenger):			
Subsidized lines.....			
Nonsubsidized lines.....	15	53,228	17.7
Total.....	163	165,617	16.8
Mortgage to an alien.....	4	24,697	6.3
<i>Government owned</i>			
Dry-cargo vessels over 1,000 gross tons.....	16	109,396	8.6
Tankers.....	1	10,448	5.0
Commercial vessels under 1,000 gross tons.....	1	450	5.0
Total.....	18	120,294	8.2
Grand total.....	181	285,911	16.0
Mortgage to an alien.....	4	24,697	6.3

## Nationality, number, and tonnage of vessels approved for transfer

Nationality	Privately owned		Government-owned		Total	
	Number vessels	Gross tonnage	Number vessels	Gross tonnage	Number vessels	Gross tonnage
British.....	3	1,097			3	1,097
Canadian.....	25	9,808			25	9,808
Colombian.....	2	711			2	711
Costa Rican.....	1	82			1	82
Cuban.....	11	362			11	362
Danish.....	2	4,338			2	4,338
Ecuadorian.....	2	447			2	447
French.....	2	569			2	569
Greek.....	3	9,864			3	9,864
Guatemalan.....	1	41			1	41
Haitian.....	7	2,405			7	2,405
Honduran.....	3	14,363			3	14,363
Israeli.....	2	10,911			2	10,911
Italian.....	3	1,350	1	450	4	1,800
Korean.....	67	9,121			67	9,121
New Zealand.....	1	3,088			1	3,088
Panamanian.....	12	78,610			12	78,610
Peruvian.....	2	1,635			2	1,635
Saudi Arabian.....	3	490			3	490
Turkish.....	2	15,884			2	15,884
Venezuelan.....	2	95			2	95
	157	165,516	1	450	158	165,966
Sale alien.....	6	101	17	119,944	23	119,945
Total.....	163	165,617	18	120,294	181	285,911
Mortgage to an alien.....	4	24,697			4	24,697

## APPENDIX M

Cash and United States Government securities on deposit in the statutory capital and special reserve funds of subsidized operators, as at June 30, 1950

Operator	Capital reserve fund	Special reserve fund	Total
American Export Lines, Inc. ....	\$3, 169, 512. 16	\$1, 993, 918. 08	\$5, 163, 430. 24
American Mail Line, Ltd. ....	1, 295, 661. 28	1, 275, 253. 21	2, 570, 914. 49
American President Lines, Ltd. ....	2, 312, 081. 91	2, 449, 326. 91	4, 761, 408. 82
Farrell Lines, Inc. ....	12, 114. 41	1, 152, 430. 07	1, 164, 544. 48
Grace Line, Inc. ....	13, 645, 460. 58	3, 057, 811. 50	16, 703, 272. 08
Lykes Bros. Steamship Co., Inc. ....	11, 329, 637. 91	14, 969, 628. 06	26, 299, 265. 97
Mississippi Shipping Co., Inc. ....	2, 471, 152. 78	691, 960. 84	3, 163, 113. 62
Moore-McCormack Lines, Inc. ....	1, 658, 246. 26	2, 497, 275. 30	4, 155, 521. 56
New York and Cuba Mail Steamship Co. ....	4, 947, 268. 77	1, 154, 361. 14	6, 101, 629. 91
The Oceanic Steamship Co. ....	3, 322, 827. 71	426, 095. 98	3, 748, 923. 69
Seas Shipping Co., Inc. ....	51, 228. 85	1, 001, 464. 13	1, 052, 692. 98
United States Lines Co. ....	1, 871, 776. 20	3, 349, 436. 96	5, 221, 213. 16
Total .....	46, 086, 968. 82	34, 018, 962. 18	80, 105, 931. 00

## APPENDIX N

Status of wartime, interim, and long-range construction audit program

	June 30, 1949		June 30, 1950	
	Number of contracts	Value	Number of contracts	Value
<i>Wartime construction program</i>				
Completed audits:				
Ships .....	570	\$7,854,919.670	590	\$8,506,195,450
Facilities .....	81	502,128,050	80	501,982,205
Miscellaneous .....	98	100,591,281	137	140,431,197
Total .....	749	8,457,639,001	807	9,148,608,852
Incomplete audits:				
Ships .....	74	1,400,484,218	77	1,112,900,466
Facilities .....	8	51,134,387	8	51,134,387
Reconversions .....			5	15,659,668
Miscellaneous .....	15	11,247,471	32	23,931,238
Total .....	97	1,462,866,076	122	1,203,625,760
Total wartime construction program .....	846	9,920,505,077	929	10,352,234,611
<i>Interim program</i>				
Completed audits:				
Ships .....	3	197,647,386		(1)
Reconversions .....	6	2,190,467	30	11,427,913
Reconversion allowances .....	1	428,906		(1)
Miscellaneous .....	1,939	473,821,033	1,950	436,024,126
Total .....	1,949	673,087,832	1,980	447,452,039
Incomplete audits:				
Ships .....	7	155,610,204		
Reconversions .....	151	121,661,314	122	93,822,480
Reconversion allowances .....	280	52,724,933	28	25,420,938
Miscellaneous .....	265	21,823,720	607	70,171,050
Total .....	703	354,820,171	757	189,420,498
Total interim program .....	2,652	1,027,908,053	2,737	636,872,537
<i>Long-range construction program</i>				
Incomplete audits:				
Ships .....	15	171,392,433	7	151,075,890
Miscellaneous .....	10	15,030,000	7	168,163,000
Total long-range construction program .....	25	186,422,433	14	319,238,890
Grand total construction program .....	3,523	11,134,835,563	3,680	11,308,346,038

<sup>1</sup> Subsequent to June 30, 1949, an extensive revision was made in the classification of contracts. Prior to June 30, 1949, contracts were classed as wartime, interim, or long-range, based upon relation to VJ-day. This has now been changed to prior or subsequent to June 30, 1946, necessitating a complete reclassifying of contract statistics.

<sup>2</sup> Field audits were completed on these contracts by the Division of Audits. As these audits were completed, they were referred to the Division of Claims for settlement.

APPENDIX O

Claims on hand as of June 30, 1950

	In favor of United States		Against United States	
	Number	Amount	Number	Amount
DIVISION OF CLAIMS				
Ship Sales, Procurement, and Construction Claims Branch.....	1,516	\$4,419,589	470	\$23,384,975
Engineering and Operations Claims Branch.....	1,088	7,081,273	1,104	5,680,082
New York section.....	317	1,387,465	33	231,452
Technical staff.....	3	1,249,508	17	659,595
Total.....	2,924	14,137,835	1,624	29,956,114
OTHER OFFICES				
Office of the General Counsel.....	143	12,513,550	841	251,644,579
Office of Maritime Operations.....	371	3,042,142	2,968	29,865,976
Office of the Comptroller.....	1,777	20,216,598	1,622	36,240,967
Total.....	2,291	35,772,290	5,431	317,751,522
Grand total.....	5,215	49,910,125	7,055	347,707,636

APPENDIX P  
*Appropriations, transfers, collections, and disbursements, fiscal year 1950*

Appropriation symbol	Title	Balance July 1, 1949	Appropriations		Receipts	Disbursements	Balance June 30, 1950	Sched-ule
			Increase	Decrease				
<i>Appropriated funds with U. S. Treasury</i>								
6900100.....	Salaries and expenses, U. S. Maritime Commission, 1950.	0	\$63,600,821.80	0	\$150,333.64	\$24,103,080.30	\$39,648,075.14	1
6900225.....	State Marine Schools, U. S. Maritime Commission, 1950.	0	370,000.00	0	0	307,523.16	62,470.84	2
6900301.....	Vessel operating functions, U. S. Maritime Commission, 1950.	0	4,930,570.00	0	0	1,717,703.29	2,313,866.71	3
6900524.....	Maritime training fund, U. S. Maritime Commission, 1950.	0	6,586,000.00	\$100,000.00	174,133.91	5,741,071.13	919,112.73	4
6906690.....	Payments from proceeds of sales, motor propelled vehicles.	0	979.99	0	0	0	979.99	-----
699/00300.....	Construction fund, U. S. Maritime Commission, 1949-Dec. 31, 1949.	0	26,216,617.82	0	0	7,776,930.09	13,439,687.73	5
6990100.....	Salaries and expenses, U. S. Maritime Commission, 1949.	\$47,257,375.68	0	26,216,617.82	71,943.57	6,884,284.61	14,228,316.82	6
6990225.....	State Marine Schools, U. S. Maritime Commission, 1949.	51,304.74	0	0	0	18,564.96	32,739.78	7
6990301.....	Vessel operating functions, U. S. Maritime Commission, 1949-Mar. 31, 1949.	6,473,823.04	0	0	0	2,983,983.57	3,539,835.47	8
6990524.....	Maritime training fund, U. S. Maritime Commission, 1949.	1,404,393.34	0	0	125,551.27	1,384,819.23	196,123.33	9
698/90300.....	Construction fund, U. S. Maritime Commission, Sept. 30, 1948.	23,235,226.10	28,284,454.00	0	0	31,986,850.23	19,532,839.87	10
6980300.....	Construction fund, U. S. Maritime Commission, 1948.	31,876,507.00	0	28,284,454.00	40,455.08	3,174,512.35	457,965.73	11
6980225.....	State Marine Schools, U. S. Maritime Commission, 1948.	107,314.65	0	0	0	19.80	107,294.85	12
6980524.....	Maritime training fund, U. S. Maritime Commission, 1948.	102,569.80	0	0	4,804.49	3,388.07	103,926.22	13
6980308.....	Salaries and general administrative expenses, War Shipping Administration, 1948.	227,526.92	0	0	354.64	0	227,881.56	-----
697/80034.....	Operating functions of War Shipping Administration, U. S. Maritime Commission, Sept. 1, 1946-Mar. 31, 1948.	11,977,601.63	0	26,736.31	3,699,102.37	1,833,815.69	13,811,152.00	14
6986049.....	Vessel operating functions of War Shipping Administration-U. S. Maritime Commission, Apr. 1, 1948-June 30, 1948.	2,925,166.62	0	0	36,927.99	133,156.65	2,778,947.96	15
69X0115.....	Federal ship mortgage insurance fund, U. S. Maritime Commission.	533,407.73	0	536,647.30	9,865.07	0	11,625.00	-----

69X0200	Construction fund, U. S. Maritime Commission, Act June 29, 1936, revolving fund.	963,044.94	0	0	16,065.85	973,898.86	209.93
69X0201	Emergency ship construction fund, U. S. Maritime Commission	105,533.88	0	1,115,799.06	10,265.48	0	0
69X0210	Judgments, United States Courts, U. S. Maritime Commission	11,534.07	0	0	0	11,534.07	0
69X0211	Judgments, Court of Claims, U. S. Maritime Commission	82,843.55	0	0	0	82,843.55	0
69X0215	Claims for damages, act Dec. 28, 1922, U. S. Maritime Commission	110.00	0	0	0	110.00	0
69X4000	War Shipping Administration functions revolving fund, U. S. Maritime Commission, Dec. 31, 1946.	2,541,783.41	19,354.50	2,541,783.41	0	19,354.50	0
6974001	State Marine Schools, War Shipping Administration functions, U. S. Maritime Commission, 1947	87,752.70	0	0	0	87,752.70	0
6974002	Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1947	3,246,749.66	0	0	8,022.80	3,254,772.46	0
6964002	Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1946	60,844.69	0	0	541.66	61,386.35	0
69X0521	Marine and war risk insurance fund, revolving fund, War Shipping Administration, U. S. Maritime Commission	0	0	0	615,205.54	0	615,205.54
69-114/70009	United Nations Relief and Rehabilitation Administration (allotment to U. S. Maritime Commission and liquidation of War Shipping Administration functions) 1944-47.	727,420.35	0	727,420.35	0	0	0
69-111/60023	Defense aid, vessels and other watercraft (allotment to U. S. Maritime Commission), 1941-46.	653.99	0	653.99	0	0	0
69-1160033	Obligations, defense aid, liquidation lend lease program (allotment to U. S. Maritime Commission), 1946.	7,477,164.69	0	7,477,164.69	0	0	0
69-197/01091	Salaries and expenses, Philippine Rehabilitation, Department of State (transfer to U. S. Maritime Commission), 1947-50.	118,465.43	234,682.00	0	0	232,620.09	16
69X6800(40)	Defense aid special fund (allotment to U. S. Maritime Commission), War Shipping Administration functions, Dec. 31, 1946.	8,828.72	0	8,361.92	0	0	466.80
69X5900	Working fund, U. S. Maritime Commission (Navy and War Departments)	30,758,883.96	0	30,500,000.00	75,205.11	12,991.76	321,097.31
6965900	Working fund, U. S. Maritime Commission, 1949 (Army and Navy Departments)	74,993.13	0	0	106,739.00	104,573.33	76,158.80
6985900	Working fund, U. S. Maritime Commission, 1949 (Navy Department)	131,091.76	0	0	115.27	110,406.79	20,800.24
6975900	Working fund, U. S. Maritime Commission, 1947 (War Department)	777.49	0	0	0	771.50	5.99
69X6940	Working fund, U. S. Maritime Commission, War Shipping Administration functions, Dec. 31, 1946.	847,916.50	0	800,000.00	0	44,305.16	3,610.34
69X8300	Working fund (advance from Commodity Credit Corporation, capital fund—storage of grain in reserve fleet).	0	0	0	900,000.00	567,711.43	332,288.57

See footnote at end of table.

APPENDIX P—Continued  
*Appropriations, transfers, collections, and disbursements, fiscal year 1950—Continued*

Appropriation symbol	Title	Balance July 1, 1949	Appropriations		Receipts	Disbursements	Balance June 30, 1950	Schedule
			Increase	Decrease				
	<i>Appropriated funds with U. S. Treasury—Con.</i>							
69X8857	Unearned moneys, vessels operating functions of War Shipping Administration, U. S. Maritime Commission.	\$1,095,065.05	0	0	0	\$343,930.54	\$751,134.51	
69X8860	Wages due American seamen, War Shipping Administration functions, U. S. Maritime Commission.	654,724.77	\$1,353,416.64	0	0	15,604.85	1,997,638.66	
69X8869	Unearned moneys, merchant ship sales, war-built vessels, U. S. Maritime Commission.	17,536,897.24	0	0	\$114,110.05	11,541,724.61	6,100,282.68	
69X8900	Unearned moneys due creditors of contractors with U. S. Government, under cost-plus-a-fixed-fee contract, U. S. Maritime Commission.	1,566,346.97	644,864.19	\$27,242.70	0	1,878.01	2,082,084.45	
69X8803	Donations, U. S. Maritime Commission.	0	0	0	34,738.32	0	34,738.32	
69-11X8235(2)	Advances from Greece and Turkey for assistance (transfer from U. S. State Department) U. S. Maritime Commission.	0	10,853.47	10,853.47	0	0	0	
	Total appropriated funds.....	194,326,590.90	131,263,614.41	97,423,735.62	6,193,439.11	105,437,889.79	128,922,019.11	
	<i>Disbursing officers' cash—special deposits</i>							
69F5700	Proceeds from reparation property World War II, U. S. M. C.	215,544.50	0	0	0	215,544.50	0	
69F5850	Employees payroll allotment account, U. S. War Savings Bonds, U. S. M. C.	35,181.71	0	0	395,278.60	383,792.95	46,687.36	
11F5850	Employees payroll allotment account, U. S. War Savings Bonds, W. S. A.	74.90	0	0	59,455.61	59,521.13	9.38	
69F5859	Employees victory tax, U. S. M. C.	0	0	0	823.45	823.45	0	
11F5859	Employees victory tax, W. S. A.	1,269.24	0	0	445.79	1,715.03	0	
69F5867	Federal tax withheld from salaries of federal employees, U. S. M. C.	767,263.00	0	0	1,765,848.22	2,199,968.79	373,142.43	
11F5867	Federal tax withheld from salaries of federal employees, W. S. A.	2,412.82	0	0	0	2,412.82	0	
69F5868	Compensation for merchant vessels, Act Mar. 24, 1943, W. S. A. functions, U. S. M. C.	3,750,911.23	0	0	10,000.00	20,350.40	3,740,560.83	
69F5873	Suspense, U. S. Maritime Commission.	18,412,038.95	0	0	10,744,092.99	19,961,864.74	9,194,767.20	
69F5878	Alien withholding tax—U. S. Maritime Commission.	28.08	0	0	0	28.08	0	

69F5884	Proceeds from return or sale of vessels act of Apr. 29 1943 as amended, War Shipping Administration functions, U. S. M. C. Dec. 31, 1946.	0	0	23, 027. 06	0	16, 792, 357. 08
69F5885	Proceeds from sale of surplus property, U. S. M. C. *	0	0	436, 891. 98	22, 999, 102. 79	94, 710. 99
69F5887	Returns from sale of surplus property	0	0	0	104, 334. 75	96, 906. 49
	Total disbursing officers' cash—special deposits.	0	0	13, 435, 863. 70	45, 906, 959. 43	30, 338, 520. 36
<i>General fund receipts deposited</i>						
69I321	Commission on telephone pay stations in Federal buildings outside Washington, D. C.	0	0	4, 865. 57	0	4, 865. 57
69I322	Vending machine fees	0	0	194. 54	0	104. 54
69I351	Registration fees, correspondence courses	0	0	16, 176. 19	0	16, 176. 19
69I569	Unclaimed funds and abandoned property, not otherwise classified.	0	0	668. 00	0	668. 00
69I599	Fines, penalties, and forfeitures, not otherwise classified.	0	0	29, 387. 25	0	29, 387. 25
692111	Moneys received from persons unknown	0	0	5. 00	0	5. 00
693102	Interest on deferred collections or payments	0	0	16, 364, 132. 40	0	16, 364, 132. 40
693391	Gain by exchange	0	0	6. 18	0	6. 18
693521	Rents, docks, wharves, and terminals	0	0	21, 873. 33	0	21, 873. 33
693522	Rent of public buildings and grounds	0	0	119, 621. 71	0	119, 621. 71
693531	Rent of docks, wharves, and piers	0	0	1, 507, 568. 24	0	1, 507, 568. 24
693534	Charter hire and inventories on chartered vessels	0	0	4, 129, 143. 86	0	4, 129, 143. 86
693539	Rent of equipment and facilities not otherwise classified.	0	0	14, 759. 64	0	14, 759. 64
694276	Reimbursements, excessive profits on renegotiated contracts.	0	0	349. 50	0	349. 50
694359	Sale of electric current, steam, heat, light, and water.	0	0	1, 745. 74	0	1, 745. 74
694369	Sale of publications and reproductions	0	0	940. 58	0	940. 58
694379	Sale of waste paper, refuse, garbage, manure, etc.	0	0	8, 512. 29	0	8, 512. 29
694391	Sale of stores, usable or condemned	0	0	23, 376. 66	0	23, 376. 66
694521	Telephone and telegraph service	0	0	2, 101. 06	0	2, 101. 06
694530	Laundry and dry cleaning	0	0	7. 02	0	7. 02
694531	Quarters	0	0	6, 050. 23	0	6, 050. 23
694532	Sale of subsistence	0	0	15, 923. 48	0	15, 923. 48
694534	Medical, dental and hospital service	0	0	7. 00	0	7. 00
694594	Overhead charges on sales of services of supplies	0	0	4, 244. 87	0	4, 244. 87
694599	Fees and other charges for miscellaneous services	0	0	51, 147. 03	0	51, 147. 03
695119	Sale of public land and buildings, not otherwise classified.	0	0	183, 306. 77	0	183, 306. 77
695160	Net proceeds from surplus property in the United States.	0	0	26, 193, 880. 24	0	26, 193, 880. 24
695161	Net proceeds from surplus property in foreign areas.	0	0	25, 683. 33	0	25, 683. 33
695182	Proceeds from surplus vessels	0	0	47, 044, 979. 73	0	47, 044, 979. 73
695184	Sale of vessels title V and VII Merchant Marine Act as amended	0	0	7, 143, 571. 01	0	7, 143, 571. 01
695194	Proceeds from ship inventories	0	0	84, 754. 73	0	84, 754. 73
695195	Sale of scrap and salvage material	0	0	326, 351. 01	0	326, 351. 01
695196	Sale of equipment	0	0	2, 576. 76	0	2, 576. 76

APPENDIX P—Continued  
*Appropriations, transfers, collections, and disbursements, fiscal year 1950—Continued*

Appropriation symbol	Title	Balance July 1, 1949	Appropriations		Receipts	Disbursements	Balance June 30, 1950	Schedule
			Increase	Decrease				
	<i>General fund receipts deposited—Continued</i>							
695199	Proceeds from sale of Government property	0	0	0	\$42,577.15	0	\$42,577.15	
695511	Reimbursement, Government property lost or damaged	0	0	0	80,331.91	0	80,331.91	
695514	Receipts from operations	0	0	0	1,419.50	0	1,419.50	
695522	Army costs due the United States from Germany	0	0	0	328.33	0	328.33	
695523	War claims and awards waived under general settlements	0	0	0	3,278.87	0	3,278.87	
695530	Reimbursement excessive profits on renegotiated contracts	0	0	0	6,297,060.04	0	6,297,060.04	
695531	Recoveries, excess cost over contract price	0	0	0	1,119,089.80	0	1,119,089.80	
695532	Reparation, World War II proceeds from reparation property	0	0	0	215,644.80	0	215,644.80	
695541	Recoveries, defense aid, commodities, supplies and services	0	0	0	21,919.46	0	21,919.46	
695552	Refund of transportation charges	0	0	0	450,364.57	0	450,364.57	
695563	Refund on cable and radio messages	0	0	0	13.95	0	13.95	
695566	Recoveries from operations of ships	0	0	0	16,386,350.98	0	16,386,350.98	
695571	Reimbursement for jury service	0	0	0	1,160.30	0	1,160.30	
695573	Reimbursement settlement of claims against (depositor)	0	0	0	451,747.27	0	451,747.27	
695590	Repayments lapsed appropriation	0	0	0	146,433.09	0	146,433.09	
695592	Refund of utility charges	0	0	0	1,956.77	0	1,956.77	
695593	Refund of empty containers	0	0	0	3,738.82	0	3,738.82	
695594	Refund state and local taxes	0	0	0	1,745.89	0	1,745.89	
695595	Refund of terminal leave compensation	0	0	0	6,481.40	0	6,481.40	
695599	Refund of enlistment allowances and clothing bounties	0	0	0	2,102,437.01	0	2,102,437.01	
	Total general fund receipts deposited	0	0	0	130,662,944.46	0	130,662,944.46	
	<i>Special and trust fund receipts deposited</i>							
696094	Receipts from operations of functions of War Shipping Administration, title II, Public Law 492 (July 8, 1946)	\$15,847,037.49	\$280,856.10	0	\$3,852,501.17	\$895,605.03	\$19,084,789.73	
696890	Proceeds from sales of motor-propelled vehicles	0	0	0	1,236.75	429.99	806.76	
696829	Deposits recovered, subsidies or excess profits	26,127,796.69	0	0	8,502,522.05	15,000,000.00	19,630,318.74	
696857	Deposits, unearned moneys, vessel operation functions of W. S. A. U. S. M. C.	22,815,837.52	14,800.83	\$1,235,343.65	1,627,703.18	151,631.67	22,971,416.21	

## APPENDIX P—Continued

<sup>1</sup> Due to Reorganization Plan No. 21 of 1960. As per request of U. S. Treasury Department to enable them to transfer the maritime fund accounts on the U. S. Treasury Department's books.

<sup>2</sup> Lapsed funds were transferred to the following U. S. Treasury accounts:

Symbol	To Treasury certified claims account	To Treasury surplus account	To Treasury general fund receipts account	Total
6938369	0	0	\$25,000,000.00	\$25,000,000.00
69736034	\$10,521,365.73	\$3,289,312.90	0	13,811,211.53
6986049	435,537.63	0	0	435,537.63
69X0521	0	615,205.54	0	615,205.54
69X5900	0	321,097.31	0	321,097.31
6930300	457,301.14	0	0	457,301.14
6980225	107,294.85	0	0	107,294.85
6990524	103,928.22	0	0	103,928.22
69X0200	0	209.33	0	209.33
6980038	227,821.56	0	0	227,821.56
6975900	5.99	0	0	5.99
69X5940	0	3,610.34	0	3,610.34
Total	11,853,456.12	4,229,835.72	27,343,312.33	43,426,704.17

<sup>3</sup> Funds in custody of agents in the amount of \$8,127,458.27 and appropriated funds with U. S. Treasury for liquidation of W. S. A. obligations in the amount of \$127,348,609.59 not included in this statement.

Schedule 1.—6900100

Salaries and Expenses, U. S. Maritime Commission, 1950, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.010	Personal services.....	\$9,223,937.53	0	\$159.70	\$9,112,288.43
0.011	Newspapers and periodicals.....	2,000.00	0	0	1,160.91
0.012	Contract employment.....	17,700.00	0	0	11,586.96
0.014	Travel.....	293,152.21	0	857.79	122,214.27
0.020	New ship construction, including reconditioning and betterment.....	14,875,000.00	0	0	430,477.09
0.021	Funds appropriated in fiscal year 1950 for payment of obligations incurred in fiscal year 1949.....	12,000,000.00	0	0	5,777,445.57
0.030	Maintenance of shipyard facilities.....	425,000.00	0	7,802.12	403,856.91
0.031	Travel expense for shipyard facilities.....	0	0	0	0
0.032	Operation of warehouses.....	480,000.00	0	1,622.95	452,409.87
0.040	Travel expenses for warehouses.....	0	0	0	120.39
0.050	Operating-differential subsidies.....	18,218,382.00	0	0	548,660.88
0.060	Reserve fleet expense.....	7,134,810.00	0	102,953.65	6,625,362.69
0.061	Reserve fleet expense.....	0	0	0	5,057.73
0.070	Travel expense for reserve fleet.....	510,850.00	0	36,930.43	491,773.17
0.071	Maintenance and operation of terminals.....	0	0	0	46.04
0.072	Travel expense for terminals.....	170,000.00	0	0	120,629.09
0.080	Miscellaneous expense (other than vessel operation).....	250,000.00	0	0	60.50
0.081	Liquidation of priority liens or claims.....	0	0	0	0
	Total appropriation No. 6900100.....	63,000,821.80	0	150,333.64	24,104,080.30

Schedule 2.—6900225

State Marine Schools, U. S. Maritime Commission, 1950, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.004	State of California.....	\$50,000.00	0	0	\$25,000.00
0.017	State of Maine.....	50,000.00	0	0	45,703.80
0.019	State of Massachusetts.....	50,000.00	0	0	41,953.05
0.030	State of New York.....	50,000.00	0	0	45,045.59
0.007	Maintenance and repair of vessels loaned by the United States for use in connection with such State marine schools.....	170,000.00	0	0	149,705.82
	Total appropriation No. 6900225.....	370,000.00	0	0	307,529.16

Schedule 3.—6900301

Vessel operating functions, U. S. Maritime Commission, 1950, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
6900301	Vessel operating functions—U. S. M. C. 1950	\$4,036,570.00	0	0	\$1,717,703.29
	Total appropriation No. 6900301	4,036,570.00	0	0	1,717,703.29

Schedule 4.—6900524

Maritime training fund, U. S. Maritime Commission, 1950, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001	All other expenditures	\$2,923,416.00	\$100,000.00	\$146,234.29	\$2,531,086.80
0.002	Personal services (exclusive of trainees)	3,520,501.00	0	26,949.62	3,136,817.13
0.003	For contingencies of the superintendent, United States Merchant Marine Academy, Kings Point, N. Y., to be expended in his discretion.	2,500.00	0	0	2,300.00
0.005	Travel	139,583.00	0	0	48,673.25
	Total appropriation No. 6900524	6,586,000.00	100,000.00	174,183.91	5,741,671.18

Schedule 5.—699/00300

Construction fund U. S. Maritime Commission, 1949—Dec. 31, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
699/00300.001	New ship construction, including reconditioning and betterment—July 1, 1949 to Dec. 31, 1949.	\$26,216,617.82	0	0	\$7,776,930.09
	Total appropriation No. 699/00300	26,216,617.82	0	0	7,776,930.09

Schedule 6.—6990100  
Salaries and expenses, U. S. Maritime Commission, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.010.....	Personal services.....	0	0	\$5,134.84	\$550,540.60
0.011.....	Purchase of non-technical periodicals and newspapers.....	0	0	0	90.40
0.012.....	Contract employment.....	0	0	0	2,590.24
0.014.....	Travel.....	0	0	0	7,774.01
0.020.....	New ship construction, including reconditioning and betterments.....	0	\$28,216,617.82	1,450.39	2,327,292.97
0.030.....	Maintenance of shipyard facilities.....	0	0	0	61,403.74
0.040.....	Maintenance of warehouses.....	0	0	0	4,40.44
0.041.....	Travel expense for operation of warehouses.....	0	0	2.47	0
0.050.....	Operating differential subsidies.....	0	0	302.31	2,770,367.67
0.060.....	Reserve fleet expenses.....	0	0	0	1,098,042.93
0.061.....	Travel expense for reserve fleet.....	0	0	0	2,237.46
0.070.....	Maintenance and operation of terminals.....	0	0	0	0
0.071.....	Travel expense for maintenance and operation of terminals.....	0	0	56,053.85	63,876.28
0.080.....	Miscellaneous expense (other than vessel operation).....	0	0	4,610.04	0
	Total appropriation No. 6990100.....	0	26,216,617.82	71,843.57	6,884,234.61

Schedule 7.—6990225  
State marine schools (act Mar. 4, 1911), 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.003.....	State of California.....	0	0	0	0
0.004.....	State of Massachusetts.....	0	0	0	\$4,147.80
0.005.....	State of New York.....	0	0	0	2,484.32
0.007.....	Maintenance and repair of vessels loaned by the United States for use in connection with such state marine schools.....	0	0	0	6,799.56
0.008.....	State of Maine.....	0	0	0	4,133.28
	Total appropriation No. 6990225.....	0	0	0	18,564.96

## Schedule 8.—6990301

## Vessel-operating functions, U. S. Maritime Commission, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
6990301.....	Operation of passenger vessels under G. A. A.....	0	0	0	\$1,992,573.90
	Tug service (including G. A. A.-operated tugs under and/or contract tow).....	0	0	0	13,706.24
	Mainenance of immobilized vessels in United States ports.....	0	0	0	135,622.57
	Cost of placing vessels in reserve fleet.....	0	0	0	23,057.47
	Cost of withdrawing vessels in reserve fleet.....	0	0	0	119,294.74
	Cost of repairs—vessels and tugs (other than G. A. A. operation).....	0	0	0	696,823.61
	Smutry expenses.....	0	0	0	43,193.86
	Reserve for contingencies, including claim.....	0	0	0	4,173.78
	Total appropriation No. 6990301.....	0	0	0	2,993,993.57

## Schedule 9.—6990524

## Maritime training fund—U. S. Maritime Commission, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001.....	All other expenditures.....	0	0	\$119,920.50	\$980,352.17
0.002.....	Personal services.....	0	0	0	314,241.87
0.005.....	Restoration or repair of buildings at Pass Christian, Mississippi.....	0	0	0	18,790.96
0.006.....	Travel.....	0	0	5,630.77	21,434.28
0.003.....	For contingencies of the superintendent, U. S. Merchant Marine Academy, to be expended in his discretion.....	0	0	0	0
	Total appropriation No. 6990524.....	0	0	125,551.27	1,334,819.28

Schedule 10.—698/90300

Construction fund, U. S. Maritime Commission, 1948—Sept. 30, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001	New ship construction, July 1, 1946, to Sept. 30, 1948.	\$28,284,454.00	0	0	\$31,631,861.09
0.002	Reconditioning and betterment of ships, July 1, 1946, to Sept. 30, 1948.	0	0	0	354,989.14
	Total appropriation No. 698/90300	28,284,454.00	0	0	31,986,850.23

Schedule 11.—6980300

Construction fund, U. S. Maritime Commission, 1948, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001	All other, including 1947 and prior years' obligations.	0	0	\$1,071.46	\$861,349.11
0.002	All other administration expenses, other than personal service.	0	0	0	2,280.55
0.003	Newspapers and periodicals.	0	0	0	46.60
0.004	Travel expenses.	0	0	0	230.90
0.005	Authorized field printing, general.	0	0	0	0
0.006	Personal services.	0	0	0	17,105.45
0.007	New ship construction.	0	\$28,284,454.00	0	0
0.008	Reconditioning and betterment of ships.	0	0	0	0
0.009	Reconversion of vessels.	0	0	19,946.13	0
0.010	Maintenance of shipyard facilities.	0	0	2,540.33	0
0.011	Operation of warehouses.	0	0	1,785.46	0
0.012	Reserve fleet expenses.	0	0	16,111.20	0
0.013	Maintenance and operation of terminals.	0	0	0	0
0.014	Miscellaneous expenses.	0	0	0	0
0.015	Operating rental subsidies.	0	0	0	8,584.30
0.016	Operating rental subsidies.	0	0	0	0
0.017	Operating rental subsidies.	0	0	0	0
0.018	Operating rental subsidies.	0	0	0	0
0.019	Services as authorized by sec. 15 of the act of Aug. 2, 1946.	0	0	0	2,284,913.44
0.020	Additional temporary personal services from May 1, 1948, to June 30, 1948.	0	0	0	0
	Total appropriation No. 6980300	0	28,284,454.00	40,455.08	3,174,512.35

## Schedule 12.—6980225

## State marine schools, U. S. Maritime Commission, 1948, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.007.....	Maintenance and repair of vessels loaned by the United States for use in connection with such state marine schools.	0	0	0	\$19.80
	Total appropriation No. 6980225.....	0	0	0	19.80

## Schedule 13.—6980524

## Maritime training fund, U. S. Maritime Commission, 1948, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001.....	All other.....	0	0	\$4,804.40	\$3,268.07
0.002.....	Administrative expenses.....	0	0	0	0
0.005.....	Travel expenses.....	0	0	0	0
	Total appropriation No. 6980524.....	0	0	4,804.40	3,268.07

Schedule 14.—697/86034

Operation of functions of War Shipping Administration, U. S. Maritime Commission, Sept. 1, 1946—Mar. 31, 1948, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001	Vessels and voyage operations.....	0	\$26,736.31	\$3,213,099.79	\$1,315,891.51
0.002	Maintenance and repairs.....	0	0	0	481,210.43
0.003	Charter hire.....	0	0	0	0
0.004	Insurance.....	0	0	0	0
0.005	Cost of placing vessels into reserve fleet.....	0	0	0	5,908.30
0.006	Delivery expenses on vessels withdrawn from reserve fleet for sale.....	0	0	0	2,000.00
0.007	Miscellaneous expenses.....	0	0	0	3,736.40
0.008	Unliquidated obligations as at June 30, 1947.....	0	0	440,665.22	0
0.009	Reserve for contingencies, including claims arising from operations during the period Jan. 1, 1947—Mar. 31, 1948.....	0	0	45,337.36	0
	Total appropriation No. 697/86034.....	0	26,736.31	3,699,102.37	1,358,815.69

Schedule 15.—6986049

Operation of functions of War Shipping Administration, U. S. Maritime Commission, Apr. 1, 1948, to June 30, 1948, inclusive, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
6986049	Vessel and voyage operations.....	0	0	\$36,937.99	\$117,860.40
6986049	Vessel royalties.....	0	0	0	79,024.20
6986049	Cost of placing vessels in reserve fleet.....	0	0	0	0
6986049	Cost of withdrawing vessels from reserve fleet.....	0	0	0	121.18
6986049	Miscellaneous operating expenses.....	0	0	0	0
6986049	Reserve for contingencies, including claims.....	0	0	0	1,818.62
	Total appropriation No 6986049.....	0	0	36,937.99	183,156.65

Schedule 16.—69—197/01091

Salaries and expenses, Philippine Rehabilitation Department of State (transfer to U. S. Maritime Commission), 1947-50, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001.....	For use in carrying out the provisions of sec. 306 (a) of title III of the Philippine Rehabilitation Act of 1946.	\$234,692 00	0	0	\$232,630.09
0.002.....	For use in carrying out the provisions of sec. 306 (b) of title III of the Philippine Rehabilitation Act of 1946.	0	0	0	0
	Total appropriation No. 69-197/01091.....	234,692.00	0	0	232,630.09

Schedule 17.—69X-5900

Working fund, U. S. Maritime Commission, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursement
		Increase	Decrease		
0.001.....	Advance from "17X-0603 replacement of naval vessels, construction and machinery" to cover contract price for 2 vessels for transports known as MC hulls 181 and 182, Consolidated Steel Corp. hulls Nos. 206 and 207, \$3,750,000.	0	0	\$75,203.11	\$343.29
0.043.....	Advance from "17X-0605 repair facilities, Navy" to cover the estimated costs and expenses to the Maritime Commission in connection with the construction of a floating dry dock and necessary additional facilities, contract MCC-28725, \$2,270,000.	0	0	0	0
0.015.....	Advance from "17X-0607 increase and replacement of naval vessels, emergency construction" to cover the construction cost of 90 corvettes (hulls MC 1421 to 1498, 1475 to 1495, and 1654 to 1671), \$50,000,000.	0	\$30,500,000.00	0	151.47
0.066.....	Advance from "17X-0603 increase and replacement of naval vessels" construction and machinery" to cover financing of repair of 24 tankers by the Maritime Commission for use by the Navy Department, \$5,000,000.	0	0	0	0
0.006.....	Advance from "17X-0603 increase and replacement of naval vessels, construction and machinery" to cover purchase price of vessels on behalf of the Navy Department, \$9,080,000.	0	0	0	12,577.00
0.055.....	Advance from "17X-0605 repair facilities, Navy" to cover estimated cost to the Maritime Commission in connection with the construction and installation of certain ship-repair facilities at Kaiser Co., yard No. 3, Richmond, Calif., \$3,500,000.	0	0	0	0
	Total appropriation No. 69X-5900.....	0	30,500,000.00	75,203.11	12,961.76

Schedule 18.—6985900

Working fund, U. S. Maritime Commission, 1949, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001.....	Advance from "2192409 transportation service, Army, 1949" for the operation of the vessel S. S. <i>Aleus</i> by the United Fruit Co.	0	0	\$20,000.00	\$94,005.99
0.002.....	Advance from Navy Department for restoration of Norfolk terminal.....	0	0	85,739.00	10,567.34
	Total appropriation No. 6985900.....	0	0	105,739.00	104,573.33

Schedule 19.—6985900

Working fund, U. S. Maritime Commission, 1948, fiscal year 1950

Limitation	Purpose	Appropriations		Total receipts	Total disbursements
		Increase	Decrease		
0.001.....	Advance from "2180905 engineer service, Army, 1948" to cover costs incurred in connection with the restoration of the Norfolk Army Base Terminal, Norfolk, Va., \$194,489.	0	0	\$115.27	\$110,406.79
	Total appropriation No. 6985900.....	0	0	115.27	110,406.79

## Schedule 20.—698869

## Deposits, unearned moneys, merchant ship sales, war-built vessels, U. S. Maritime Commission, fiscal year 1950

Purpose	Appropriations		Total receipts	Total disbursements
	Increase	Decrease		
Sale.....	0	0	\$24, 225, 751. 56	\$22, 081. 41
Basic charter-hire.....	0	0	998, 619. 70	0
Additional charter-hire.....	0	0	2, 646, 742. 47	0
Miscellaneous.....	0	0	2, 224, 740. 55	0
Transfers to general fund receipts account (695529).....	0	0	0	698, 253. 44
Transfer to appropriation account (69X8869) for necessary refunds.....	0	0	0	0
Total appropriation No. 698869.....	0	0	30, 095, 884. 28	1, 462, 234. 85

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