

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



Fiscal Year Ended  
June 30  
**1929**



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1929

## THE UNITED STATES SHIPPING BOARD

---

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

## TABLE OF CONTENTS

---

### I. UNITED STATES SHIPPING BOARD

	Page
Letter of transmittal.....	v
Organization chart..... Facing	1
Organization.....	1
General statement.....	1
Bureau of Traffic.....	12
Bureau of Regulation.....	38
Bureau of Operations.....	41
Industrial relations division.....	42
Investigations division.....	48
Port facilities division.....	51
Bureau of Construction.....	54
Bureau of Law.....	66
Litigation and claims division.....	66
Contracts and opinions division.....	67
Admiralty division.....	68
Bureau of Finance.....	68
Bureau of Research.....	71
Secretary.....	72

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

Organization chart..... Facing	87
Organization.....	87
Special features of the year's activities.....	88
Sale of United States Lines and American Merchant Lines.....	88
Other ship sales.....	89
Extent of vessel operations.....	90
Total results of operations.....	91
Cost of maintaining cargo services.....	92
Operating losses for passenger services.....	92
Coal trade.....	93
Other operating results.....	93
Reduction of pay rolls and administrative expenses.....	94
New operating agreements.....	94
Principal events of the year in operations and supply.....	96
Centralized purchasing.....	96
Disposition of surplus stores and reduction of stocks.....	96
Fuel purchases and issues.....	96
Bunkering.....	100
Stevedoring costs.....	100
Operation of tankers.....	100
Care of reserve fleet.....	101
Terminals.....	102

	Page
Progress along special technical lines.....	104
Diesel conversion program.....	104
Fuel conservation.....	104
Tests with pulverized coal.....	104
Radio.....	105
Traffic.....	106
General conditions.....	106
European and Mediterranean trades.....	106
South American trade.....	107
Far East, Australia, and India trades.....	107
Publicity.....	107
Insurance.....	108
Marine insurance.....	108
Protection and indemnity insurance.....	109
Finance department.....	110
Cash discount and interest.....	110
Cash accounts.....	110
Collection of past-due accounts.....	111
Housing properties.....	111
Securities.....	111
Consolidated cash statement.....	111
General comptroller's department.....	112

## APPENDIX

TABLE I. Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929.....	115
II. Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1929.....	120
III. Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1929.....	121
IV. Managing operators and charterers of Shipping Board vessels as of June 30, 1929.....	122
V. Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1929.....	123
VI. An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1929.....	126
VII. Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1929.....	133
VIII. Balance sheet as at June 30, 1929.....	139
IX. Gross appropriations and allotments from inception to July 1, 1929.....	141
X. Estimated operating profit and loss, fiscal year 1929.....	143
XI. Names and compensation of employees of the United States Shipping Board in the service on June 30, 1929.....	144
Names and compensation of employees of the United States Shipping Board who have been in the service some part of the fiscal year ended June 30, 1929.....	145

## LETTER OF TRANSMITTAL

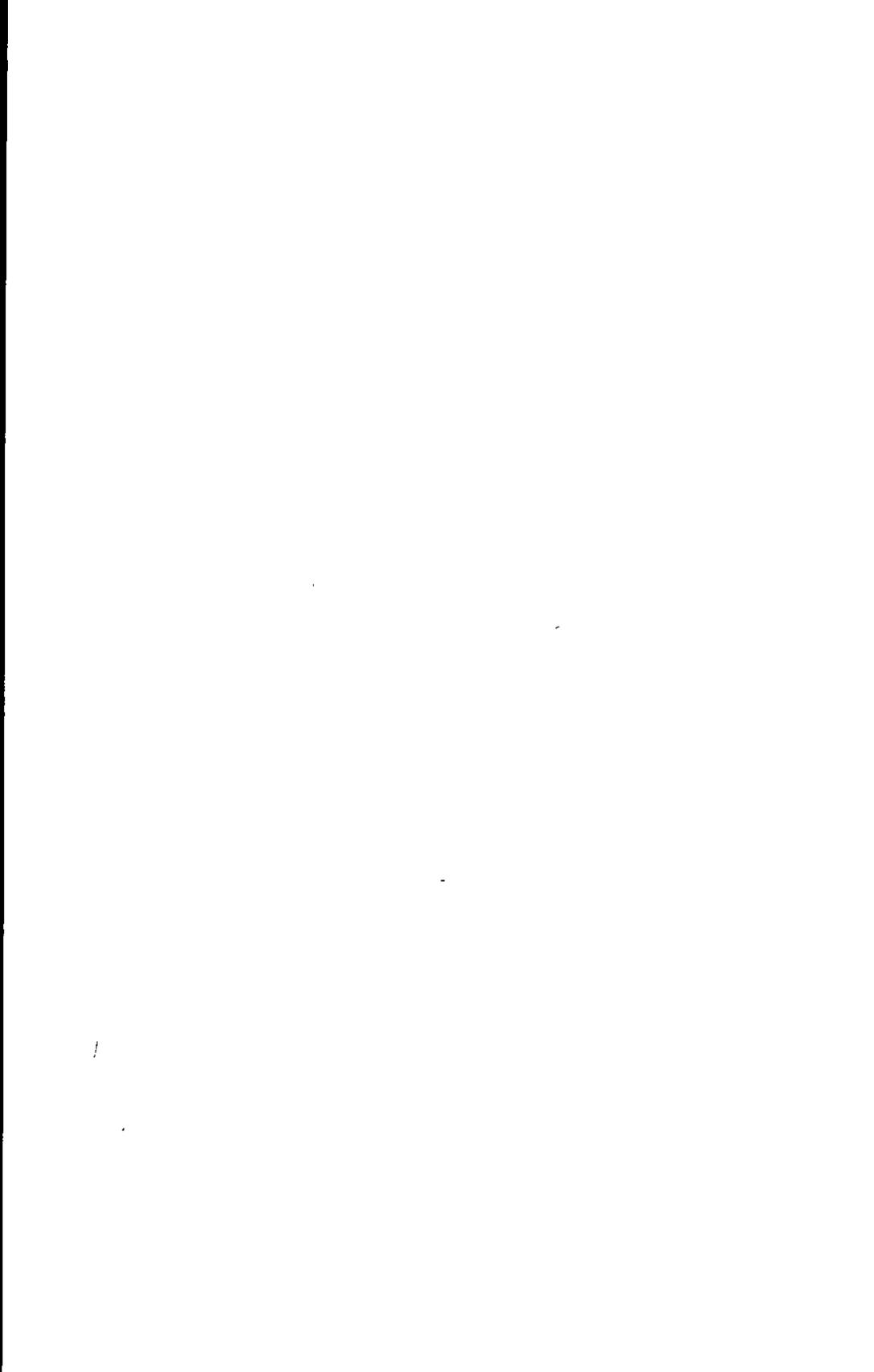
---

UNITED STATES SHIPPING BOARD,  
*Washington, D. C., November 30, 1929.*

*To the Congress:*

In compliance with section 12 of the shipping act, 1916, we have the honor to transmit herewith the thirteenth annual report of the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation covering the fiscal year ended June 30, 1929.

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



# • UNITED STATES SHIPPING BOARD •

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

**CHAIRMAN**  
 T.V. O'CONNOR

**ASSISTANT  
TO THE  
CHAIRMAN**

**DISBURSING  
OFFICE**

**SECRETARY**

COMMISSIONER	BUREAU OF	COMMISSIONER	BUREAU OF
COMMISSIONER E.C. PLUMMER	BUREAU OF TRAFFIC	COMMISSIONER R.K. SMITH	BUREAU OF REGULATION
DISCRIMINATIONS AGAINST AMERICAN VESSELS. OCEAN TRADE ROUTES AND CONDITIONS. RAIL TRANSPORTATION AS RELATED TO SHIPPING. SHIPPING IN THE FOREIGN TRADE. OCEAN MAIL CONTRACTS. AMERICAN SHIPPING LINES. RECOMMENDATIONS REGARDING PREFERENTIAL RATES.	INVESTIGATION OF UNFAIR PRACTICES. TRADE AGREEMENTS AND CARRIER RATES AND TARIFFS. RELATIONS WITH RAILROADS.	COMMISSIONER HUTCH I. CONE	BUREAU OF CONSTRUCTION
(1) 26 (2) XII, XIII, XXII, XXXI (3) 40-41, 705.	(1) 14, 14a, 15, 16, 17, 18, 21, 21a, 22.	COMMISSIONER T.V. O'CONNOR	BUREAU OF OPERATIONS
		COMMISSIONER JEFFERSON MYERS	BUREAU OF LAW
		COMMISSIONER S.S. SANDBERG	BUREAU OF RESEARCH
		COMMISSIONER A.H. DENTON	BUREAU OF FINANCE

(1) REFERS TO SECTIONS OF SHIPPING ACT 1916, AS AMENDED.  
 (2) REFERS TO SECTIONS OF MERCHANT MARINE ACT 1920.  
 (3) REFERS TO SECTIONS OF MERCHANT MARINE ACT 1928.

---

---

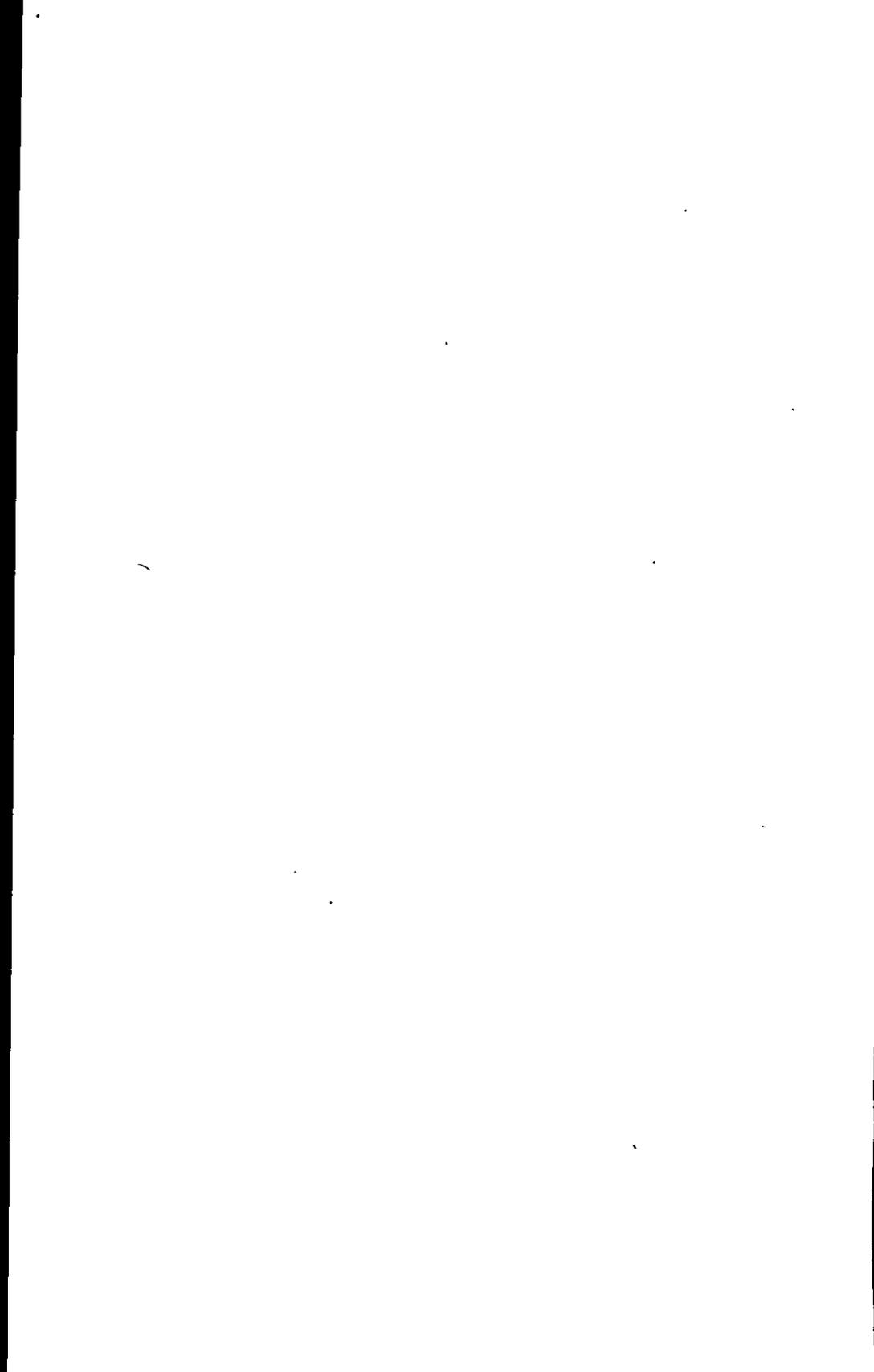
PART I

---

UNITED STATES SHIPPING BOARD

---

---



the Shipping Board—while still considering bids which had been received for two other lines (the American Diamond and America France)—was preparing to proceed with the advertisement of additional lines, when an uncertainty developed as to whether the mail revenues provided in the appropriation acts would actually go to the companies which were purchasing these services. At the close of the fiscal year that uncertainty still continues, although efforts are being made by the interested departments of the Government to clarify the situation, as will appear in a further paragraph.

Title IV of the merchant marine act, 1928, dealing with ocean-mail contracts, provides that contracts shall be awarded "to the lowest bidder who, in the judgment of the Postmaster General, possesses such qualifications as to insure proper performance of the mail service under the contract." In the original planning of Shipping Board lines, the board took care not to establish a Government service where the trade was already adequately served by an American-flag line. The absence on any particular route of an American-flag service other than that established and sold by the Shipping Board has not, however, prevented American owners of tonnage operating in whole or in part under foreign flags from entering bids in competition with the services built up by the Shipping Board, the bidder in such cases assuming that, if he once secured a contract, he would be able to acquire a fleet of vessels eligible to participate in the benefits of the merchant marine act, 1928, and, with the aid of the revenue received from the Government, meet the terms of the contract. This situation was brought to a head when the purchaser of the first of the Shipping Board lines to be sold after the passage of the deficiency appropriation act was underbid by a company operating chiefly foreign-flag tonnage in that trade.

The Shipping Board has every sympathy with the desire of American citizens who have previously been operating foreign-flag tonnage to establish services under the American flag. It can not, however, view without concern the granting of a mail contract to such a line established in competition with a route which has been built up and sold by the Shipping Board. In the terms of sale of Shipping Board lines it has been customary to require the purchaser to guarantee the maintenance of regular service for a period of years and for the Shipping Board to guarantee that during this period it will not sell directly or indirectly any vessels which can be entered into competition with the service sold. In the view of the Shipping Board, not only is the Government under moral obligation to make available to a company purchasing a Shipping Board line

the mail revenue already provided for such line by the Jones-White Act and congressional appropriations, but it would amount to a further and more serious breach of faith for the Government, which through one of its agencies, the Shipping Board, has sold a service, to proceed through another of its agencies (the authority awarding mail contracts), to create a new and competing service by awarding to such service the very mail pay which Congress contemplated would be extended to the purchaser of the Shipping Board line. The Government must find some way of being consistent with itself or this plan for building up an American merchant marine, so well started, will come to disaster.

In order the better to coordinate the Government's policy with respect to awarding mail contracts, the President of the United States, on April 26, 1929, announced the appointment of an interdepartmental committee, consisting of the Secretary of Commerce, chairman; the Postmaster General; the Secretary of the Navy; and the Chairman of the Shipping Board, whose duty it was to consider and make recommendations bearing upon this question.

At the close of the fiscal year this committee had just begun its consideration of the several problems confronting it. Until the administration of the law is clarified by the interdepartmental committee, or by Congress, the lines recently sold by the Shipping Board, but which have as yet obtained no mail contract, will operate under a distinct disadvantage, and the board will be handicapped in its efforts to dispose of its remaining services and ships.

#### Second National Conference on the Merchant Marine.

In January, 1928, there was held, under Shipping Board auspices, a national conference of private American steamship owners, operators, builders, and allied interests. So gratifying were the results achieved by this conference that a year later it was decided to hold another. Consequently on January 23, 1929, the second national conference on the merchant marine was convened in Washington and was attended by an even greater representation of shipping men than was present the year before. The following list of subjects constituted the official agenda of the conference:

- Reduction of differential between shipbuilding costs here and abroad.
- Methods of increasing patronage for American ships.
- Discriminating duties in indirect trade.
- Extension of coastwise laws to Philippines.
- Mail contracts.
- Government aid to American cargo ships.
- Panama Canal tolls.
- Marine insurance.
- Disposition of the Government's laid-up fleet.

Establishment of foreign-trade zones in ports of the United States.

Americanization of crews.

Merchant Marine Naval Reserve.

Safety of life at sea.

Load line legislation.

Marine engineering development and research.

The deliberations of the conference were followed by the appointment of committees to study some of the more important subjects of the agenda and report their findings and recommendations to the Shipping Board. Upon the receipt of a sufficient number of committee reports to warrant such action, the board will issue a call for another conference to consider the committee recommendations.

#### **Safety of Life at Sea.**

During the year officials of the board were engaged with other departments of the Government and with representatives of private American shipping interests in studying the British proposals for the revision of the 1914 Convention on Safety of Life at Sea and in formulating the American position. In addition to the great amount of research and expert technical work required in this connection, the Board sponsored a number of practical permeability studies in order that the data obtained through experiment might be checked against those arrived at through calculation. The machinery compartments of two Shipping Board vessels were flooded, and in another series of experiments there was obtained detailed information as to the permeability of a large number of commodities. This information, which had never before been available, was of great assistance to the experts working on problems of safety involved in the proper subdivision of ships.

The international conference met in London on April 16, 1929, and on May 31, 1929, the delegates signed the new convention, which will come into force on July 1, 1931, as between the governments which have deposited their ratifications by that date with the Government of Great Britain, provided that at least five ratifications have been so deposited.

General satisfaction has been expressed with the results attained by the conference, and it is believed that the standards of safety set by the new convention are such as to warrant ratification by the Government of the United States.

#### **Load-Line Legislation.**

The question of load lines is so intimately bound up with other questions relating to safety of life and ships that in the board's last annual report (p. 8) it was recommended to Congress that "a load

line bill should be enacted into law prior to the forthcoming International Conference on Safety of Life at Sea." It was felt that congressional action as recommended would greatly strengthen the position of the American delegates to the London conference, since the United States was the only great maritime nation that had not enacted load line legislation.

Congress subsequently enacted a load-line measure, which was approved by the President on March 2, 1929. This act, which is to become effective in September, 1930, does not apply to vessels on the Great Lakes or in the coastal and intercoastal trades. However, at about the same time that the bill was passed, the Senate agreed to a resolution (Senate Res. 345) requesting the Secretary of Commerce—

to make a comprehensive study of load line legislation in the coastwise and intercoastal trade and the Great Lakes, and all types of vessels, and to submit his report covering the same to the Senate during the month of December, 1929, and to accompany such report with a tentative draft of a bill to effectuate his recommendations.

The United States Load Line Committee (1928), on which two members of the Shipping Board's technical staff have been serving, is cooperating with the Department of Commerce in working out these load-line problems. Meanwhile the load-line committee of the British Board of Trade has been engaged in a revision of the present British load-line regulations and is expected to render its report some time during the present summer. Owing to a movement now on foot to call, early in 1930, an international conference on load-line regulations, there is a probability that these and other national load-line systems may in some measure be coordinated.

#### Recommendations.

The shipping act of 1916<sup>\*</sup> provides that the Shipping Board in its annual report shall make such recommendations to Congress as it believes would be of value to the American Merchant Marine. The following recommendations, some of which have been submitted before, are laid before Congress for consideration in connection with further measures undertaken in the interests of American shipping.

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

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

The International Convention for Safety of Life at Sea, signed in London on May 31, 1929, by delegates from 18 governments,

including the Government of the United States, should be ratified and given full effect by Congress.

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

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

Funds should be appropriated to carry into effect the act of Congress approved February 28, 1925, providing for the creation of a naval reserve.

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

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

In the following pages will be found detailed reports covering the fiscal year 1929, of the seven bureaus constituting the Shipping Board, and also, in Part II, the report of the United States Shipping Board Merchant Fleet Corporation.

It has been a year of gratifying progress for the American merchant marine. Our people are manifesting increased interest in matters relating to the sea and American capital is becoming more available for maritime investments. The Government fleet is rapidly being transferred to private American ownership, until the greater part of it is now in private hands. New ships are being planned for early construction. Our trade with foreign nations continues to show phenomenal growth.

The Shipping Board, directed and supported in its efforts by Congress, has solved many of the problems which in former years confronted the American merchant marine. Some of the problems that remain for solution are serious and pressing, although not insoluble. They continue to receive the earnest consideration of the board, acting in cooperation with other departments of the Government and with the country's private shipping interests.

## BUREAU OF TRAFFIC

The work of the Bureau of Traffic of the board relates particularly to matters which contribute to the development of a privately owned and privately operated American merchant marine, including an examination of international items which are prejudicial to our merchant marine or the development of American ports. It does not include work incident to the operations of the vessels of the Government under the control of the board. Among the activities of the bureau during the year have been the following:

**International Items.**

In aid of the purposes of the merchant marine acts the board is directed to investigate conditions unfavorable to our shipping in foreign trade, which arise from foreign rules or regulations as applied by foreign officials, or from competitive methods or practices employed by owners, operators, or masters of foreign vessels or lines. In so far as these activities involve contacts with foreign governments, the cooperation of the Department of State is of course invoked, and its cooperation has been uniformly received. Upon the initiative of various private operators the following items have received attention:

*Italian items.*—Relative to activities of the Italian Government in its plans to extend the ocean transportation facilities of that country:

(a) Protests having been made, particularly at Leghorn, Italy, because of the large portion of exports to this country transported by American vessels, an investigation was made, disclosing that the agitation was not directed particularly against American vessels. The Department of State ascertained that Italian officials were disposed to recognize the distinction between direct and indirect trade and to recognize the existence of the mutual right of vessels of the countries involved in direct commerce with Italy, to an equitable share of the transportation of such commerce. American vessels naturally seek and are securing a substantial part of the transportation of our direct commerce with Italy; on the other hand, Italian vessels naturally expect substantial participation in that traffic, and an approximately equal division between the two flags seems proper. Reports reveal that Italian activities have had in view the diversion of this American cargo to Italian vessels chiefly from foreign vessels other than American; in other words, diversion from other vessels which, as to this traffic, are vessels operating in *indirect* trade.

(b) In the last annual report (p. 20) reference was made to an alleged Italian practice under which Italians (including American citizens of Italian origin) traveling to Italy on Italian ships were granted 50 per cent reduction on the fare of Italian railways. The

bureau's investigation revealed that this concession, while limited to Italians, is not limited to Italians going to Italy by Italian vessels; the concession is made them regardless of the flag of the vessel on which they travel. Among the tests applied is that the vessel by which they travel operates in direct trade with Italy and that the passenger first disembarks at an Italian port.

(c) The practice of visaing passports of foreigners visiting Italy without charging for such visaing, provided the person arrives in Italy by an Italian vessel, was also brought by the board to the attention of the Department of State as a prejudicial discrimination against American vessels. This practice, thus incidentally complained of as affecting our merchant marine, culminated in negotiations with the Italian Government which have resulted not only in the removal of the discrimination mentioned but in the mutual abolition by the United States and Italy of all charges for visaing passports of their nationals traveling in the respective countries.

(d) Further conferences have recently been held by representatives of the bureau concerning the negotiations pending between Italy and the United States for the mutual recognition of the inspection laws of the two countries, under which arrangement, if consummated, American vessels visiting Italian ports and Italian vessels visiting American ports shall not be required to comply with the vessel inspection laws of the other country, provided the condition of the vessel is in compliance with the inspection laws of the country to which it belongs. These negotiations are still in progress.

(e) The report referred to in the last annual report (p. 20), that the Italian Government would pay to owners of Italian vessels operating through the Panama Canal the amount paid by them for canal tolls, was investigated at the instance of the bureau of traffic by the Department of State, and the Italian Government disclaims that Italy is paying or intends to pay Panama Canal tolls on Italian vessels.

*French items.*—(a) Negotiations are also pending between France and the United States for mutual recognition of their vessel inspection laws. The board's interest in such matters arises from the hardship resulting to vessels when subjected to a double set of requirements, namely, those of the United States and those of any other country which the vessel may visit. Unless reciprocal agreements are arranged, a vessel may be subjected to as many different sets of inspection requirements as there are countries whose ports the vessel visits. As proposed international agreements, these negotiations are under the supervision of the Department of State; they are the result, however, of initial action taken by the board, and its representatives take part in conferences relating to them.

(b) The complaint that under French customs regulations affecting the importation of Mexican lead into France a higher tariff was applied when imported through an American port was investigated at the instance of the bureau by the Department of State, and the conclusion was reached that, as it was distinctly a tariff matter, exception could not be taken under all the circumstances, even though loss resulted to American ports or American ships.

(c) An alleged discrimination in favor of French vessels, by a requirement of that Government that certain supplies for Syria should be transported in French vessels, was investigated from the point of view that the French control of Syria was under a mandate of the League of Nations, and, therefore, French possession was in trust for the development of Syria and subject to the rights of all nations in their commerce with that country. It was decided, however, that no protest on our part would be justified. The item is here recorded as evidence of the zeal of the nationals of that country in securing for its own vessels, wherever possible, the transportation of cargo under their control.

*Spanish items.*—(a) An investigation of the refusal of Spanish officials to recognize classification certificates issued to American vessels by the American Bureau of Shipping has been initiated and is in progress. The board's activity is not prompted by the welfare of the American Bureau of Shipping in a commercial sense. It is prompted by the importance to our merchant marine of a strictly American classification society, performing for American vessels the functions performed, for instance, by British Lloyd's or the French Bureau Veritas. The board felt justified in taking special interest in the American Bureau of Shipping because of the quasi national status given it by the terms of section 25 of the merchant marine act of 1920. Recognition of its certificates has been declined on the ground that plans are in progress to establish a Spanish society of classification and registration, and Spanish officials have indicated that when this is done even those classification societies which have heretofore been recognized will have such recognition canceled. As this pronouncement reveals a misunderstanding of the American contentions, further communications are in progress to secure the recognition requested, viz, the same recognition as that extended other foreign classification societies—with special reference to such certificates when held by American vessels. If Spain establishes a classification society, its laws may establish preferential relations between it and Spanish vessels; it is improbable, however, that vessels not Spanish will be asked to have classification in such proposed Spanish organization in order to receive full parity of treatment in Spanish waters.

(b) The revenue act of 1928 exempts from American income taxes revenues derived by foreign citizens from vessels operating in United States ports when the country of the foreign vessel reciprocates by exempting American citizens from income taxes there imposed, if any, as to income from the operation of American vessels at its ports. Upon the request of the Treasury Department of the United States the bureau has inquired what the experiences of American citizens have been with respect to income taxes imposed by Spain, and that department has been advised it will be justified in assuming income taxes are not imposed by Spain under the circumstances mentioned.

*Chinese items.*—An item illustrative of the many factors affecting a merchant marine was the action taken by different countries when China recently imposed an import tax of 7½ cents on flour—a rate in excess of the tariff fixed by treaty. Primarily this increase was not an item affecting the competitive relations of shipping of various nations. It became, however, an item under which British vessels acquired preferential treatment by shippers. This was the result of prompt action by the British Government in arranging that the treaty tariff of 5 cents need only be paid into the Chinese treasury at the time of the importation, the remaining 2½ cents to be paid to the British consul, and held by him pending final decision on the legality of the new tariff under existing treaty provisions. Other vessels thus had an advantage over American vessels, as importers preferred having the excess amount impounded in neutral hands so as to assure its prompt return, if ultimately the tax is held to be illegal.

No such facility having been arranged for American vessels, action was taken by the board, through the Department of State, which resulted in the American consul also being authorized to accept the excess payments, pending final determination of the question. The competitive status of our vessels was thus restored.

Although the recent treaty between the United States and China, dated July 25, 1928, had been negotiated at the time, it was not then in force, ratifications not having been exchanged until February 20, 1929. Under the new treaty full recognition appears to have been given to the principle of China's tariff autonomy. The item mentioned above illustrates the disadvantage American vessels and American commerce would suffer if the new treaty applied without qualifications, while the vessels of other nations operated under the earlier treaty limitations. Our commercial interests are adequately protected, however, by a "most favored nation" clause in the new treaty; hence, the item mentioned above remains a pending item for decision under the earlier Chinese treaty provisions.

*Danish items.*—The American Scantic Line, operating between New York and ports of Denmark, was organized and developed by the Shipping Board and was sold to the present owner in 1927. Heretofore Denmark has permitted vessels of this line to transport emigrants from Danish ports, providing not more than 25 were taken on any one vessel. This privilege has been enjoyed because the Danish grant of a practical monopoly to the Scandinavian-American Line in the transport of emigrants contains an exception which permits other vessels to transport emigrants "so long as the number of passengers carried does not exceed 25"; this limitation to 25 has not been substantially prejudicial to American vessels, as the American Scantic vessels are practically the only American vessels interested, and their passenger accommodations are limited to less than that number.

During the year, however, a bill was introduced in the Danish legislature extending the monopoly of the Scandinavian-American Line an additional 10 years, but omitting the above exception; in terms, therefore, the bill, if enacted, would bar the transportation by American vessels of emigrants coming to the United States from ports of Denmark. The commercial loss accruing to the American line, while important in itself, is less important than the principle involved, namely, whether a foreign nation may limit to its own vessels the transportation of passengers embarking at its ports. If it be conceded, by virtue of the control every nation has over its own ports, that a nation may impose such a limitation on outbound shipping, it is obvious that principle applies equally in favor of the country at the other end of the voyage, namely, that in permitting persons to enter, it likewise may prescribe they must arrive in vessels of the flag of that country. The deadlock which would thus be presented has usually been avoided by the mutual recognition of nations, especially in their direct trade, that their respective vessels may equally participate in such direct trade. The item is being further considered by Danish officials.

*Portuguese items.*—The traffic effect on American vessels when in Portuguese ports, resulting from an enactment of that Government June 29, 1928, known as Decree No. 15658, has been under investigation by this bureau. This regulation would refer to the Portuguese harbor master supervision, control, and clearance of any vessel which has sustained damage and entrust to him any survey of the vessel seeming to him necessary. Vessels classified by duly authorized societies would be prejudiced by the provision, and furthermore it would apparently subordinate the authority of our consular officers in the survey of American ships to Portuguese officials. The British Government having filed a protest, it was recommended to the Department of State that the American minister also file a protest.

This was done, caution also being given that whatever assurances were finally agreed upon the American minister should see to it that all recognition-conceded certificates issued by classification societies of other nations should be extended also to certificates and survey privileges of the American Bureau of Shipping. Diplomatic negotiations have recently been held in London having in view mutual recognition of certificates of seaworthiness and formalities incident to the clearance of damaged ships. The protest filed did not extend to the application of the proposed act to unclassified vessels.

*Venezuelan item.*—The Department of State having brought to the attention of this board a proposal by the Venezuelan Government to double the "buoy tax" for all ships engaged in trade between Maracaibo and foreign ports, this bureau investigated the probable effect of such proposed action, including correspondence with all steamship companies interested in that traffic. The investigation revealed that no prejudicial effects would be suffered by American shippers.

*Argentine item.*—Complaint having been received that American vessels were prejudiced by delay at the port of Buenos Aires in their assignment to proper docks, this board secured the cooperation of the Department of State for the purpose of emphasizing to the Government of Argentina that the vessels in question were mail vessels operating under a postal contract authorized by the merchant marine act of 1928, and the hope was expressed that any priority usually given mail vessels may be extended them accordingly.

#### Coastwise Laws.

Interest of the board in the coastwise laws of the United States is due not only to their general bearing on the development of an adequate merchant marine but also to definite provisions and mandates of the merchant marine act, 1920, the administration of which is primarily with the board. The importance of the coastwise laws in the upbuilding of our merchant marine is not diminished by the Government aid extended a limited number of certain classes of vessels operating under ocean mail contracts—to which reference is elsewhere made (p. 31). The benefits of such contracts do not extend to that large percentage of American vessels frequently transporting cargo only in our foreign trade and prejudiced in that trade by handicaps, when in competition with foreign vessels, resulting from our navigation laws and economic conditions.

The development of intercoastal trade through the Panama Canal has made possible the operation, and therefore the construction in American shipyards, of larger and finer vessels than required by coastal trade prior to the opening of the canal—vessels more suitable than smaller craft for use in transocean trade, if and when their competitive handicaps in foreign trade are equalized. The board's

activities have continued to the end that the application of our present coastwise laws shall be continued and enforced; and, further, that these laws be extended to our island possessions, as and when adequate service between continental United States and such islands justifies this step. These activities of the board arise under the general provisions of our coastwise laws, and more particularly under the provisions of sections 21 and 27 of the merchant marine act, 1920. They are based also on efforts by foreign interests to advance international agreements and understandings which would neutralize and ultimately destroy the system. Section 21 of the act provides for the extension of the coastwise laws to the Philippine Islands and to the other island possessions of the United States. They have been in effect with reference to the Hawaiian Islands and Porto Rico for some time; they are not yet in effect with reference to the Philippine Islands and the Virgin Islands.

*The Virgin Islands.*—Our coastwise laws would automatically apply to the Virgin Islands, but for the provision that they shall not apply thereto until adequate shipping service with the United States is established and that the time they shall apply shall be extended by the President until this has been done. The board has certified from time to time that such service by American vessels is inadequate, and the President, by proclamation, has extended the time for their taking effect, the last extension having been to September 30, 1920. As the service by American vessels continues inadequate, it is probable the time will be further extended by the President.

*The Philippine Islands.*—The Philippine Islands will not be subject to the coastwise laws (thus limiting traffic between those islands and the United States to American vessels) until the President by proclamation declares that an adequate shipping service has been established and fixes a date when those laws shall apply; this has not been done. A resolution of the board, dated January 30, 1922, certifying adequate shipping services to exist at that time, has never been repealed. During the past year renewed inquiries have been made concerning the adequacy and acceptability of service by American vessels, including the attitude of American merchants dealing with the Philippine Islands to the proposed extension of the coastwise laws to that trade.

Incident to these investigations, complaint was received that American tonnage was not adequate to handle seasonal movements of copra. Investigation revealed that the complaint had reference to ocean transportation from the islands to North Atlantic ports—without transshipment on the Pacific. This bureau, having communicated with steamship lines interested, was assured that adequate space for such cargoes would be allotted.

The following is a statement of the various services operating between the islands and continental United States showing the American services only:

*American flag services between Philippine Islands and continental United States*

	Owner
<b>To Pacific coast ports:</b>	
American Mail Line.....	Dollar Steamship Co.
Dollar Steamship Line.....	Do.
Oceanic & Oriental Navigation Co.....	American-Hawaiian Steamship Co.
Oregon Oriental Line.....	States Steamship Co.
Tacoma Oriental Steamship Co.....	Tacoma Oriental Steamship Co.
<b>To South Atlantic and Gulf ports:</b>	
American Gulf Orient Line.....	Tampa Inter Ocean Steamship Co.
<b>To North Atlantic ports:</b>	
Dollar Steamship Line.....	Dollar Steamship Co.
American Pioneer Line.....	Roosevelt Steamship Co.
American Gulf Orient Line.....	Tampa Inter Ocean Steamship Co.
Panama Far East Line.....	Norton Lily & Co.
(Isthmian steamship lines)	

Action by the President involves, however, local needs and conditions of the interisland trade of the Philippines. Further investigations are in progress, not only with respect to transocean facilities but also to local conditions that present conditions may be further duly considered.

*Great Lakes traffic.*—Section 27 of the merchant marine act, 1920, confirms and extends our coastwise laws by further limiting the vessels qualified for that service not only to vessels otherwise qualified but requires also that when owned by a corporation it must not only be an American corporation but 75 per cent of the stock must be owned by citizens. A new factor is thus created—the ascertainment of ownership of vessels in fact operating in coastal trade.

The section contains an important exception, however, relative to certain vessels on the Great Lakes, viz: That shipments between points in the United States, partly by rail and partly over the Great Lakes, may be transported on the Lakes by Canadian vessels, when the rail movement includes Canadian rail lines and the vessels are water facilities connecting therewith. The results of this exception are the continued subject of the bureau's inquiries. It presents the abnormal fact that American vessels, subject to handicaps resulting from our navigation laws, including, for instance, the three-watch system and the extra personnel that system entails, must meet in competition in traffic which is not *foreign* trade, but our own domestic trade, foreign-flag vessels not subject to the laws requiring three watches aboard ship, and operating, therefore, with less personnel and correspondingly less expense. Whether legislation should be enacted to correct this condition remains to be determined.

The bureau's activities cover the examination of particular cases, some of which have been apparent violations in which fines have not

been imposed because of extenuating circumstances. Our action has had in view preventing such cases becoming precedents, and possibly encouraging similar violations.

The great value of our coastwise trade to shipping prompts foreign interests, on every opportunity, to encourage international agreements tending to break down the protection of these laws. The methods thus employed are set forth at length in the ninth annual report (p. 39). Persistence in this field was apparent during the past year in the efforts informally made to introduce the subject at the International Convention for Safety of Life at Sea, the subjects assigned to which are obviously irrelevant to questions involving coastwise laws.

#### **Competitive Transportation Through Canada.**

The transportation of our foreign commerce should normally be direct, through ports of the United States, and the transportation of our exports and imports between these ports and interior points of the United States should, when practicable, be by American transportation facilities. To this end extensive inquiries have been conducted during the year, in continuance of investigations previously commenced, and incident also to the joint inquiry conducted in response to Senate Resolution 220, adopted May 25, 1928, to which reference is made in the twelfth annual report (p. 18).

The four departments named in the Senate resolution actively cooperated in the collection and examination of available data and in conference incident to the proposed report. Concurrently with the report of the Department of Agriculture, the Department of State, and the Interstate Commerce Commission, the board submitted a report separately from the others, in response to Senate Resolution 220, both of which were transmitted through the President to the Senate on January 29, 1929, and were printed as Senate Document 212, the separate report of the board appearing at page 142 of that document.

The export of American grain through Canada and of Canadian grain through the United States has been the subject of special study. A large part of the export of Canadian grain through American ports is due to natural causes, viz, navigation on the St. Lawrence River closes for the winter long before the export of grain for the season is ended and American ports then become the outlet for Canadian exports during the winter. The Canadian Government has sought to meet this natural handicap by the development of rail facilities to the ports of Halifax and St. John, Nova Scotia. These ports are open the year round, and in order to retain the transportation of Canadian exports for Canadian railroads and through Canadian ports the rail rates to these more distant points are

equalized with rates to much nearer American ports, and these facilities are open to American exports.

The use of Canadian ports by American shippers is also due, in some measure, to climatic conditions. There is an extensive movement of meats and packing-house products from the United States via Canadian ports, not because rail rates or shipping facilities are superior, but because packing-house products usually require refrigeration, and the movement through Canadian ports lessens the necessity for refrigeration en route. Whether this movement can be secured for the United States is a problem to be considered, for it is American commerce; if it can be, it should be. If the Canadian policy justifies rail rates from the Great Lakes to St. John, Nova Scotia, on a parity with New York, notwithstanding the distance is much greater, the question arises whether shipments of packing-house products through New England ports may not be increased. Should there not be an adequate development of trunk-line rail facilities and the maintenance of a rail rate which would secure this American export for the New England ports?

There is a fundamental difference in the grain-inspection laws of Canada and the United States, and while it is not the purpose or function of this board to analyze their respective merits, nevertheless, to the extent the diversion of American grain to Montreal may be due to artificial factors, such as Canadian inspection standards and regulations for American grain, the problem deserves and is receiving the bureau's attention as a problem affecting our ports and our shipping.

An incident of inspection is ascertaining the percentage of foreign matter mixed in the grain—a process sometimes referred to as "dockage." There is a substantial difference between the procedure in the United States and at Montreal in determining the dockage. In the United States the proportion of the mass consisting of foreign matter is ascertained with precision, by taking samples of the mass and separating the foreign matter, obtaining its actual weight, which, compared with the weight of the sample from which taken, gives the percentage of dockage to be deducted. In Canada, however, the amount of dockage is dependent solely on the judgment of the inspector. This difference in procedure results in a lack of uniformity in the assessment of dockage at Montreal and in the United States, and it is alleged some exporters deem it to their interest to use the Canadian system, and therefore to use the port of Montreal.

Dockage in the United States seems to be a bookkeeping transaction, in that a deduction is made from the sales price, varying according to the percentage of dockage fixed; but the grain is not physically cleansed of its foreign matter. In Canada, however, inspectors are empowered to have the grain physically cleaned before

issuing certificates. If American grain is to have a standard classification in the markets of the world, that classification ought not to be dependent upon the physical movement, whether through New York or through Montreal. Nor should it, with respect to the presence in it of foreign matter, be subject to uncertainty whether it will be cleaned physically of such dockage, as in Canada, or whether the foreign matter will remain in it, as in the United States. The practices should be coordinated so that shipments through American ports may not be diverted by such factors.

*Canadian preferential tariff.*—This has no reference to the right of Canada to maintain preferential tariff rates with other States of the British Empire; it has been included in the bureau's investigations, because imports into the United States from countries other than Canada may come via Canadian ports with the same freedom and subject to the same tariffs as if imported through American ports, whereas imports into Canada entitled to preferential rates are granted such preferred rates only when imported through a sea or river port of Canada direct. This was not the Canadian rule until recently, and the attitude of the two countries was then reciprocal. The earlier practice was changed in 1927, with the result that the quantity of imports into Canada via American ports has diminished, as shippers will not subject their consignees to the extra tariff charges resulting from shipment through an American port. Until recently large quantities of bananas were imported into Canada through the port of Boston, but their import direct by a Canadian port saves the merchant a tariff charge of 50 cents per bunch.

The fact is emphasized that, although American imports may be brought into the United States through Canadian ports without being surcharged by a tariff rate higher than that imposed on imports through an American port, the Canadian practice is not reciprocal. It is not a question of the abstract rights of either country in the premises; the question is whether the American rule shall be continued in the absence of a reciprocal policy on the part of Canada. If Canada's earlier practice in the matter is restored, the problem is solved. The value of the American attitude to Canadian ports is illustrated in the importations of silk into the United States. The extent such imports enter through Canadian ocean ports is as follows: The total importation of silk into the United States for the 12 months ending March 31, 1927, was \$387,595,699, and of this amount \$117,000,000 worth came through Vancouver. The total importation for the 12 months ending March 31, 1928, was \$388,388,585, and of this amount \$142,000,000 worth came through Vancouver. The importation of silk through Vancouver and thence by Canadian rail to eastern United States thus exceeded, for the 1928 period, one-

third of the entire silk importation of the United States. Our imports through Vancouver for 1927 were about 30 per cent of the total. Our imports through Vancouver for 1928 had increased to about 37 per cent of the total, an increase of 7 per cent.

Our problem is, not why two-thirds of our silk imports enter through American ports direct, but why more than one-third of our silk imports enter our country through Canadian ports. The question for solution is how the one-third thus entering the United States through a foreign contiguous country may be secured for transit through American ports and for American railroads. With the transportation of our foreign commerce routed through American ports, a larger percentage of the ocean haul of that commerce will be transported in American vessels. It is because of the traffic aspects of the matter that the bureau's investigations in this field are made.

The board's interest in the matter is emphasized by the fact that such preferred rates are not limited to imports from other ports of the British Empire; they are, in one form or another, also accorded some other countries, namely: Colombia, Cuba, Czechoslovakia, Denmark, Estonia, Finland, France, Hungary, Italy, Japan, Latvia, Lithuania, Luxemburg, Netherlands, Norway, Rumania, Spain, Sweden, Switzerland, Venezuela.

*Australian tariff regulations.*—The diversion of a large part of our exports through Canadian ports is one of the items especially mentioned in Senate Resolution 220, and in our report in response thereto, sent January 29, 1929. The loss suffered by American transportation interests from this diversion is the result of a customs regulation of Australia under which there is added as a part of the value of the goods imported the cost of the rail haul from the point of origin of shipment to the point of export. If the Canadian seaport through which such American exports are sent was regarded as the point of export for shipments from the United States to Australia, no discrimination would arise, for the cost of the rail haul would then be added from point of shipment to the American port or the Canadian port, as the case might be, for the entire distance. But when the shipment is through Canada, the border line between Canada and the United States is regarded as the point of export, and the cost of the rail haul to that point is all that is added, and in many cases this amount is negligible.

The loss of the ocean haul is not the only loss to American interests; American railroads lose the larger part of the rail haul. In the case of a shipment from Chicago: When the shipment is through San Francisco the entire rail haul is earned by American railroads, but when the shipment is through Vancouver only 41.5 per cent of the rail haul is earned by American railroads. If the

shipment is from a point very close to the Canadian border, as, for instance, Detroit, Mich., the earnings of the railroad for the American haul are nothing. From the Chicago territory alone approximately 450 carloads of traffic destined to Australia moved through Canada, on which the maximum revenue accruing to rail lines was \$174,495, of which American lines received only 41.5 per cent, or \$72,415.43, whereas the entire amount would have been earned had the export moved through an American port.

The points presented are not intended to call into question the right of member States of the British Empire to have preferential commercial arrangements between them; the shipments involved are not a part of commerce between Canada and Australia; they are direct commerce between the United States and Australia. The only relation Canada has to the transaction is the physical fact that the transportation for a part of the way is through Canadian territory, but it has the effect of diverting American freight from American railroads and delivering it at Canadian ports, where foreign ships receive it for the trans-Pacific trip.

These Australian regulations had an exception in favor of Canadian ports and railroads, under which shipments from eastern Canada to Australia could be sent by Canadian rail to Vancouver and the only cost added for rail transportation was the equivalent of what the cost would have been had the shipment been made by North Atlantic United States port. In September, 1928, the Australian Government repealed this exception in favor of eastern Canada, effective January 1, 1929. This modification, however, does not meet the real difficulty. The important point is that American exports to Australia should be placed on a customs parity, whether transported through an American port or through a Canadian port. The proviso, whose repeal became effective on January 1, 1929, has heretofore placed Canadian shipments on such a parity; and if the modification recently made had taken the form of extending to American shipments the policy applied to Canadian shipments, this action would have resulted in the enjoyment by American exports to Australia of the customs parity to which we have referred; but this has not been done.

The condition remains that because of an artificial rule prescribed by a foreign government, politically affiliated with Canada, American railroads and American ports are prejudiced with respect to the transportation of American foreign commerce, with corresponding advantage to Canadian rails, Canadian ports, and British vessels. Whether this results from a rule which is of general application is immaterial. When a rule of general application is found to be insufficient to meet national rights a revision of, or exception to, the rule is due. Parity should be established to the end that Ameri-

can products when imported into Australia shall be subject to import taxes of that country on a basis as favorable to shipments through American ports as to shipments of American products through Canadian ports.

#### **Pan American Ports.**

In the last annual report (p. 31) reference was made to the request of the Department of State for the board's cooperation in collecting data, etc., relative to shipping incident to ports of North and South America, for possible use at the Pan American conference held in Habana in February, 1928. That conference, in fact, took no action on detailed plans, but adopted resolutions providing for special conferences of representatives of the countries of the Pan American Union to consider: (1) The most effective measures for the establishment of steamship lines connecting the different countries of America; and (2) measures for the elimination of unnecessary port formalities. Similar provision was made for questions relating to customs procedure, and this has been combined with the two items first mentioned for consideration by the Pan American Commission on Customs Procedure and Port Formalities at a meeting to be held in Washington on November 18, 1929; this commission will be composed of delegates, specialists in their fields, selected by the Governments of the 21 American Republics.

Because of the vital interest of American shipping in the matters involved, investigations were further developed by this bureau during the fiscal year, in extension of the work initiated under the request of the Department of State, mentioned above. This work is now in progress, to the end that facts may be available should the board elect to present facts and, possibly, recommendations to the Pan American commission when it assembles in November, 1929. Included in the activities of the bureau has been the issue of a memorandum to steamship lines and trade organizations interested in South American trade, asking for concrete experiences showing the need of simplifying and standardizing practices at ports. This memorandum was sent out also to several chambers of commerce in South America, and, without suggestion from this bureau, was printed in full by *The Brazil-American*, published in Rio de Janeiro, Brazil, in its issue of June 29, 1929, with a request to its readers that the information requested be furnished. Sufficient time has not yet passed to report the results of these activities. Other agencies are also at work in this field, all having in view adequate data for presentation to the Pan American commission.

In addition to the collection of data from the field, there will also be examined and compared written rules, regulations, and forms presumptively in force at various ports. Preliminary examinations

of the written texts are important, though not so much so as concrete experiences reported by vessels. Conflicts may appear in the requirements of different ports, as printed; but, in practice, they may be so enforced that the inconvenience resulting is negligible. On the other hand, provisions and variations apparently negligible in print may, as applied and enforced, be the source of unnecessary annoyance and hardship to vessels involved, and therefore require amendment.

#### Interest in Trade Routes.

Section 7 of the merchant marine act, 1920, directs the board to investigate and determine, from time to time, what lines should be established between ports of the United States and such world markets as it deems desirable for the promotion, development, and maintenance of the foreign and coastwise trade of the United States. The policies and primary purposes of this section are expressly reaffirmed by section 704 of the merchant marine act, 1928, and further investigations were initiated accordingly.

Those activities of the board under section 7 consisting of the maintenance of Government vessels on definite trade routes, pending their sale to private interests, are recorded in the report of the Merchant Fleet Corporation. The work of this bureau relates particularly to those problems of interest to privately owned and operated American vessels in their efforts to secure a proper share of our foreign commerce. This reasonable activity has not always received encouragement by all Americans interested in the commerce involved. There have been concrete instances where some Americans have been affirmative and energetic in opposition, as in the transportation of our jute imports from Calcutta, India; also in the case of the Canada Atlantic Transit Co., when the board sought, for American vessels on the Great Lakes, greater transportation of our commerce—of our *domestic* commerce.

(a) *Southern ports.*—Special inquiries are in progress with reference to South Atlantic and Gulf ports, and the cooperation of the respective commercial organizations of the port cities, also of appropriate inland cities, was sought, and assured, for the collection of data, etc. While no assurances were implied, the possibility of postal contracts, in proper cases, was emphasized, and these trade organizations were asked to influence the more extensive use of American vessels in foreign trade, to the end that, with greater freight patronage, more frequent and faster service would be encouraged, and this more efficient service, in turn, would receive higher mail compensation—should postal contracts be obtained. Data for one important southern port revealed that, computed on the basis of cargo, only 24 per cent of the entire ocean-borne commerce of the port moved in American vessels; and, computed on the basis of sailings,

the proportion of American vessels was only 18 per cent of the total sailings.

(b) *Data concerning lines.*—The collection of special shipping data has been initiated and is in progress, not for general statistical purposes but for use in determining possible action by private owners in establishing new or in extending old American services. Included in this work is data relating to the organization of the companies; also the citizenship of officers and stockholders of American corporations involved, that it may be seen which of them are "citizens" as defined by section 2 of the shipping act, 1916, this information having a bearing also on the application of our coastwise laws.

(c) *Railroads operating ocean vessels.*—It appears that under the Panama Canal act railroads are prohibited from owning or operating vessels through the Panama Canal "or elsewhere," between points connected by rail transportation, unless the consent of the Interstate Commerce Commission is first obtained. As the vessels operated on such routes can not be operated on other routes not thus approved, so long as a railroad is interested, they may be bound to a particular service indefinitely; hence this bureau has investigated what ocean vessels are thus involved, as they should be distinguished from privately owned and operated lines in the usual sense, in that they are subject to definite commitments under existing provisions of law concerning the route over which they may be operated; their availability for general purposes in our ocean-borne trade is therefore limited. The result of this investigation is set forth in a subjoined statement, which does not include cases limited to consents for the operation of lake, river, and harbor craft; only vessels engaged in ocean transportation are included. It is as follows:

INSTANCES OF APPROVALS OF THE OPERATION OF OCEAN STEAMSHIPS IN WHICH RAILROADS ARE INTERESTED

1. To Southern Pacific Co.: For operation of tankers by Associated Oil Co. for transportation chiefly of products of the oil company from points in California to Oregon, Washington, Alaska, and Hawaii. (37 I. C. C. Rep. 528.)

2. To Southern Pacific Co.: For operation of vessels by the Atlantic Steamship Lines in services known as Morgan Line, between New Orleans and New York, Galveston and New York, New Orleans and Habana, Cuba, from Tampico, Mexico, to Galveston and Algiers, between Gulf ports and Baltimore, Philadelphia, Boston, and other North Atlantic ports. (43 I. C. C. Rep. 168; 45 I. C. C. 505.)

3. To Oregon-Washington Railroad & Navigation Co.: For operation of vessels by the San Francisco and Portland Steamship Co. between San Francisco and Portland, Oreg. (34 I. C. C. Rep. 165.)

4. To Spokane, Portland & Seattle Railway Co.: For operation of steamships *Great Northern* and *Northern Pacific* by the Great Northern Pacific Steamship Co. between San Francisco and Flavel, Oreg. (37 I. C. C. Rep. 260.)

5. To Central of Georgia Railway Co.: For operation of vessels by the Ocean Steamship Co. of Savannah between Savannah and Boston; also between Savannah and New York. (37 I. C. C. Rep. 422.)

6. To United Steel Products Co. (owned by the United States Steel Corporation, which in turn owns various railroads) to operate steamship lines through the Panama Canal and elsewhere. (57 I. C. C. Rep. 513; 77 I. C. C. Rep. 685.)

(d) *Private lines bought from the board.*—The operation by the board of lines established by it terminates with their sale to private citizens and they then become factors in our merchant marine as privately owned and operated lines—having the possibility of benefits, however, under the special appropriation of \$10,000,000 referred to below. The vessels involved in such conditional sales are to be distinguished from privately owned and operated vessels in the usual sense, in that they are subject to definite guaranties, for definite periods of time, concerning the route over which they may be operated. Hence, as information bearing on trade routes and American tonnage available for general purposes, this bureau has tabulated the vessels thus involved, including the name of the company and the operation guaranteed, in a statement, a copy of which will be furnished on request.

#### Maintenance of Lines "Taken Back."

As a factor affecting private operation, investigation has been made concerning the effectiveness of the special appropriation by Congress for the possible protection of private lines sold by the board against unfair and destructive competition by foreign vessels—competition prompted possibly by the board's apparent surrender of all responsibility, and by the belief that private capital might abandon the service, if energetic competition made it unprofitable. This appropriation in the first instance was \$10,000,000, but Congress authorized the diversion of \$5,000,000 to other uses. Five million dollars (\$5,000,000) remain available for the purpose mentioned, viz: To enable the board to operate ships or lines of ships which may be taken back from purchasers by reason of competition or other methods employed by foreign owners or operators. So long as the purchaser maintains the service guaranteed or required, and is otherwise free from default, the line may not be taken back unless by consent of the purchaser. However, each case arising would be necessarily decided on its particular facts.

Whether the taking back must be final in the sense that the operating and financial interest of the purchaser in the service is thereby permanently eliminated, has an important bearing on the value of the provision. The language of the appropriation does not necessarily require the permanent elimination of the purchaser; hence, the terms on which such lines may be taken back appear to be dis-

cretionary with the board, subject to the approval of the President, inasmuch as the law provides that no expenditure shall be made from this special fund "without the prior approval of the President of the United States."

Investigation by this bureau has revealed that some purchasers, though grateful the fund is in reserve, are convinced its mere existence is not protecting them from harsh competition. No line has been taken back under the provisions of this appropriation; hence, its practical operation has not been tested by actual application. Its potential power, however, may be emphasized by the board's right to consider whether, in a proper case, it would relieve a purchaser, by taking over the operation temporarily, and restoring the status quo under the contract of sale when the pending unfair and destructive competition is removed.

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

Representations have been informally made from time to time, by persons operating vessels in intercoastal trade, that advantage would result from the control and regulation of minimum intercoastal water rates by an appropriate governmental agency; and, preliminary to definite consideration by the board, whether legislation to that end will be recommended, an investigation has been initiated to ascertain facts, and also the attitude and views of transportation interests involved. A divergence of opinions has thus far been presented. Some of those who have recommended such control base their recommendations on alleged uncertainties of permanent co-operation under the conference agreements from time to time adopted.

The proposal extends beyond the relations of shippers with the steamship companies involved; it is claimed also to involve questions referred to elsewhere in this report (p. 32), relative to the effect of intercoastal-water traffic not only on transcontinental rail rates but also on the commerce of some interior cities, as distributing centers. No conclusions in the matter have been reached by the board.

#### **York-Antwerp Rules.**

Questions incident to commercial traffic documents used in ocean transportation, such as bills of lading, have been investigated and considered, including the applicability to American conditions of The Hague rules, referred to more fully elsewhere in this report (p. 30); also the York-Antwerp rules, in their revised form.

The York-Antwerp rules relate to questions of general average. In the form promulgated in 1890 the Interstate Commerce Commission inserted them, by reference, in the export bill of lading, the form of which has been prescribed by that body, acting under the provisions of section 25 of the interstate commerce act.

In 1924, the International Law Association amended and revised the 1890 rules, and as thus changed, they are known as "York-Antwerp Rules, 1924." The meeting at which they were revised was held in Stockholm. It was not a diplomatic conference. American interests, if represented at all, were inadequately represented; no one in attendance was authorized to represent the United States by official designation. While the rules as modified by the 1924 revision have not been generally approved in their entirety by commercial bodies of the United States, nor by the board, some of their important provisions have been embodied in ocean bills of lading in use by private American lines and by the Merchant Fleet Corporation.

#### Hague Rules.

The adoption of a uniform bill of lading for ocean transportation in foreign trade has been under consideration for some years; the proposed rules, commonly referred to as Hague rules, have this end in view: They are the product of an international conference held at Brussels in 1921. While the board has approved in principle the plan to have a uniform bill of lading for ocean transportation, it has opposed some provisions of The Hague rules, and has therefore recommended changes in them. It has also been opposed to the adoption of these rules as an international agreement, either in their present or a modified form, believing that they should be adopted as a part of our commercial laws, and thus kept subject to amendment and development at the pleasure of the Congress of the United States. After various hearings and conferences in which this bureau participated, the interests represented concurred in the provisions for a proposed bill embodying The Hague rules in a modified form, and the bill as agreed upon was introduced in the Seventieth Congress (H. R. 12208), but was not acted on, and therefore lapsed on March 4, 1929. A similar bill (H. R. 3830), entitled "A bill relating to the carriage of goods by sea," has been introduced in the Seventy-first Congress, and is now pending before the Committee on Merchant Marine and Fisheries of the House.

The National Industrial Traffic League considered this proposed legislation at a convention held in November, 1928, and, although recommending some amendments, it suggested that passage in the bill's present form was to be preferred to not having it passed at all. In March, 1929, the committee on commerce of the American Bar Association held a meeting in New York, at which the director of the bureau of traffic discussed the provisions of the bill above referred to, and that committee proposes submitting a report on the measure to the American Bar Association at its annual meeting to be held in October, 1929.

**Warsaw Rules.**

The trend toward standardizing shipping documents is shown in the above items relating to Hague rules, and the York-Antwerp rules; also with export bills of lading elsewhere referred to in this report (p. 34). New evidence of this trend has appeared during the year in the form of proposed rules to be known as Warsaw rules, which the bureau is now investigating as affecting traffic by ocean vessels. The Warsaw rules have reference to agreements between vendor and vendee of goods shipped by sea, relative to terms of shipment, as distinguished from the other rules mentioned, which, as component parts of bills of lading relate to contracts of transportation. These rules relate to c. i. f. shipments, and would define the rights of the parties to the transaction; that is to say, sales agreements under which the vendor agrees to pay costs, insurance, and freight on the goods sold to port of destination, as distinguished from a sale f. o. b. at port of destination, under which the vendor would be responsible not only for costs, etc., but for the goods themselves, during transportation.

The proposed Warsaw rules were initiated by the International Law Association at its conference in Warsaw, Poland, in August, 1928. Their applicability to American conditions requires and is receiving careful examination. Whether sales are c. i. f. or f. o. b. port of destination has an indirect bearing on our merchant marine in cases of sales or purchases in foreign trade. In the latter case the vendor may select the vessel transporting the cargo; in cases of c. i. f. sales he may not. It is obvious it would be to the interest of our merchant marine if American importers would make their purchases c. i. f. and have their imports brought by American vessels; and, on the other hand, by selling goods f. o. b. foreign port of destination, our exporters could select American vessels for their transport.

The board has heretofore approved, in principle, general agreements through such rules as The Hague rules, and the York-Antwerp rules, as instruments for uniform agreements, provided they exist for voluntary adoption by mutual consent; it has expressly recorded its opposition to their adoption, as law, by international agreements. The Warsaw rules appear in principle to come within the same class.

**Ocean Mail Contracts.**

Ocean mail contracts in earlier reports of the board have had reference to contracts promoted under the provisions of section 24 of the merchant marine act, 1920. All contracts under this section which had been entered into by the Postmaster General upon the

recommendation of the Shipping Board expired June 30, 1928, and contracts have since been made by the Postmaster General under the provisions of Title IV of the merchant marine act, 1928. The maximum of compensation under the new law is more definitely defined than under the preceding law; it varies with different classes of vessels, grouped primarily with reference to the speed they are capable of maintaining at sea in ordinary weather. Information concerning the maximum compensation possible is given in the last Annual Report (p. 10).

Mail contracts under the 1928 act have been made by the Postmaster General with the following persons; certifications relative to type, size, and speed of the vessels suitable for the routes, respectively, involved have been made by the board: Admiral Oriental Line; American Line Steamship Corporation; American Scantic Line (Inc.); American South African Line (Inc.); American West African Line (Inc.); Atlantic & Caribbean Steam Navigation Co.; Dollar Steamship Line, first contract; Dollar Steamship Line, second contract; Eastern Steamship Lines (Inc.); Export Steamship Corporation; Grace Steamship Co.; Gulf Mail Steamship Co. (Inc.); Lykes Bros. Steamship Co. (Inc.); Munson Steamship Line; New York & Cuba Mail Steamship Co., first contract; New York & Cuba Mail Steamship Co., second contract; New York & Porto Rico Steamship Co.; Oceanic & Oriental Navigation Co., first contract; Oceanic & Oriental Navigation Co., second contract; Oceanic Steamship Co.; Pacific Argentine Brazil Line (Inc.); South Atlantic Steamship Co.; States Steamship Co., first contract; States Steamship Co., second contract.

#### **Panama Canal Traffic.**

Investigations relative to traffic through the Panama Canal, and the canal's tolls relative thereto, have been made during the year, not only incident to the merchant marine conference held in Washington in January, 1929, but incident also to other matters pending, including (a) the proceeding pending before the Interstate Commerce Commission by transcontinental railroads resulting from intercoastal water-borne competition, and having in view the privilege of quoting rail rates for long-haul traffic between the coasts lower than rates for the shorter haul between intermediate points, to more effectively compete with intercoastal water rates; (b) the complaint of mid-west cities claiming to have suffered as distributing centers, as the result of the cheaper water-borne transportation through the canal, and especially objecting to this consequence in so far as it results from a "subsidized" service; (c) proposals that minimum intercoastal water rates should be Government controlled.

The railroads and the mid-west cities are interested in having canal tolls increased, hoping thereby to lessen the advantage of water

traffic. To that end it is urged by this bureau that net earnings of the canal should be based on total cost, without a deduction for military value, and include also a reserve account not only for depreciation of working equipment but also for the possibility of a catastrophe to the canal itself, whether from nature or otherwise. The intercoastal lines naturally oppose an increase—especially in the light of the canal's earnings in recent years—covering all operating expenses, including interest on the investment.

Whether there should be a substantial increase in the canal tolls bears not only on the relations of our intercoastal shipping in competition with our transcontinental railroads but also on questions of expediency arising from the fact that more foreign tonnage is using the canal than American tonnage, and that increasing the rate therefore would be an increase of revenue derived from foreign sources in a much greater measure than would be derived from American vessels. The report of the Panama Canal Commission for 1928 reveals that the use of the canal by the vessels of other flags is constantly increasing, but its use by American vessels is decreasing, particularly in our exports passing through the canal to South America and to Australasia. The following information is significant:

1. Shipments from the east coast of the United States to the west coast of South America, through the canal, decreased about 10 per cent in 1928 compared with 1927, whereas shipments from Europe to the west coast of South America increased about 25 per cent.

2. Shipments from east coast United States to Australasia decreased 25 per cent, while shipments from Europe to Australasia increased more than 10 per cent, and shipments from the east coast of the United States to the Far East generally, also decreased.

3. It is significant that our intercoastal traffic, both eastbound and westbound, decreased, but shipments from Europe to the west coast of the United States increased over 20 per cent; and shipments from Europe to the west coast of Canada also increased, while shipments from the Atlantic seaboard of the United States to the west coast of Canada decreased.

These statements are based on comparisons of the cargo carried. Unfavorable comparisons, however, are reflected also in a comparison, by flags, of the number of vessels using the canal. The report also states with reference to tonnage passing through the canal for the fiscal year ended June 30, 1928, "Cargo carried under each flag, with the exception of that of the United States, also showed substantial increases." In other words, every one of the 22 foreign flags represented had their tonnage increased; but there was no increase of American tonnage; on the contrary, there was a decrease. It is specially mentioned that cargo carried under the United States flag was less by nearly 1,000,000 tons, or 6½ per cent, than the previous year, while that carried under the British flag, the nearest

competitor, increased by approximately 1,600,000 tons, or 25 per cent. The bureau's inquiries are still in progress.

#### Export Bills of Lading.

Activities of the board relative to bills of lading issued by railroads, pursuant to section 25 of the interstate commerce act, covering not only the rail haul to ports but also the ocean haul of goods exported, have included (a) investigations at different ports relative to high density compress privileges for shipments under such bills of lading; (b) plans were initiated and are in progress to facilitate railroads encouraging the use of American vessels in such bills of lading.

(a) *High density compress privileges.*—At the instance of the New Orleans Cotton Exchange a meeting was held, attended by the shipping, railroad, banking, insurance, and commercial interests of that port, to present to the board's representatives alleged prejudicial treatment of New Orleans compared with practices enjoyed at other ports, viz: That cotton moving on export bills of lading could, at some ports, be high-density compressed between the rail haul and loading on vessel, at some ports, thus facilitating such shipment at interior points, but that this was not permitted on shipments through New Orleans. Investigations are in progress, through contact with parties interested at the ports, and also through the railroads interested, from whom full information is being sought concerning documents issued in such transactions, and the procedure thereunder, especially with reference to permitting high-density compress.

This bureau's inquiries involve also the regulations of the Liverpool cotton conference, and the limitations prescribed by its regulations relative to the issue of bills of lading by vessels.

The item is a promotional one. It has in view securing to ports facilities for all traffic to which they may be normally entitled, in the natural direction of the flow of commerce.

(b) *Facilitating the designation of American vessels in such bills of lading.*—The provisions of section 25 of the interstate commerce act relate primarily to American vessels, but the facilities of the system have been extended in practice to vessels of all flags. Formerly the Interstate Commerce Commission distributed to railroads shipping information relative to American vessels, which facilitated the selection and use of American vessels by exporters, the intent being that each shipping community throughout the country "sufficiently important from the standpoint of the export trade" should have opportunity to ascertain all port and all ocean transportation data essential to the shipment. This practice was discontinued by the Interstate Commerce Commission several years ago. The bureau is in communication with important trunk-line railroads, having in view

supplying ocean shipping information similar to that formerly sent out by the commission, and offering other cooperation which will extend the use of American vessels in the issue of such bills of lading. These activities have the interests of privately operated lines especially in view.

#### Development of Ports.

That part of the work of the board under section 8 of the merchant marine act, 1920, which relates to the economic and traffic aspects of the duties imposed by that section—namely, to promote, encourage, and develop ports and transportation facilities in connection with water commerce and to investigate territorial regions and zones tributary thereto, with special reference to encouraging the flow of commerce in its natural direction—has been performed through the Bureau of Traffic of the board, as distinguished from activities of the Merchant Fleet Corporation with respect to the Government's merchant fleet. The activities of the Bureau of Traffic have had primarily in view the problems and welfare of the privately owned and operated merchant marine.

The ports through which our exports and imports move depend in part on rail rates and conditions between the various ports and interior points, and to the end that commerce may move in its natural flow and that ports in their relations to ocean traffic may not be prejudiced in their competitive relations with each other section 8 authorizes the board to investigate rail conditions, rates, and regulations in their relation to ports and to ocean transportation, with the privilege of presenting its conclusions to the Interstate Commerce Commission for such action as it considered proper. This aspect of its work has extended to the following items pending before the Interstate Commerce Commission; these references do not purport to present all the issues involved; they present matters of special interest to the board because of their relation to ports and water transportation.

1. An application of the Southern Pacific Railroad Co. (No. 13638) for leave to fix a rail rate between the Atlantic and Pacific coasts less than the rate between intermediate points on the same route, notwithstanding the "long-and-short haul" clause of the interstate commerce act, so that transcontinental railroads may more fully compete with intercoastal water rates through the Panama Canal. The bureau's interest in this, as an important traffic principle, is due not only to its bearing on intercoastal water rates but also to other factors mentioned elsewhere (p. 32) with reference to Panama Canal traffic.

2. A proceeding initiated by the Baltimore Chamber of Commerce (No. 18715) relating to the extent of the differentials which should be given Baltimore, compared with other North Atlantic

ports, on export and import rail shipments between Baltimore and interior points, thus influencing whether ocean shipments will be through Baltimore or another port.

3. The complaint of the Eastern Terminal Lumber Co. against various railroads (No. 22085) alleging discriminating practices at one port to the prejudice of another, with respect to the absorption in the line-haul rail rate of charges at water terminals for handling lumber from vessel to car, in the intercoastal lumber trade. Apart from the question of discrimination between two ports is also the basic question raised by the board in No. 12681, whether railroads should absorb terminal charges at water terminals where shipments pass between vessels and cars.

4. A proceeding brought by the Dutton Lumber Co. (No. 18017) alleging discrimination in rail rates quoted, respectively, from Providence, R. I., and from other New England ports, on shipments of lumber to interior points, our interest therein being due to the fact that the lumber shipped from Providence affected intercoastal water traffic as it was lumber from the Pacific coast. The maintenance of more equitable rates in favor of Providence was ordered by the Interstate Commerce Commission.

5. Proceedings brought by the Norfolk Port Commission (No. 17483) and by the Norfolk Tidewater Terminals (No. 20387). Involved in these is the question whether Hampton Roads should be treated as a unit for rate-making purposes, to the end that the Chesapeake & Ohio Railway Co. should be required to quote similar rates and extend similar privileges to water terminals at Norfolk, Va., as extended by it at its rail terminals at Newport News.

6. A proceeding brought by the State Docks Commission (No. 21341) to compel trunk-like railroads to apply the same switching and other charges and practices to traffic with complainants' water terminals at Mobile, Ala., as are extended other terminals at the same port. And a similar proceeding (No. 22208) brought by the Chamber of Commerce of Mobile, but involving another port, the allegation being that railroads serving both Mobile, Ala., and Gulfport, Miss., subjected Mobile to prejudicial treatment by absorbing in the rail-haul rate handling charges of certain commodities when imported through Gulfport, although similar charges on similar commodities are not absorbed in the rail-haul rate when imported through Mobile. These applications involve principles similar to the proceeding commonly known as No. 12681, referred to below.

7. A situation somewhat similar to the problems presented by intercoastal traffic through the Panama Canal in competition with transcontinental railroads, has been laid before the Interstate Commerce Commission in Dockets Nos. 13535, 14880, and 15463, com-

monly referred to as the Consolidated Southwestern Rate Cases. These applications involve two classes of competition for the transportation of shipments from trunk-line territory to points in the Southwest, namely: (a) Competition between all-rail shipments direct, contrasted with shipments by rail to North Atlantic ports, then by ocean haul to Gulf ports, thence by rail to destination; (b) competition arising from the fact that the ocean haul between Atlantic ports and Gulf ports involves sometimes vessels whose rates are controlled by the Interstate Commerce Commission, because the transportation is on a joint rail-ocean-rail rate, and sometimes by vessels not maintaining such through rates, and therefore not controlled by the Interstate Commerce Commission, but engaging in such transportation on port to port rates, the rail haul at both ends of the ocean haul being on local rates to and from the ports, respectively. The competition first referred to is akin to the problem elsewhere presented in this report (p. 32), relating to Panama Canal traffic. The proceedings here also include contentions by certain cities of the mid-west claiming they suffer as distributing centers in their relation to the trade of the Southwest, because of the low water-transportation rate available by the rail-ocean-rail shipments around to cities on the Gulf coast which are thus promoted as distributing centers.

8. Questions relating to the practice of railroads with respect to their charges at rail-water terminals for wharfage, handling, storage, and other accessorial services (I. C. C. Docket No. 12681), with special reference to traffic regulations and practices relative thereto, have been investigated and were finally submitted to the Interstate Commerce Commission on April 12, 1929. This case involves in a much broader way some of the questions presented in the two Mobile cases referred to above; it especially involves the wisdom, from a traffic point of view, of permitting railroads to absorb water-terminal charges in their line-haul rates.

The bureau's interest in this problem has been based on the importance of shippers along trunk-line railroads having the facility of delivering freight to any water terminal at a port on the same basis as at any other terminal at the port, so far as rail regulations and rates are involved. And conversely, that vessels arriving at ports may enjoy equal facilities, irrespective of the terminal at which they moor, to have cargo shipped to any destination on any trunk-line railroad with equal facility, and at the same terminal charges, as from any other water terminal at the same port. This principle finds its best illustrations by conditions prevailing at such ports as San Francisco, Calif., and Montreal, Canada, where trunk-line railroads have terminal contacts only with a belt line; and the belt line is entirely neutral in its relation to all water terminals.

## REGIONAL ADVISORY BOARDS

There have been created 12 regional groups throughout the United States, pursuant to a common plan and for a common purpose, known as regional advisory boards, the name of each having a prefix indicating the geographical area allotted to it. Their primary purpose is the study of problems between shippers and railroads, with special reference to adequate car service, but having in view also the "better understanding of transportation problems," generally. They are "calculated to promote the commerce and prosperity of the country." At their meetings large groups of shippers, active within their respective areas, gather with railroad officials to consider transportation problems.

Believing these groups to be agencies of potential value to merchant shipping, this bureau has corresponded with each of them, having in view cooperation on problems incident to through movements requiring both rail and ocean transportation. They have special value for contacts with shippers using export bills of lading, authorized by section 25 of the interstate commerce act, covering rail and ocean transportation, and from these contacts the use of American vessels, and especially privately owned American vessels, may be further promoted.

## BUREAU OF REGULATION

During the year the Bureau of Regulation administered the board's regulatory functions in respect to the 170 carriers in interstate and 249 carriers in foreign commerce of the United States now subject to the board's jurisdiction. In the conduct of this work five separate and yet interdependent principal divisions of activities were engaged in, as follows:

**Formal Complaint Investigations.**

Under section 22 of the shipping act, which provides for investigation by the board following the filing by shippers and others of sworn complaints alleging violation on the part of carriers of any of the regulatory sections of that statute, the bureau administered during the year 14 separate complaints filed on behalf of 18 individuals and organizations and involving 62 different carriers. Pleadings were received, argument considered, and at hearings conducted by the bureau's examiners at various places in the United States witnesses for the contending parties testified under oath concerning the issues raised by the complaints. These issues concerned the lawfulness of carriers' rates and practices under one or more of

the provisions of sections 16, 17, and 18 of the shipping act, as, for example:

Whether in respect to transportation from Atlantic to Pacific coast ports of the United States the charging of the same rate on shipments delivered at one Pacific coast port as for "split" delivery at two or more such ports subjected Pacific coast consignees to undue prejudice;

Whether absorption by a carrier in its port-to-port rate from New Orleans to Porto Rico on shipments of rice from interior producing points constituted an unreasonable practice and subjected a port nearer the rice-producing points to undue prejudice;

Whether absorption of lighterage and other accessorial charges and the making of allowances for drayage at Jacksonville on shipments to and from Baltimore and Philadelphia was unreasonable and unjustly prejudicial to Savannah;

Whether higher rates for the transportation of cotton linters in bales of a density of approximately 15 pounds a cubic foot than for bales of the same commodity compressed to a density of 22 pounds were unreasonable and unduly prejudicial;

Whether carriers' refusal to accept hardwood lumber from box cars on marginal tracks at New Orleans or to absorb the cost of unloading car to shed subjects shippers through that port to undue prejudice;

Whether for intercoastal carriers to charge given arbitraries over their Pacific coast terminal rates on westbound traffic to Everett, Bellingham, Olympia, and Astoria is unjust discrimination between ports;

Whether a charge of 10 cents per 100 pounds for aggregating intercoastal shipments at North Atlantic receiving ports from more than one shipper and/or points of origin is unreasonable and unduly prefers individual shippers all of whose traffic originates at one plant;

Whether in calculating class rates applicable to automobiles, Detroit to Duluth, the apportionment of the shipments into hypothetical box-car lots resulted in exacting rates which were unreasonable and in excess of those posted and on file;

Whether as compared with the respondent carrier's rates on other commodities the rates on roofing material, Baltimore to Miami, were unjust and unreasonable.

These and other formal complaint cases ranging widely as to importance and scope were given the bureau's quasi-judicial attention, and conclusions and decisions as to each have or shortly will be submitted for the board's final determination and orders.

#### Informal Complaint Proceedings.

Having practically all of the general characteristics of formal complaints except the verification under oath requisite for their handling under procedure as prescribed by section 22 of the shipping act, 14 informal complaints alleging violations of regulatory provisions of the statute by carriers were considered by the bureau during the year. Misinterpretation of tariff items, faulty manner of computing rates, inadvertencies resulting in overcharges, bill of

lading disputes, and other controversies transitory or of long standing comprised the subject matter of the majority of these cases. By interview and correspondence the bureau was able, in most instances, to bring about understanding of the governing transportation principles involved and to reinstate amicable relations between the parties.

#### Section 15 Agreements.

In the performance of the regulatory function directed by section 15 of the shipping act, analysis was made by the bureau of 275 agreements between carriers relating to the fixing and regulation of rates, fares, and practices, the control of competition, the allotment of ports, pooling or apportionment of traffic, earnings, and other subjects covered by that section. In many instances, before submission of the agreements to the board for approval, the parties were required to remove or change provisions objectionable under one or more of the regulatory sections of the shipping act. Much of such revision was effected only after extended effort through informal conference in the bureau's offices with the United States agents of foreign-flag lines having headquarters abroad. In this relation the recent decision of the United States Circuit Court of Appeals (*Compagnie Générale Transatlantique v. American Tobacco Co.*, 31 Fed. Rept. 2d Series 663) affirming upon appeal the board's regulatory jurisdiction over foreign incorporated and managed carriers engaged in import commerce of the United States has been effective. The agreements filed naturally group themselves into what have become known as "tandem" agreements between two or more carriers engaged in separate trades and proposing to furnish a through connected service, and "conference" agreements between from 2 to 25 carriers engaged in the same trade and serving the same range of ports. Intermediate variations of these two classes of agreements, as, for illustration, agreements between nonconference and conference lines and between two conferences respecting matters in the same or connecting trades, and between two conferences apportioning inland territory, form a general third class. All of the agreements submitted differ greatly in detail, according to the particular trades to which they apply and the special arrangements of the lines party thereto, and record many important changes in carriers' cooperative relationships throughout the world. The total number of all agreements on file as of June 30, 1929, is 1,054. One hundred and sixty-two of these are conference agreements.

#### Tariffs of Interstate Carriers.

The enforcement of the requirements of section 18 that carriers by water in interstate commerce within the purview of the shipping act file with the board and keep open to public inspection in the form

and manner prescribed by the board their maximum rates, fares, and charges, and that no rate, fare, or charge in excess of that on file shall be exacted except upon approval and after 10 days' public notice, was another of the bureau's major activities during the year.

As by the statute interstate carriers subject to the board's regulatory jurisdiction are required not only to file and post the rates, fares, and charges between ports on their own lines but, in addition, the rates, fares, and charges for service between their ports and points on the lines of any other carriers by water with which through routes are established, this activity of the board included tariff supervision of many important and extensive relationships to which canal and river carriers are party. Also, the steady increase in the number of tariffs filed for the bureau's consideration during the year setting up rates and charges by carriers operating interstate on the high seas and Great Lakes for use in connection with motor-truck lines furnishing transportation inland from and to ports reflects the rapidly growing innovation of joint water-motor transportation. A most recent example of this form of transportation is covered by tariffs of Great Lakes carriers by water providing for joint through movement of new automobiles driven under their own power by so-called "driveaway" companies from the automobile factories to the water carrier's docks or on board its vessels.

For the 12 months covered by this report 1,151 freight and passenger tariffs, supplements, and indices were filed, examined, and permitted to be posted for public inspection on the wharves and in the offices of carriers.

#### General.

The other main division of the bureau's work embraces (1) the circularization of steamship, forwarding, and terminal companies to ascertain their status under the regulatory provisions of the shipping act, and (2) the investigation in connection with these circulars and the bureau's special docket of apparent or possible violations of the act that have not been made the subject of a written complaint. The investigations comprising the special docket for the most part are conducted as a result of statements made to the bureau by carriers or shippers who do not possess sufficient information upon which to base complaint as provided by the board's rules of practice.

#### BUREAU OF OPERATIONS

The work of the Bureau of Operations has been carried on in three divisions, as follows: (1) Industrial relations division (including sea service section), (2) investigations division, and (3) port facilities division.

**Industrial Relations Division.**

In carrying out the mandate of the merchant marine act of 1920, to do whatever may be necessary to develop and encourage an American merchant marine, the Shipping Board, through the industrial relations division of the Bureau of Operations, is concerned with the efficiency and welfare of marine and dock labor. The board's interest in these matters is twofold. Looking first at the larger picture, we may say that under the board's promotional and advisory functions it is interested in marine and dock labor serving the American merchant marine as a whole. Secondly, and included within the larger interest, is its immediate concern with the personnel of the Government-owned portion of the merchant marine and with the labor handling cargo moved by Government ships.

It is obvious that with the gradual transfer of the publicly owned fleet to private American ownership, as a result of the Shipping Board's vigorous sales policy, the board finds itself concerned more and more with marine and dock labor employed in connection with privately owned American vessels. During the fiscal year 1928 the board sold all its remaining services on the Pacific, and during the year covered by this report it has also disposed of its passenger lines on the Atlantic. This latter transaction takes it entirely out of ocean passenger service and at the present writing (June 30, 1929) leaves the Government operating but 17 cargo lines, four of which it is hoped may be sold in the near future. It is well to point out in this connection that the bulk of all American merchant tonnage engaged in overseas foreign trade is owned by private American citizens, recent figures showing that approximately 58 per cent is privately owned and 42 per cent Government owned.

With respect to the board's operation of the Government-owned fleet, it may be said that the friendly relations established and maintained in past years with the marine personnel have been continued by the Merchant Fleet Corporation, and agreements with organized licensed deck and engineer officers have either been renewed or remain unchanged.

One of the board's outstanding interests in connection with marine and longshore labor is the question of safety during hours of employment. More and more is it coming to be realized that the prevention of accidents is just as important in the development of the merchant marine as in the development of large industries ashore. The nation-wide campaign waged in recent years to reduce losses from this cause has embraced virtually all departments of human endeavor, including the various branches of shipping. At the forthcoming annual congress of the National Safety Council, to be held in Chicago in September, 1929, it is expected that more than 7,000 business executives, representing 5,300 companies, these in turn em-

ploying more than 10,000,000 workers, will meet to discuss problems of safety in industry. The marine section, including shipowners, ship operators, shipbuilders, longshore interests, and allied activities, will have a prominent part in the deliberations.

Under the longshoremen's and harbor workers' act, which became a law on March 4, 1927, the United States Employees' Compensation Commission was charged with the duty of investigating safety provisions and causes of injuries, and of making recommendations to Congress, as well as to employers and carriers. At New York and New Orleans and at Texas and Pacific coast ports voluntary safety codes for longshore work have been adopted by the employing interests, in cooperation with organizations of employees. At Boston a voluntary code has practically been adopted, and the matter is also receiving consideration at other ports of the United States. It is a large and vital question in which the Shipping Board is interested, not only by reason of its preeminence in the operating field but also because of its broader sphere of activity in promoting a privately owned American merchant marine. The whole question of safety comes directly within the board's efforts to reduce the cost of operating ships under American registry.

The board's Annual Report for the fiscal year 1928 (p. 36) commented on the friendly and cooperative spirit displayed by private American owners and operators toward the men serving on their ships. Nothing has since occurred to indicate any change in that commendable attitude. Private operators who have taken over Shipping Board lines have generally followed the board's wage scale and working conditions.

During the period under review the question of the adoption of a standard uniform for officers of the American merchant marine has been given serious consideration. A committee composed of representatives of officers' organizations, steamship owners, and the Merchant Fleet Corporation has been appointed to work with the American marine standards committee in developing the matter, and the many valuable suggestions thus far made as to style and insignia will be given full consideration by the committee when formulating its final recommendations. All angles of the subject are being studied; and, while considerable progress has been made, it is yet too early to state just what attitude will be shown toward the project by private American owners and operators.

While the immediate administration of longshore activities in connection with the loading and unloading of Shipping Board vessels has been lodged with the Merchant Fleet Corporation since January, 1924, the board retains an interest in the general subject of industrial relations between employers and the men who work on the ships and handle the cargoes. As above indicated, this interest springs from

the Shipping Board's promotional and advisory functions, which are exercised in many ways to maintain, develop, and encourage the whole American merchant marine, irrespective of whether individual lines and ships are owned publicly or privately.

The established principle of collective bargaining has been honored in its observance by owners and employers, a review of the year indicating that agreements were reached in all cases arising between associated groups of employers and employees engaged in deep-water transportation of American cargoes. In most instances these agreements were simply renewals of instruments that were about to expire.

These amicable industrial relations indicate a sound economic condition and constitute a favorable element in the development of the Nation's merchant marine. In the transfer of the board's lines to private ownership, the healthy labor conditions thus shown to exist are to be looked upon as an intangible asset, of real value to American citizens directly interested in the development of the merchant marine and the expansion of foreign trade. It is a condition that obviates delay and makes for quick turn-around, and thus is a source of satisfaction to shippers, consignees, stockholders, and all others concerned. With service the keynote of modern transportation, and quick turn-around the greatest aid to service, the contractual security of sound industrial relations forms a firm foundation on which to build up our foreign trade and plan for commercial developments of the future.

#### Sea Service Section.

During the fiscal year 1929 the sea service section of the industrial relations division, first organized in 1917, has maintained branch offices in 12 ports of the United States, as follows: Boston, New York, Philadelphia, Baltimore, Norfolk, Savannah, New Orleans, Mobile, Galveston, Houston, Portland, and Seattle.

In response to many requests from shipowners, ship operators, and commercial bodies, a branch office of the sea service station was established at Houston, Tex., during the fiscal year. The number of seamen subsequently placed at this point has amply justified the action taken.

For the purpose of conducting physical examinations of applicants, the New York, Baltimore, New Orleans, and Houston offices have their own medical officers and examining equipment. At other stations the examinations are conducted by local representatives of the United States Public Health Service.

These physical examinations while carefully conducted are not so rigorous as to handicap the merchant marine in securing competent men. Following the best modern business practice as found in all

large commercial organizations the sea service section in conducting these examinations aims simply to protect American merchant shipping from the physically defective and those suffering from loathsome and contagious diseases. By refusing to employ applicants who are physically unfit the service achieves three desirable objects: First, it maintains a high physical standard, which in turn conduces to high standards of efficiency; second, it protects the marine personnel against the dangers incident to close daily association with persons suffering from communicable diseases; in the third place, it prevents numerous suits for damages on the part of unscrupulous seamen who, with an idea solely of monetary gain, deliberately misrepresent the history of their physical defects and ailments.

During the past year the sea service section has cooperated with the United States Public Health Service in carrying on a campaign to combat venereal disease among seamen. At the request of the Surgeon General arrangements were made whereby materials for prophylaxis were placed aboard all Shipping Board ships in active service, together with complete instructions as to use. Reports thus far received from shipmasters indicate that excellent results have been obtained in this campaign against a form of disease which accounts for approximately one-fifth of all the cases in marine hospitals.

The chief work of the sea service section is to man the ships of the American merchant marine with American citizens. This work has been given added significance by the Jones-White Act, section 405 of which stipulates that an increasing proportion of the crews of American mail-carrying ships shall be citizens of the United States. The act provides that—

from and after the enactment of this act and for a period of four years, upon each departure from the United States of a vessel employed in ocean mail service under this title, one-half of the crew (crew including all employees of the ship other than officers) shall be citizens of the United States, and thereafter two-thirds of the crew as above defined shall be citizens of the United States.

This must be looked upon as a far-sighted provision, for all experience has shown that unless the American merchant marine is manned by Americans the country's merchant shipping will in time of emergency inevitably suffer through the desertion, sabotage, or treachery of alien seamen.

The Shipping Board's sea service section is the only agency that is actively engaged in this work of Americanizing the merchant marine. During the fiscal year the records show that 88.9 per cent of all seamen placed through the 12 branch offices of the sea service section were American citizens. It may be well to add that nearly all other seamen placed in positions by the sea service section had

already declared their intention to become citizens; in other words, had taken out "first papers."

An important part of the sea service section's Americanization program is its work for American boys who wish to follow the sea. Americans between the ages of 18 and 23, of good health and habits, who show a sincere desire to become seamen, are placed aboard ship as deck boys and taught the fundamentals of seamanship under competent instructors, at the same time receiving \$25 per month for their services. As they gain proficiency they are advanced to higher ratings, many of them becoming officers. During the fiscal year the sea service section placed 1,466 of these boys on American ships. It is believed that this work, continued year after year, has an important bearing on the future of the American merchant marine.

The excellent work that is being performed by the sea service section was recognized in a resolution adopted by the Second National Conference on the Merchant Marine, on January 24, 1929, as follows:

*Resolved*, That the Second National Conference on the Merchant Marine indorses the efforts of the Shipping Board, through its sea service section, to promote in a practical way the Americanization of crews of vessels belonging to the American merchant marine, and urges upon Congress the maintenance of this important agency of the Shipping Board as an aid in the building up of a real American merchant marine, privately owned and operated, pursuant to the provisions of the merchant marine act of 1920.

The following table shows the total number of men placed in positions by the sea service section during the period from July 1, 1928, to June 30, 1929:

Sea service section, record of placements, July 1, 1928, to June 30, 1929

	Boston	New York	Phila- delphia	Norfolk	Balti- more	Savah- nah	Mobile	Galves- ton	New Orleans	Seattle	Port- land	Houston	Total
Masters.....	1	1	8	11	1	0	0	0	3	3	0	0	28
First officers.....	20	0	8	8	8	0	0	0	0	10	10	0	56
Second officers.....	16	1	10	5	13	0	0	0	0	17	17	0	88
Third officers.....	20	1	29	4	19	0	0	0	0	67	46	0	178
Fourth officers.....	0	0	0	0	0	0	0	0	0	1	0	0	1
Cadet deck officers.....	0	0	0	0	0	3	0	0	0	1	0	0	36
Carpenters.....	23	114	21	3	62	1	19	14	26	40	87	7	407
Carpenters' mates.....	0	17	0	0	0	0	0	0	0	0	17	0	17
Boatswains.....	26	154	87	30	142	40	57	43	109	32	80	21	820
Boatswains' mates.....	0	4	0	0	0	0	0	0	0	0	0	0	4
Quartermasters.....	37	23	21	5	50	0	1	1	3	28	21	1	196
Able seamen.....	850	6,546	1,786	794	2,188	372	1,340	1,026	2,756	1,137	1,352	443	20,519
Ordinary seamen.....	311	1,431	550	410	467	100	1,203	171	2,405	272	285	78	4,794
Deck apprentices.....	0	0	0	0	0	0	0	0	0	1	0	0	1
Radio operators.....	0	0	0	0	1	0	0	0	0	2	38	0	39
Chief engineers.....	4	1	0	0	0	0	0	0	0	0	5	0	10
First assistant engineers.....	20	1	24	6	5	1	0	0	0	3	13	0	73
Second assistant engineers.....	14	1	16	9	15	1	0	0	0	5	17	0	78
Third assistant engineers.....	22	0	45	11	18	0	1	0	0	7	34	0	138
Fourth assistant engineers.....	0	0	0	0	0	0	0	0	0	2	0	0	2
Cadet engineer officers.....	3	0	0	0	0	1	0	0	0	0	12	0	16
Refrigerator engineers.....	0	3	0	0	0	0	0	0	0	2	0	0	5
Electricians.....	1	29	0	1	0	0	0	0	0	0	0	0	31
Deck engineers.....	11	23	6	1	2	0	4	10	33	26	71	12	204
Pump men.....	24	0	0	1	26	0	10	0	0	0	0	0	91
Oilers.....	224	1,276	385	209	580	159	254	178	507	213	511	105	4,601
Water tenders.....	13	251	89	32	129	130	60	49	256	20	50	14	1,073
Storekeepers.....	13	6	13	1	2	0	0	0	0	0	0	0	33
Firemen.....	243	2,906	616	510	1,281	181	387	283	814	303	478	159	8,161
Wipers.....	328	1,127	402	172	452	64	335	208	742	222	320	123	4,583
Coal passers.....	32	1,269	131	428	404	1	4	14	5	2	0	0	2,200
Engineer apprentices.....	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineer officers.....	29	174	93	17	329	79	176	157	306	3	28	75	1,468
Deck boys.....	9	154	22	68	99	1	4	0	1	7	61	0	426
Chief steward.....	0	18	0	0	1	0	0	0	0	1	1	0	22
Second steward.....	45	346	107	77	161	57	94	79	186	64	95	25	1,337
Chief cooks.....	78	480	136	89	267	57	134	106	334	39	97	35	1,852
Second cooks.....	0	9	0	0	1	0	0	0	0	2	1	0	13
Third cooks.....	0	9	0	0	1	0	0	0	0	0	0	0	11
Bakers.....	0	25	0	3	0	0	0	0	0	2	3	0	12
Butchers.....	0	9	0	0	0	0	0	0	0	0	0	0	9
Storekeepers.....	0	1	4	0	0	0	4	0	0	0	0	0	8
Messmen.....	329	201	27	16	6	0	0	0	12	59	36	120	810
Messboys.....	68	1,821	577	410	855	132	401	346	1,013	68	36	62	6,046
Pantrymen.....	0	22	0	0	0	0	0	0	0	0	0	0	22
Miscellaneous.....	7	1,365	683	496	1,401	19	19	86	622	136	296	1	5,171
Total.....	2,830	19,809	5,500	3,858	8,986	1,405	3,508	2,861	8,251	2,805	4,405	1,281	65,900

Americans, 88.9 per cent.

**Investigations Division.**

The investigations division of the Bureau of Operations handles miscellaneous matters falling within the jurisdiction of the chairman of the board but lying outside the scope of the other divisions of the bureau. Its inquiries are usually of a technical or economical nature and cover a wide range.

*Safety of life at sea.*—During the year the preparatory work for the International Conference on Safety of Life at Sea was continued under the Shipping Board's general committee, the chairman of which afterwards served as the board's representative on the United States delegation to the conference in London. Most of the technical work, involving subdivision of ships, necessitated having the British proposals worked out by naval architects for various types of American merchant vessels. Plans were obtained of more than 50 ships, including the most recent as well as older American vessels, for which flooding curves were calculated and subdivision charts prepared showing in each case what, if any, structural changes would be necessary to meet the British proposals.

For the study of lengths of ships' holds and sizes of hatches, opinions were obtained from as many ship operators as practicable, in order to reach a balance between smaller holds for better subdivision and safety, and dimensions large enough to stow and economically handle the cargo.

In order to develop another phase of this work, the Shipping Board during the year authorized a series of experiments (subsequently conducted for the board by Dr. W. F. Durand, of Stanford University), to test the permeability of various commodities; and later on a further series of tests to reach a more accurate determination of the volume of water that could enter a vessel's machinery compartment. In the latter experiments, conducted jointly with the Navy Department, the machinery spaces of two Shipping Board vessels were flooded and the observed volumes of water checked against calculations.

While the international convention, as signed on May 31, 1929, will, when ratified, come into effect only for vessels whose keels are laid after July 1, 1931, there are sound reasons why all ships built from now on should conform to it. In order to facilitate ready reference by persons interested in new construction, the investigations division has arranged to publish a complete analysis and index of convention requirements relating to ship construction and life-saving appliances.

*Other international conferences.*—In addition to the conference on safety of life at sea, the following international conferences were

attended by representatives of the Shipping Board during the fiscal year:

Meeting of the editorial committee for the revision of the international code of signals, held in London beginning October 16, 1928. By the end of the year a large amount of work had been completed, including nine technical sections of the code which were sent to this country for examination and approval by the Treasury, War, Navy, Commerce, and Agricultural Departments, the Federal Radio Commission, and the United States Shipping Board.

Meeting of the experts' committee of the League of Nations for the unification of transport statistics held in Paris, January 28 to February 8, 1929.

*Load-line prospects.*—The act of Congress, approved March 2, 1929, to establish load lines on United States vessels engaged in foreign trade, is to take effect September 1, 1930, before which time the Secretary of Commerce will formulate the necessary regulations, as provided for in the act.

It so happens that the load-line committee of the British Board of Trade is now (June 30, 1929) concluding its labors and is expected to make its report and recommendations some time during the present summer.

The fact that the two leading maritime nations will thus be drawing up load-line regulations at the same time has led to a movement to hold an international load-line conference at which an effort could be made to harmonize national viewpoints and reach a satisfactory international agreement on this important subject.

Present indications are that a call will be issued for such a conference, to be held early in 1930.

Vessels engaged in the coastwise and intercoastal trade of the United States and vessels on the Great Lakes are not affected by the act of March 2, 1929. It is expected that Congress will consider the matter of establishing load lines for these vessels following the receipt of a report on the subject from the Secretary of Commerce, requested in Senate Resolution 345, agreed to on March 1, 1929.

*Consular reports.*—The State Department's consular reports constitute one of the board's most valuable sources of information in regard to foreign shipping conditions. Written on the spot by trained observers who possess unusual facilities for acquiring information, they embody the latest and most authentic shipping data obtainable.

During the past year, as the result of conferences between State Department officials and representatives of the Shipping Board's Bureau of Operations, an arrangement was perfected whereby future consular reports will embrace several additional lines of information that will render them still more valuable as media of confidential shipping and trade data from all parts of the world.

*Land-grant rates.*—Mention has been made in previous annual reports of the refusal of certain common carriers to accord "land-grant" rates on rail shipments of property belonging to the Shipping Board and Merchant Fleet Corporation. A considerable part of the difficulty with reference to equalizing rates on shipments over non-land-grant lines arose out of the fact that, in form, such agreements obligated the carriers to equalize rates "on shipments made by the Quartermaster General." The form of this agreement has now been amended so as to obligate these carriers to equalize rates for the transportation of all property shipped for the account of the Federal Government.

There are about 200 equalization carriers, and about one-fourth of these have signed the new form of agreement. As evidence of the improvement in the situation, the Quartermaster General of the Army advises that no carrier has as yet refused to execute the new form of agreement.

*Second National Conference on the Merchant Marine.*—The investigations division handled much of the preliminary work incident to the Second National Conference on the Merchant Marine, held in Washington, D. C., under Shipping Board auspices, on January 23 and 24, 1929. Conference committees were appointed as follows:

- Reduction of differential between shipbuilding costs here and abroad.
- Methods of increasing patronage for American ships.
- Marine insurance.
- Mail contracts.
- Discriminating duties in indirect trade.
- Extension of coastwise laws to the Philippines.
- Government aid to American ships not benefited by mail contracts.
- Panama Canal tolls.

Under a resolution adopted by the conference these committees are to transmit their final reports to the Shipping Board. Upon the receipt of a sufficient number of committee reports to warrant such action, the board, under the terms of the resolution, will then issue a call for another conference to consider the committee recommendations.

Miscellaneous work undertaken during the year by the investigations division included the compilation of a list of marine casualties to American flag vessels since the year 1900; an investigation, at the request of private steamship owners, into the possibility of finding a substitute for grain alcohol in marine compasses; a study of mast and bridge heights in connection with a proposal to limit mast heights by international agreement; and the collection of data on the loading and unloading of cargo, with particular reference to extreme lengths of long articles, maximum dimensions of bulky articles, and weights of heavy articles handled by vessels of the American merchant marine.

**Port Facilities Division.**

*Domestic port section.*—As in previous years, the work of this force has been carried on in conjunction with the Board of Engineers for Rivers and Harbors, War Department, in conformity with the provisions of section 8 of the merchant marine act of 1920.

During the fiscal year three separate lines of activity were pursued by the domestic port section: (1) Work on the series of surveys known as the port series, made up of studies of the physical, commercial, and economic features of more than 70 leading ports of the United States and its possessions; (2) a comprehensive survey of transportation conditions on the Mississippi and Ohio River systems, with special reference to the growing importance of these inland waterways as arteries of commerce; and (3) a miscellaneous series of investigations of port, terminal, and shipping charges, including a practical study of foreign trade zones, or "free ports"—customs-free areas found in some of the leading seaports of Europe and urged for establishment in the United States.

In addition to surveys along the lines indicated, it has become necessary to revise the earlier studies of American ports, some of the data having become obsolete. Among the reports revised during the year were those on Boston, Mass., and Pensacola and Jacksonville, Fla. Resurveys were also instituted in the case of Mobile, Miami, and Tampa. Preparatory work was begun on the revision of the reports on Los Angeles, San Diego, and San Luis Obispo; also on the volume entitled "Transportation on the Great Lakes."

During the year the cooperation of the Philippine government and the Bureau of Insular Affairs of the War Department was secured in making an investigation into port conditions in the Philippine Islands. Work incident to the compilation of this report was well under way at the close of the fiscal year.

The following reports were published and distributed during the period covered by this report:

**PORT SERIES**

- No. 1. The Port of Portland, Me. (revised edition).
- No. 6. Part 2, the Port of Houston, Tex. (revised edition).
- No. 18. The Ports of Southern New England.
- No. 22. The Panama Canal and Its Ports.

**MISCELLANEOUS SERIES**

- No. 1. Port and Terminal Charges at United States Ports.
- No. 2. Shipping Charges at United States and Foreign Ports.

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

- No. 2. The Port of Boston, Mass.
- No. 3. Part 2, the Port of Pensacola, Fla.
- No. 8. The Port of Jacksonville, Fla.

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

Serial No. of volume	Subject	Percentage of completion
<i>Original volume</i>		
23	The Ports of the Philippine Islands.....	20
<i>Revised reports</i>		
2	The Port of Boston, Mass.....	100
3	Pt. 1: The Port of Mobile, Ala.....	75
	Pt. 2: The Port of Pensacola, Fla.....	100
6	Pt. 1: The Port of Galveston, Tex.....	100
	Pt. 3: The Ports of Texas City and Corpus Christi, Tex.....	100
8	Pt. 1: The Port of Jacksonville, Fla.....	100
	Pt. 2: The Ports of Miami and Tampa, Fla.....	70
13	The Ports of Los Angeles, San Diego, and San Luis Obispo, Calif.....	5
<i>Miscellaneous series</i>		
3	Foreign Trade Zones (or Free Ports).....	100
<i>Transportation series</i>		
2	Transportation in the Mississippi and Ohio Valleys.....	100

In carrying on its work during the fiscal year, it became necessary for the port facilities division to conduct special field surveys at the following points: Mobile, Ala.; Jacksonville, Miami, Pensacola, Tampa, and Fort Lauderdale, Fla.; Pittsburgh, Pa.; Cleveland and Cincinnati, Ohio; and Huntington, W. Va.

Special reports and articles were prepared during the year in response to requests received from port bodies, shipping companies, editors of periodicals, chambers of commerce, and universities for information on various phases of port practice and commercial shipping.

*Foreign port section.*—The foreign port section of the port facilities division cooperates with the transportation division of the Department of Commerce in conducting studies of foreign ports and allied subjects. At the close of the fiscal year the section had completed reports on the port of Hamburg, Germany, including Altona and Cuxhaven, and on the port of Liverpool, England, including Birkenhead and Garston. These studies, Nos. 1 and 2, respectively, in the foreign port series, will be available for distribution at an early date. They are designed to supply authentic information regarding each port's physical facilities, its organization and practices, charges and regulations governing the movement of ships and goods, water and rail communications, commerce, and hinterland, and will be fully illustrated with photographs, diagrams, and maps.

The first volume of the series, that on the port of Hamburg, contains, in addition to its other material, a discussion of the various

types of German free port zones, and the industrial operations permitted or prohibited therein. The free port zone at Hamburg has been given special treatment. The commerce of the port and a complete exposition of the movement of commodities by points of origin and destination is shown in a manner comparable with the Shipping Board's compilation of trade statistics for American ports.

The second of the foreign-port volumes, that on the port of Liverpool, is similar in scope to the report on Hamburg, and is also well illustrated. It contains a complete description of the organization of the port authority, its financing, and other pertinent information. Special attention has been given to the handling of goods on the quays by master porters, a system peculiar to Liverpool. A short description of the Manchester Ship Canal and other transportation routes inland and overseas is included.

Care has been exercised to make these reports accurate and authentic. All data have been checked in the field by members of the foreign-port section, and local port authorities have extended their cooperation in order to assure accuracy.

During the fiscal year this section also completed a directory of foreign bunkering stations. Bunkering facilities at all foreign ports at which ocean vessels can be accommodated are described in the directory, the first section of which is devoted to coal bunkering and the second to fuel oil stations. In addition to the name and nationality of the owners and operators of the various stations, the directory includes information on code addresses; kinds of fuel available; storage capacity and supply normally maintained; berthing capacity, with depth of water alongside; methods of delivering fuel on board, with speeds of handling; extra costs involved for loading in stream and for trimming; and the notice ordinarily required by the station. In the fuel oil section similar information is given, with additional data as to the tankage of the companies and sources of supply of oils.

The directory is illustrated with sectional maps showing the location of the various stations, and is arranged by countries and ports so as to be self-indexing.

Fuel prices, because of their fluctuation, have been omitted, but the section has arranged to keep currently advised as to prices, in order to be in a position to furnish such information upon request from interested parties.

The joint program of the port facilities division and the Department of Commerce also includes investigation of and reports on minor foreign ports. For example, a report on the minor ports of the British Isles, containing a brief account of about 40 British and Irish outports, is in process of completion and will be ready for publication during the fiscal year 1930.

The survey of American cargo-handling methods mentioned in the two previous annual reports was again held in abeyance during the fiscal year pending the completion of an investigation by the Department of Labor, an investigation that was practically completed on June 30, 1929, in so far as field work was concerned. As soon as the Labor Department's final report is rendered the foreign port section will proceed with this assignment. Meanwhile data have been collected from various sources for the revision of the bulletin on stowage of ship cargoes, published by the Department of Commerce in 1920.

The foreign port section was engaged toward the close of the year in compiling two volumes on South American ports, the first to include Rio de Janeiro, Pernambuco, Santos, Bahia, and Rio Grande do Sul, Brazil; the second to be devoted to the River Plate ports—Buenos Aires, Montevideo, La Plata, and Rosario, with a section describing Bahia Blanca. These reports will follow the same general form as the studies of Hamburg and Liverpool. Assembly of basic material, necessary translations, and initial work on the port maps had been completed by the end of the year.

Since its inception the foreign port section has concentrated its efforts on collecting foreign port data from all parts of the world. It is now in possession of the latest obtainable information on charges against ships and goods and physical facilities and conditions at practically all important foreign ports. Arrangements were completed during the year to keep the section currently advised regarding world port matters through the foreign representatives of the Shipping Board's Merchant Fleet Corporation, the Department of Commerce, and the State Department's consular corps.

Many special reports were compiled during the year for other Government departments, business concerns, and individuals seeking information concerning ports in practically every quarter of the globe.

#### BUREAU OF CONSTRUCTION

The Bureau of Construction has been, during the past fiscal year, largely concerned with the further development of the Diesel conversion program, authorized by the act of June 6, 1920, having in view the installation in vessels belonging to the Government of internal-combustion engines and other changes necessary to convert them into modern motor ships.

As more fully explained in the twelfth annual report of the board (p. 45), this program consisted of three parts, under which groups of 12, 3, and 8 vessels, respectively, were converted. The first part of the program was completed in March, 1928, but readjustments of machinery and improvements due to developments in operations were carried into the fiscal year 1929. These matters were largely

concerned with guarantees under machinery contracts. The 12 vessels at the end of the fiscal year 1929 are in successful operation in the trades to which they were allocated.

During the fiscal year 1929 the contracts for conversion of the steamers *Courageous*, *Triumph*, and *Defiance* into Diesel electric motor ships were completed at the Federal Shipbuilding Co., Boston Navy Yard and Norfolk Navy Yard, respectively, and all had successful sea trials as follows:

Motor ship *Courageous*, on December 15, 1928, from New York.

Motor ship *Defiance*, on March 23, 1929, from Norfolk.

Motor ship *Triumph*, on April 12, 1929, from Boston.

The three vessels were allocated, upon completion of trials, to the American Pioneer Line, operated by the Roosevelt Steamship Co., on the route between North Atlantic ports and the Far East via the Panama Canal.

These three vessels differ from all others in the program in that the machinery consists of four Diesel electric generators and one main propulsion electric motor in each vessel, whereas all the other vessels have a single internal-combustion engine directly connected to the propeller shafting and are maneuvered precisely the same as the steam engine, viz, by direct control at the engine. In the case of Diesel electric drives, the engines are not maneuvered, but all movements of ship are made directly with the main electric motor, which can be started, stopped, reversed, and regulated either by signal from the bridge or by direct control from the wheelhouse entirely independent of the engine-room personnel.

The extended program for the last eight vessels to be converted to motor ships was briefly mentioned in the twelfth annual report of the board (p. 46), giving the names of vessels selected and an outline of main machinery which was contracted for.

During the fiscal year 1929 additional contracts were entered into for auxiliary equipment and outfit necessary to complete the program and contracts for installation were made with the following shipyards for the installation work on the vessels and in the amounts named:

1928	
Sept. 24. Motor ship <i>Galveston</i> , Maryland Dry Dock Co.....	\$507,071
Sept. 26. Motor ship <i>Oldham</i> , Maryland Dry Dock Co.....	507,071
Oct. 22. Motor ship <i>New Orleans</i> , Federal Shipbuilding Co.....	566,500
Oct. 23. Motor ship <i>Wichita</i> , Federal Shipbuilding Co.....	566,400
Oct. 20. Motor ship <i>City of Elwood</i> , Newport News Shipbuilding & Dry Dock Co.....	559,700
Oct. 20. Motor ship <i>Ward</i> , Newport News Shipbuilding & Dry Dock Co.....	559,500
Oct. 30. Motor ship <i>Potter</i> , Maryland Dry Dock Co.....	547,062
Nov. 19. Motor ship <i>Jeff Davis</i> , Maryland Dry Dock Co.....	547,062

Three of these installation contracts were completed during the year, and after successful sea trials the vessels were placed in commission in regular established routes, as follows:

The motor ship *Galveston*, equipped with McIntosh & Seymour 5-cylinder, 4-cycle, double-acting marine type of main engine of 3,900 brake horsepower, was placed in commission April 13, 1929, and allocated to the American Pioneer Line, operated by the Roosevelt Steamship Co. between New York, Baltimore, and Australian ports.

The motor ship *City of Elwood*, equipped with Busch Sulzer 4-cylinder, 2-cycle, single-acting, marine type of main engine of 3,950 brake horsepower, placed in commission June 11, 1929, and allocated to the American Pioneer Line, operated by the Roosevelt Steamship Co. between New York, Baltimore, and oriental ports.

The motor ship *New Orleans*, equipped with Hooven, Owens, Rentschler, 4-cylinder, 2-cycle, double-acting marine type of main engine of 4,000 brake horsepower, was placed in commission June 26, 1929, and allocated to the American Pioneer Line, operated by the Roosevelt Steamship Co. between New York and Australian ports.

Work on the five remaining vessels is in progress and it is expected the program will be completed during November, 1929.

The total commitments, including administrative overhead, covering the Diesel program entered into during the fiscal year aggregate \$5,869,767.18.

The expenditures from the inception of the Diesel program to June 30, 1929, aggregate \$23,150,018.88. This total includes administrative overhead, extras, incidentals, etc.

The vessels so far converted to motor ships have been the subject of much interest both in this country and abroad, due to the magnitude of the program and the diversity of equipment, which offers a wider field for research and comparison under one management than has heretofore existed. Much constructive data has been accumulated from observation of the operation of these vessels; many inherent defects in design in the equipment corrected; and the greatest opportunity in the history of internal-combustion engines in the United States afforded the manufacturers to develop high-class marine units of large powers.

#### The "Monticello" and "Mount Vernon."

Mention was made in the twelfth annual report (p. 49, par. 2) of the proposed reconditioning of the ex-German steamers now called *Monticello* and *Mount Vernon*, for which the independent offices appropriation for the fiscal year 1928 provided funds to the amount of \$2,000,000, to be incremented by an amount not to exceed \$10,000,000 from the construction loan fund. Bids were asked for covering the reconditioning of both these vessels and were received

and opened in New York on October 9, 1928. These bids ranged from \$5,800,000 to \$9,638,000 per vessel.

During the time elapsed between the invitation for bids and the receipt of figures the board's North Atlantic passenger service, known as the United States Lines, was advertised to be sold; and inasmuch as provision was made that prospective purchasers could include in their bids prices for the steamers *Monticello* and *Mount Vernon*, the figures received for reconditioning were made available to bidders for their guidance in the placing of bids.

It developed that the most advantageous bids received for the United States Lines, and upon which sale was made, did not include an offer for these two vessels. The sale of these lines leaves no passenger service in operation by the board, so there is no object in reconditioning these vessels.

#### Construction Loan Fund.

During the fiscal year advances were made to the American Line Steamship Corporation on the steamship *Virginia* in the amount of \$2,691,500, thus completing the loan made in 1928. The total amount loaned on this vessel to completion was \$3,309,000.

It was pointed out in the twelfth annual report of the board for the fiscal year ending June 30, 1928, that the construction-loan fund was increased by the merchant marine act of 1928 from \$125,000,000 to \$250,000,000, and the loan provision for the benefit of construction or reconditioning of vessels increased from two-thirds to three-fourths the value of the work to be performed, and other more liberal provisions in the discretion of the board. It became immediately evident that the act added stimulus to the shipbuilding activities of the Nation, as several applications for loans were almost immediately made, upon some of which favorable action was taken by the board during the fiscal year, after the usual investigations had been completed.

During the fiscal year applications for loans in aid of construction or reconditioning of vessels were received and action taken upon them as follows:

1. American Line Steamship Corporation: A loan agreement was executed with this company on October 7, 1928, providing for a loan of three-fourths of the cost of construction, not to exceed \$5,250,000, of the steamship *Pennsylvania*, a passenger-and-cargo vessel of 20,700 gross tons and 18 knots speed, and a sister ship of the steamship *Virginia*, upon which loan was previously made. Work on this vessel is well under way at the Newport News Shipbuilding & Dry Dock Co. Advances made on loan to June 30, 1929, were \$3,000,000.

2. Grace Steamship Co.: A loan agreement was executed with this company on January 8, 1929, providing for a loan of three-fourths of the cost of construction of a combination cargo and passenger vessel of 14,300 tons and 18 knots speed. The amount of loan was \$2,454,750. Advances made on this loan to June 30, 1929, are \$780,000. This vessel is being built at the New York Shipbuilding Co. at Camden, N. J.

3. Strachan's Southern Steamship Co.: Two loan agreements were executed with this company on February 4, 1929, in the amounts of \$133,175 and \$124,115 in aid of reconditioning and improving the steamship *Georgian* and steamship *Floridian*, respectively. These vessels were purchased from the board and were formerly the steamship *Ice King* and steamship *Muscatine*, built for refrigerated cargo. Total advances were made and work has been completed on these vessels. They are now in service between South Atlantic ports and Europe.

4. The Agwi Navigation Co. (Ward Line): Two loans were executed with this company on February 8, 1929, in aid of construction of two first-class passenger and cargo vessels of 15,000 tons and 18 knots speed. The amount of each loan is to be three-fourths of the cost of one vessel or \$3,262,500. No advances were made on these loans to June 30, 1929. Construction is progressing rapidly on these vessels at the Newport News Shipbuilding & Dry Dock Co.

5. American South African Line: A loan was executed with this company on May 22, 1929, providing for a loan of three-fourths of the cost of construction of a combination cargo and passenger vessel of about 9,400 dead-weight tons and 13 knots speed. The amount of loan is \$1,350,000. No advance was made on this loan to June 30, 1929. This vessel is being built and fitted as a Diesel motor ship by the Sun Shipbuilding Co.

6. The Export Steamship Corporation: Four loans have been authorized by the board to this company subject to final approval, each to be in the amount of three-fourths of the cost of construction of a proposed combination cargo and passenger vessel of approximately 9,400 dead-weight tons and 14 knots speed.

Applications considered and pending at end of the fiscal year were from the following:

1. Dollar Steamship Line: Reconditioning of four vessels.
2. Oceanic Steamship Co. (Matson Line): New construction of two or three vessels.
3. Colombian Steamship Co.: Three combination passenger and cargo vessels. Completion of loan depends upon applicant receiving mail contract.

4. Leathem Smith-Nacco Steamship Co. (Inc.): Conversion of Shipping Board vessel, to be purchased, into self-unloading bulk-cargo carrier.

5. Coamo Steamship Corporation (New York & Porto Rico Steamship Co.): One combination passenger and cargo vessel to be same as steamship *Coamo*.

6. Flood Lines (Inc.): Preliminary application for reconditioning and Dieselizing a steamship recently purchased from the board.

7. United States Lines (Inc.): While no formal application for loan has as yet been made by this company, it is mandatory under the contract of sale of the United States Lines that the purchasers build, with the aid of the construction loan fund, two first-class passenger liners to operate with the steamship *Leviathan*, provided they meet the approval of the board and the Navy Department. Preliminary plans for these ships are under way.

The activities of the construction loan fund from inception to June 30, 1929, are as follows:

Total amount loaned on vessels which have been completed, representing 64 loans made to 9 different companies in the aid of construction of 15 vessels and two conversion jobs.....	\$18, 888, 790
Total amount advanced on loans on 2 vessels not yet completed....	3, 780, 000

Total of all payments from construction loan fund on account of loans.....	22, 668, 790
--	--------------

Amount credited to construction loan fund, \$93,861,387.34, including repayments on account of principal of outstanding loans aggregated \$3,188,361.68.

The activities of the fund during the fiscal year 1929 were as follows:

Balance of cash in fund, July 1, 1928.....	\$71, 350, 537. 40
Deposits:	
Receipts from sales (prior to July 1, 1928)...	\$3, 266, 668. 27
Receipts from repayments of loans.....	1, 306, 131. 67
	4, 572, 799. 94
	75, 923, 337. 34
Withdrawals:	
Transfers to Diesel fund.....	7, 500, 000. 00
Loans account of construction and/or conversions .....	6, 728, 790. 00
	14, 228, 790. 00
Balance of cash in fund June 30, 1929 <sup>1</sup> .....	61, 694, 597. 34

<sup>1</sup>Not including cash in amount of \$1,479,443.33 received during fiscal year 1929 for interest on and in liquidation of securities from sales on deposit in construction loan fund.

**Engineering Development Program.**

The Congress, through the independent offices appropriation act for the fiscal year 1930, included in the United States Shipping Board Merchant Fleet Corporation appropriation the sum of \$500,000 to cover a program to be carried out by the board known as the Engineering Development Program.

Much preliminary study was devoted to this program during the fiscal year 1929, the object being to enter into investigations and research of new methods of shipbuilding and propulsion, possible improvement of existing methods, and various studies to cover not only the engineering features, but also economics in other phases of operations of vessels.

The purpose of this program will be to make available to private ship operators the results of this Government research in order that they may adopt such methods as are proven acceptable, and thereby tend to reduce the operating cost differential between American and foreign-flag vessels caused by our higher capital charges and higher labor rates.

It is obvious that no private shipowner at this time could undertake a program so ambitious, and it therefore seems appropriate that a Government agency such as the Shipping Board should foster a research program with a view to helping the merchant shipowner as well as the shipbuilder.

The preliminary work accomplished during the fiscal year 1929 consisted largely of model basin investigations of hull and propeller efficiencies of existing vessels owned by the Government, which will later be made the subject of direct comparison with standardization trials of the actual vessels. The data thus obtained will furnish information for further research looking toward higher efficiencies in operation, and, in fact, there are already indications that results heretofore unknown will be realized.

The board has proceeded cautiously thus far with this work, preferring to have the counsel and advice of eminent experts in engineering methods before deciding on a fixed policy. Much constructive advice and criticism of proposed methods has thus been obtained from expert sources, which in most cases has been given gratuitously, and in a spirit of cooperation in the board's problems. The complete program had not been mapped out at the close of the fiscal year 1929.

**Section 23, Construction Bounty.**

The provisions of section 23 of the merchant marine act, 1920, have been a construction bounty in favor of American-built ships in that certain income taxes have been waived when the citizen has invested certain amounts in the construction of new vessels, the type and kind of which were required to be approved by the board.

The taxes thus waived under certain circumstances have been applied to two groups of cases, namely, (a) taxes on earnings of vessels operating in foreign trade, when the taxpayer invests in new ship construction an amount equivalent to three times the amount of the tax involved; or (b) taxes on profits arising from the sales of vessels, when the taxpayer invests in new ship construction an amount equivalent to the total proceeds from the sale of the vessel involved. To facilitate the application of the provisions of section 23, the board and the Treasury Department, on June 13, 1922, developed and promulgated rules and regulations which have been applied in all cases.

For reasons set forth in the last annual report of the board (p. 52), the provisions of section 23 are and for several years have been substantially obsolete, though a number of cases, initiated while the act was in full force, have heretofore remained open for further action, pending audit by the Treasury Department of the income-tax returns involved.

The activities of the board under section 23 during the year related to claims of the following companies, for benefits in aid of the building of the vessels mentioned, viz: American Hawaiian Steamship Co., for the steamship *Malolo*, and the motor ships *Californian* and *Missourian*; Kinsman Transit Co., for the steamship *George M. Humphrey*; Columbian Steamship Co., for the steamship *Joseph H. Frantz*; Union Oil Co. of California, for the steamships *Montebello* and *La Placentia*; Association Oil Co., for the steamship *Frank G. Drun*; Sun Oil Co., for the steamships *Pennsylvania Sun*, *J. N. Pew*, *Atlantic Sun*, *Delaware Sun*, and the motor ships *Sunoco* and *Sun Oil*; Standard Oil Co. of New Jersey, for the steamships *Joseph Seep*, *W. J. Hanna*, *S. C. T. Dodd*, *M. F. Elliott*, *Thomas H. Wheeler*, *John Worthington*, *W. H. Libby*, *Livingston Roe*, *T. J. Williams*, *Walter Jennings*, *John D. Archbold*, and *William Rockefeller*, and the motor ships *E. T. Bedford* and *J. A. Moffett, Jr.*; Pan American Petroleum & Transport Co., for the steamships *I. C. White*, *William Doheny*, *Elisha Walker*, *Franklin K. Lane*, *Crampton Anderson*, *Cerro Ebano*, and *Cerro Azul*; the Texas Co., for the steamship *New Jersey*; Vacuum Oil Co., for the steamships *Birkenhead* and *Gargoyle*; Munson Steamship Line, for the steamship *Munargo*; Interlake Steamship Co., for the steamships *Col. James Pickands*, *Samuel Mather*, *Harry Coulby*, *William McLaughlin*, *Robert Hobson*, and *Charles M. Schwab*; Atlantic Refining Co., for the steamship *R. D. Leonard*.

When the exemption relates to taxes on *earnings* of vessels, the Government's contribution was the amount of such taxes, not exceeding, however, one-third the cost of the vessel, thus requiring the owner to contribute not less than two-thirds the cost. When the

exemption related to *profits on sales* of vessels, the Government's contribution was the tax on such profits, to earn which exemption the owner expended on the new vessel not less than the total proceeds received from the sale of the old vessel.

Certifications by the board in all these cases have been made to the Treasury Department in accord with the requirements of the act, and the board's official functions under the section are believed to have been fully performed, and unless there are developments not now anticipated there will be no occasion to refer to this section in future annual reports of the board.

A consolidated statement is submitted herewith, containing the names of owners, in alphabetical order, to whom benefits under this section were awarded in aid of new construction, together with the new vessels built, and other relevant data; and also a supplemental list, in alphabetical order, of all vessels toward whose construction the Government has indirectly contributed, under the provisions of this section.

*New American vessels to whose construction aid was contributed by tax exemptions under section 23 of the merchant marine act, 1920*

[This statement is in two parts. The main list has the name of the owners arranged alphabetically, each with a number in serial order. In the "supplemental list" the new vessels built are in alphabetical order, and the numbers opposite the vessels, respectively, are the serial numbers of the first list, to facilitate reference thereto.]

Serial No.	Name of owner	Taxable foreign-trade earnings	Taxable proceeds of sale	Estimated amount of taxes waived	Total cost of new vessels	Name of new vessels
1	American Hawaiian Steamship Co.	\$11,291,996.24	-----	\$3,128,941.08	\$13,540,437.95	Steamship Malolo. Motor ship Californian. Motor ship Missourian.
2	Associated Oil Co.	-----	\$246,900.00	17,163.79	2,116,000.00	Steamship Frank G. Drumm.
3	Atlantic & Caribbean Steam Navigation Co.	307,093.28	-----	59,541.88	830,000.00	Steamship Carabobo.
4	Atlantic Refining Co.	1,199,373.39	-----	120,985.00	362,955.00	Steamship R. D. Leonard.
5	Columbia Steamship Co.	-----	500,000.00	38,298.72	1,060,358.33	Steamship Joseph H. Frantz.
6	Crowell & Thurlow	1,392,165.51	-----	486,135.32	3,205,125.11	Steamship A. L. Kent. Steamship Thomas F. Beal.
7	Franklin Steamship Co.	-----	540,000.00	49,458.19	1,033,700.00	Steamship Edward J. Perwind.
8	Interlake Steamship Co.	38,367.29	2,830,000.00	281,615.47	5,247,941.50	Steamship Charles M. Schwab. Steamship Col. James Pickands. Steamship Samuel Mather.
9	Kinsman Transit Co.	55,658.65	180,000.00	31,667.45	1,617,000.00	Steamship Harry Couby. Steamship Wm. McLaughlan. Steamship Robert Clarkson. Steamship Worrell Clarkson.
10	Munson Steamship Line.	1,384,738.82	-----	125,000.00	3,221,436.95	Steamship George Washington.
11	Old Dominion Steamship Co.	-----	675,000.00	56,655.04	1,580,000.00	Steamship Solana.
12	Pacific Mail Steamship Co.	1,530,253.95	-----	6,652.75	2,202,472.59	Steamship I. C. White.
13	Pan American Petroleum & Transport Co.	17,325,772.45	-----	1,290,308.98	15,746,716.00	Steamship Wm. Dohany. Steamship Franklin K. Lane. Steamship Crampton Anderson. Steamship Cerro Ebano. Steamship Cerro Azul. Steamship Elisha Walker.
14	Peninsular & Occidental Steamship Co.	184,004.81	-----	69,001.83	2,142,906.55	Steamship Cuba.
15	Pioneer Steamship Co.	207,922.55	420,000.00	117,315.99	864,520.51	Steamship Philip D. Block.
16	Standard Oil Co. of California	40,622.40	350,000.00	138,481.62	18,409,948.80	Motor ship Charlie Watson. Steamship R. J. Hanna. Steamship K. R. Kingsbury. Motor ship H. T. Harper. Steamship F. H. Hillman. Steamship H. M. Storey. Steamship W. S. Rheim. Motor ship Alaska Standard. Motor ship Standard Service. Steamship W. W. Miller.

1 Owners' estimate of revenue and tax involved. 2 Maximum amount allowable in favor of vessel constructed (owners' computation).

*New American vessels to whose construction aid was contributed by tax exemptions under section 23 of the merchant marine act, 1920—*  
Continued

Serial No.	Name of owner	Taxable foreign trade earnings	Taxable proceeds of sale	Estimated amount of taxes waived	Total cost of new vessels	Name of new vessels
17	Standard Oil Co. of New Jersey.....	\$17,603,823.38	-----	1 \$6,000,000.00	\$34,088,512.84	Steamship Joseph Seep. Steamship S. C. T. Dodd. Steamship W. J. Hanna. Steamship M. F. Elliott. Steamship John Worthington. Steamship Thomas H. Wheeler. Steamship W. H. Libby. Steamship Livingston Roe. Steamship Walter Jennings. Motor ship E. T. Bedford. Motor ship J. A. Moffet, Jr. Steamship John D. Archbold. Steamship Wm. Rocketeller. Steamship T. J. Williams. Steamship Atlantic Sun. Steamship J. N. Few Steamship Delaware Sun. Steamship Pennsylvania Sun. Motor ship Sunoco. Motor ship Sun Oil.
18	Sun Oil Co.....	1 6,092,414.83	\$246,500.00	1 2,436,965.63	9,408,286.28	Steamship New Jersey. Steamship Montebello. Steamship La Placencia. Steamship Fairfield City. Steamship Anniston City. Steamship Steel Scientist. Steamship Birkenhead. Steamship James MacNaughton.
19	The Texas Co.....	860,694.34	-----	154,024.98	1,643,925.09	Motor ship Sun Oil.
20	Union Oil Co. of California.....	1 2,417,122.80	450,000.00	91,858.30	4,592,253.02	Steamship New Jersey. Steamship Montebello.
21	United States Steel Products Co.,.....	2,179,260.20	-----	392,272.24	4,135,924.93	Steamship Fairfield City. Steamship Anniston City. Steamship Steel Scientist. Steamship Birkenhead.
22	Vacuum Oil Co.....	1,817,620.80	1,151,750.00	409,860.98	4,015,927.75	Steamship Birkenhead.
23	Wilson Transit Co.....	65,643.09	-----	26,257.24	785,536.88	Steamship James MacNaughton.

1 Owners' estimate of revenue and tax involved.

2 Amount claimed by owner, but claim denied by Treasury Department.

3 Company built 1 additional vessel (La Purissima).

4 In addition to 3 vessels herein named, company built 10 additional vessels, keels of which were laid subsequent to June 5, 1920.

NOTE.—The foreign trade revenue and the tax exempted, as stated above, have been compiled from data furnished by the Treasury Department, except as otherwise indicated.

Supplemental list

[This list contains in alphabetical order the names of the vessels appearing in the last column of the above list, where they are grouped according to ownership. The numbers in the first column below refer, respectively, to the corresponding number in the first column of the above list, where they appear in serial order.]

Names of the new vessels built	Number on above list	Type of vessel	Length, in feet	Dead-weight tonnage	Speed, in knots	Official number	Cost of new vessel (owners' figures)
A. L. Kent	6	Steamship; cargo	394	9,600	10	220873	\$1,628,930.92
Alaska Standard	16	Motor ship; tanker	210	1,825	9	223485	416,428.42
Anniston City	21	Steamship; cargo	424	9,650	11	221292	1,404,903.88
Atlantic Sun	18	Steamship; tanker	429	10,600	10.5	219840	1,913,261.13
Birkenhead	22	do	425	10,690	11	221700	2,014,769.40
Californian	1	Motor ship; cargo	445	11,900	11.5	222054	2,852,853.23
Carabobo	3	Steamship; passenger and cargo	305	3,100	12.5	223478	830,000.00
Cerro Azul	13	Steamship; tanker	480	12,500	12.5	221144	2,731,175.00
Cerro Etano	13	do	480	12,500	12.5	221129	2,773,392.00
Charles M. Schwab	8	Steamship; cargo	586	12,600	10	223200	722,015.00
Charlie Watson	16	Motor ship; tanker	250	2,135	9	220856	746,592.54
Colonel James Pickands	8	Steamship; cargo	586	12,600	10	225394	881,518.00
Crampton Anderson	13	Steamship; tanker	435	10,200	11	221033	2,632,380.00
Cuba	14	Steamship; passenger and cargo	325	1,350	16	221200	2,142,906.55
Delaware Sun	18	Steamship; tanker	480	13,200	11	221893	1,747,230.00
E. T. Bedford	17	Motor ship; tanker	499	15,100	11	221269	2,650,542.29
Edward J. Berwind	7	Steamship; cargo	595	12,000	10.4	224139	1,033,700.00
Elisha Walker	13	Steamship; tanker	429	10,600	10.5	220667	2,079,487.00
F. H. Hillman	16	do	500	14,000	10.5	221695	2,930,480.20
Fairfield City	21	Steamship; cargo	424	9,650	11	221143	1,618,069.49
Frank G. Drum	2	Steamship; tanker	435	10,200	11	221147	2,116,000.00
Franklin K. Lane	13	do	435	10,200	11	220865	2,030,001.00
Gargoyle	22	do	425	10,000	10	221070	2,001,153.35
George Washington	11	Steamship; passenger and cargo	375	2,175	16	224216	1,580,000.00
George M. Humphrey	9	Steamship; cargo	586	12,000	10.9	226276	870,000.00
H. M. Storey	16	Steamship; tanker	500	14,000	10.5	221784	2,934,390.12
H. T. Harper	16	Motor ship; tanker	329	4,750	11	221701	1,400,682.88
Harry Coulby	8	Steamship; cargo	615	13,800	10.5	220742	1,622,890.50
I. C. White	13	Steamship; tanker	429	10,600	10.5	220513	2,070,890.00
J. A. Mottet, Jr	17	Motor ship; tanker	499	8,700	11	221521	2,664,814.48
J. N. Pew	18	Steamship; tanker	480	13,000	11	221492	2,465,480.00
James MacNaughton	23	Steamship; cargo	587	12,000	10	222355	785,898.88
John Worthington	17	Steamship; tanker	462	11,800	10.5	221696	3,328,836.14
John D. Archbold	17	do	534	20,300	11	221698	3,481,074.50
Joseph Seep	17	do	429	10,300	10.5	224497	2,113,051.33
Joseph H. Frantz	5	Steamship; cargo	601	12,000	10.9	224499	1,060,353.33
K. K. Kingsbury	16	Steamship; tanker	440	11,400	10	221174	2,546,828.26
La Placencia	20	do	440	12,000	11	221163	2,297,628.19
Livingston Roe	17	do	462	11,800	10	221031	2,330,733.13
M. F. Elliott	17	do	425	9,750	11	220999	1,932,816.83
Malolo	1	Motor ship; passenger and cargo	582	5,500	21	226454	7,843,185.40
Missourian	1	Motor ship; cargo	445	11,000	11.5	222236	2,844,369.32
Montebello	20	Steamship; tanker	440	12,000	11	221100	2,294,626.83
Munargo	10	Steamship; passenger and cargo	413	5,200	15.5	221839	3,221,436.95
New Jersey	19	Steamship; tanker	416	9,330	10.5	221505	1,643,925.99
Pennsylvania Sun	18	do	480	12,940	13.5	222747	1,219,839.45
Philip D. Block	5	Steamship; cargo	586	12,000	10.5	224508	894,520.51
R. D. Leonard	4	Steamship; tanker	266	2,661	9.5	221897	362,959.00
R. J. Hanna	16	do	435	13,400	10	221169	2,044,686.77
Robert Hobson	8	Steamship; cargo	586	12,000	10	226175	870,000.00
S. C. T. Dodd	8	Steamship; tanker	425	10,100	10	220941	1,928,562.57
Samuel Mather	17	Steamship; cargo	586	12,000	10	225409	881,518.00
Salona	12	Steamship; tanker	419	9,870	10.5	221122	2,262,472.59
Standard Service	21	Motor ship; tanker	210	1,825	9	222739	393,522.97
Steel Scientist	21	Steamship; cargo	424	9,400	12	221875	1,112,951.56
Sunoco	18	Motor ship; tanker	246	2,000	10	226018	340,287.73
Sun Oil	18	do	480	13,000	11	227073	1,724,187.97
T. J. Williams	17	Steamship; tanker	465	11,990	10.5	221618	2,135,083.26
Thomas H. Wheeler	17	do	425	9,750	11	221040	1,933,622.29
Thomas P. Best	6	Steamship; cargo	394	9,600	10	221483	1,576,194.19
W. H. Libby	17	Steamship; tanker	462	11,800	10.5	220951	2,332,565.71
W. J. Hanna	17	do	429	10,500	10.5	220851	2,114,165.04
W. S. Miller	16	do	435	10,200	10	220953	2,061,750.01
W. S. Rheem	16	do	500	14,000	10.5	221884	2,934,586.63
Walter Jennings	17	do	409	15,100	11	221083	2,655,564.20
William H. Doheeny	13	do	435	10,200	11	220811	2,029,421.00
William MacLaughlan	8	Steamship; cargo	586	12,000	10	226176	870,000.00
William Rockefeller	17	Steamship; tanker	554	20,300	11	221675	3,487,400.50
Worrell Clarkson	9	Steamship; cargo	588	12,000	10.5	222830	747,000.00

## BUREAU OF LAW

The organization of the Bureau of Law remains the same as during the previous fiscal year, except that the district offices at Philadelphia, Portland (Oreg.), and Seattle have been closed, and the work of the navigation laws division has been absorbed by the admiralty division and will henceforth be handled by that division.

The work of the three principal divisions of the Bureau of Law may be summarized as follows:

**Litigation and Claims Division.**

The number of cases in litigation on June 30, 1928, was 1,163, and the amount involved was \$333,624,828.79. On June 30, 1929, the number of cases in litigation was 1,143 and the amount involved was \$109,427,410.25. These figures include all litigation, other than that handled by the admiralty division. The number of cases disposed of was 439, amounting to \$231,521,121.01, and the number of cases added was 419, amounting to \$7,323,702.47. Litigation in the Court of Claims was active during the fiscal year, some very large cases having been tried and disposed of by that court. Among the cases so decided were the following:

*Castner, Curran & Bullitt (Inc.)*.—This suit was brought to recover on purchase price of certain vessels and the commissioner found in favor of the plaintiffs for about \$550,000, but the court reduced the amount to less than \$200,000.

*Lindsay Lumber Co.*—This was a suit for breach of contract. Judgment was found in favor of plaintiff for less than half the amount sued for (\$65,000).

*John Russell Smith*.—This suit was brought to recover for requisitioning of contracts with the Globe Shipbuilding Co. The amount of the suit was \$475,000. Judgment was given by the court for the plaintiff for \$35,000.

*Marietta Manufacturing Co. et al.*—This suit, involving more than \$340,000, arose out of the construction of four towboats. The court dismissed the petition.

*Adam Schumann*.—This was a suit brought for requisition of a dock and wharves. The amount involved was \$114,600. The court dismissed the petition and granted judgment for \$56.94.

Other cases involving smaller sums were likewise disposed of, and a number of new cases were started. Those now on hand are being litigated.

Other cases of great import were tried or otherwise disposed of during the fiscal year. Among these was the case of *United States v. Skinner & Eddy Corporation*. This case was originally brought in the United States District Court for the Western District of Washington. The claims of both sides, including counterclaims, amounted to about \$20,000,000. A judgment was rendered in favor

of the board for about \$1,500,000, whereupon an appeal was taken by both sides to the United States Circuit Court of Appeals for the Ninth Circuit. The case has been decided by the court of appeals and the Government's award has been increased to \$4,944,123.22 with interest at 6 per cent from October 30, 1924.

The Groton Iron Works case was tried in the United States Circuit Court of Appeals for the Second Circuit on an appeal by the trustee in bankruptcy and was partially reversed. The Supreme Court has granted a writ of certiorari upon the question whether the suit against the Merchant Fleet Corporation can be maintained because the Fleet Corporation was a public agent.

The Bethlehem litigation was tried during the fiscal year in Philadelphia, before Mr. Owen J. Roberts, sitting as special master. All the testimony has been taken and it is expected that arguments will be heard in the near future. About \$27,000,000 is involved in the six cases.

In the cases of Johnson, Lustgarten, Federal Sugar Refinery, and Royal Insurance Co., the Supreme Court will determine the whole problem as to the exclusiveness of the suits in admiralty act, in all Shipping Board cases, where suits are brought on causes of action arising out of the operation of Government-owned vessels. The legal department has handled all these cases in the lower courts and has rendered aid to the Department of Justice.

This division was responsible for the preparation of all court papers and other instruments necessary in 37 foreclosure proceedings arising out of defaults on mortgages held by the Fleet Corporation on property in Brooklawn, N. J.

#### Contracts and Opinions Division.

There has been great activity in the sale of ships during the fiscal year. The principal sale was the United States Lines and the American Merchant Lines, sold as one line to the United States Lines (Inc.), for slightly more than \$16,000,000. There were 11 vessels involved in the sale and this division was responsible for the preparation of all papers having to do with it. These consisted of proposals of sale and notices to bidders, preparation of conditions of sale, contracts, bills of sale, preferred mortgages, bonds and notes; and in the case of transfer of title, representatives of the Bureau of Law were present at each closing. In addition, necessary and separate agreements for repairs to each vessel were drawn by this division. The sale of other vessels was likewise handled by the contracts and opinions division. Moreover, this division prepared all contracts for supplies and stevedoring, all managing agents' contracts, all leases, all service contracts, all powers of attorney for foreign representatives, and all opinions that were required in the conduct of the business of the Shipping Board and Merchant Fleet Corporation. Dur-

ing the year approximately 200 of these opinions were rendered and 1,000 contracts and other instruments prepared.

#### Admiralty Division.

During the fiscal year ended June 30, 1928, there were pending in the admiralty division of the Bureau of Law 682 cases, involving \$29,460,049.24. On June 30, 1929, there were pending 493 cases, involving \$24,633,416.98, making a total of 261 cases, amounting to \$6,126,061.14, disposed of during the year. In the same period there were added 72 cases, amounting to \$1,299,428.88. On June 30, 1929, there were pending 206 admiralty claims not in litigation, amounting to \$4,994,783.16. The work of the admiralty division covers not only this country, but nearly all foreign countries. In addition, this division is responsible for the handling of the so-called public vessel cases for other departments of the Government. These cases are handled through the New York office. The division also has supervision of the proposed codification of the navigation laws, a matter which is now pending in Congress. The bill introduced by Senator Jones, of Washington, and Representative White, of Maine, with a view to putting the code into effect, has been referred to the Bureau of Law for proof reading and check, in order to eliminate possible errors. This work is now being done, and an effort will be made to have the bill returned for action by Congress at the next session.

#### Miscellaneous.

The Bureau of Law handles claims against surety companies on bonds and all collections on deferred payments. It also has the responsibility of maintaining files of all cases in litigation, both present and past; of docketing all cases, with chronological record of the progress of the cases; of preparation of reports and other data; and of maintaining custody of all original contracts and other instruments. It also passes on nearly all settlements made by the Shipping Board and Fleet Corporation, as well as write-offs and cancellations of accounts of doubtful debtors, and acts generally in an advisory capacity to other departments of the Shipping Board and Fleet Corporation with regard to the functions of the various bureaus.

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

#### BUREAU OF FINANCE .

During the year the functions of this bureau were divided into seven separate divisions: (1) Accounts receivable, (2) financial results of operation of Shipping Board ships, (3) marine insurance, (4) housing mortgages, (5) extension of notes or other instruments,

(6) settlement of accounts in liquidation, and of managing agents accounts, and (7) general financial matters referred by the Shipping Board to the committee on finance from time to time.

1. *Accounts receivable.*—The Shipping Board collected approximately \$11,500,000 on current accounts receivable during the year, in addition to revenues received from operation of ships. This bureau, however, has been more actively concerned in the collection and settlement of old accounts. At the beginning of the year these accounts amounted to over \$62,000,000 and at the close of the year the amount due was slightly more than \$36,000,000. Of the accounts closed more than a million dollars were received in cash; others were adjusted, canceled, or written off as uncollectible.

This bureau has kept actively in touch with these old accounts, through conferences, and frequent meetings, of a committee consisting of representatives from the finance, operations, and legal departments. In some instances the commissioner in charge of the bureau negotiated settlements and collections where cases had remained in deadlock for years.

2. *Financial results of operation.*—The bureau has made and is continuing to make special studies of financial results of operations of the fleet. Individual studies and reports have been issued thus far on the American Diamond Lines, America France Line, Yankee Line, Gulf West Mediterranean Line, and the Gulf Orient Services. These studies include a financial history of the lines, showing nature and result of operation to date. Similar reports for other lines are in course of preparation. They are intended for use of commissioners of the board in their consideration of sale of lines and for record.

3. *Marine insurance.*—The bureau has in progress a special investigation of the subject of marine insurance, for the committee on finance, with a view to proposing an equitable and definite policy to be followed under the provisions of the merchant marine act of 1928. The services of Dr. S. S. Huebner, nationally known expert on marine insurance, have been engaged in this connection. A general plan will be proposed for the board to follow in regard to insurance from its insurance fund, for ships which it has sold, and ships which have been and are being constructed with the aid of the construction loan fund of the board. It is also proposed to submit a plan whereby a definite rule may be followed in the case of ships operating in restricted services, as separate from those ships sold for operation in unrestricted services.

4. *Housing mortgages.*—During the year negotiations have been under way for the sale of various housing mortgages held by the Shipping Board. These mortgages remain as an aftermath of the shipbuilding program; the value of these mortgages amounts to

approximately \$1,000,000. Efforts have been made, from time to time, and are still in progress, to sell our housing mortgages and get the Government out of the mortgage business. The latest and best offer, 85 per cent, for certain mortgages at Brooklawn, N. J., was disapproved by the board. This offer was considered reasonably fair, but the board preferred to dispose of all at one time.

The bureau closed out some long-standing mortgages at Camden, N. J., but there are still many properties at Brooklawn on which it has been found necessary to foreclose.

5. *Extension of notes or other instruments.*—By reason of a definite stand taken by the committee on finance against the extension of time, or modification of terms, on notes or other instruments, there have been very few requests of this kind during the past year. The Bureau of Finance will not recommend extensions to the board, except in extraordinary cases, as the Shipping Board is making an effort to close out all of these accounts.

As of June 30, 1929, notes due on account of ship sales amounted to \$41,883,398, and on account of construction loan, \$19,178,428. Other notes and securities amount to over \$3,000,000. All of these are considered of sound value. There are other notes and securities past due, and of doubtful value, amounting to about \$3,000,000, which are almost entirely the result of the war-time shipbuilding program.

6. *Settlement of accounts.*—Of the various classes of work performed in this bureau, this division is perhaps the most productive and the most difficult to describe. For instance, a case like *Takata*. This case was properly under the Bureau of Law; it had been in litigation for a number of years with prospect of many more years to go. In an effort to bring a settlement of this account the commissioner in charge of this bureau proceeded to Japan with a representative of the Bureau of Law and negotiated settlement to the advantage of the board. Other settlements, in varying amounts, are continually in negotiation, in cooperation with the Bureau of Law, with a view to reducing the number of outstanding accounts and court cases. Accounts of another class are those involving long standing disagreements resulting from operation of the lines by former operating agents of the board. Still other accounts are pure collection cases. Work in these is usually in cooperation with the finance and accounting departments of the Merchant Fleet Corporation.

7. *General financial matters.*—During the year various matters have been referred to the committee on finance by the Shipping Board; these cases require investigation, conferences, and preparation of special reports. Of particular interest during the year were

reports of investigation into financial standing of prospective purchasers of the United States Lines and the American Merchant Lines and other services; also as to important cases under litigation, such as the Skinner & Eddy and the Bethlehem Steel cases.

The Bureau of Finance has limited personnel; most of its work involves cooperation with, and coordination of the work of other departments and bureaus. As to the special studies of financial result of operation, and general financial matters, and investigations, the initiation, compilation, and preparation of reports are entirely within this bureau.

### BUREAU OF RESEARCH

In consequence of the increasing national interest in the activities and development of the American merchant marine, the volume and scope of the duties performed by the Bureau of Research were materially increased during the fiscal year ended June 30, 1929. This increase was evidenced by the growing work of the bureau and the demands for special research in economic and statistical studies, of which 408 were completed in the fiscal year 1929 as against 267 in the fiscal year 1928. Many of these studies involved original research made possible by the very complete and comprehensive resources available in the files of the bureau. In the distribution of the 408 special studies during the past year, 206 went to the United States Shipping Board, 67 to other governmental departments, 77 to commercial and port organizations, 30 to industrial and transportation corporations, 16 to periodical publications, and 12 to educational institutions.

Under the plan of organization now in force the work is distributed among three divisions: The maritime records division, the educational division, and the economic division.

The maritime records division collects, records, and compiles data pertaining to the movement of vessels, cargo, passengers, and mail in the foreign, intercoastal, and noncontiguous United States territory trades, with particulars of the lines operated, vessels employed, commodities carried, and ports of origin and destination of passengers and freight shipments. In this division records are maintained containing essential data on the world's merchant fleet of steam and motor vessels of 1,000 gross tons and over, comprising approximately 20,000 ships. Records are also kept showing the construction, casualties, and the status and employment of United States steam and motor vessels of 1,000 gross tons and over.

The educational division originates and develops studies, graphic presentations, informative data, and educational material of value to the Shipping Board and other governmental agencies, universities,

schools, civic study associations, and others interested in the development of the economic welfare and progress of the United States.

The economic division conducts economic studies and makes analytical surveys of matters relating to water transportation. This division also cooperates with committees and representatives of other bureaus and organizations in joint projects.

The routine duties of the bureau during the fiscal year included the recording of data pertaining to the movements of approximately 6,000 vessels participating in the water-borne foreign, intercoastal, and noncontiguous trade of the United States; the 65,000 vessel entrances and clearances occurring at 178 United States ports during the year; the 110,000,000 tons of cargo transactions between those ports and 1,317 foreign ports; the transportation of 2,000,000 passengers on foreign, intercoastal, and noncontiguous routes; the writing of 50,000 letters and the formulation of permanent records on 1,200,000 cards; the 10,000 changes in the status and structural detail made in the world's merchant fleet; and the conduct of the correspondence, research, and investigation necessary to insure the accuracy and completeness of the records formulated. This last duty involved the examination and exhaustive analysis of approximately 150,000 individual reports received from collectors of customs, vessel operators, and other sources.

During the fiscal year 1929, the bureau issued 86 periodical reports, 50,000 copies of which were distributed among governmental officials, shipping and railway companies, port organizations, financial, commercial, civic, and educational institutions.

The bureau's cumulative records of world ports and world commodities now contain 2,200 commodities and the names and locations of more than 3,400 world ports. Of the world ports recorded, 336 are located in continental United States, 406 in noncontiguous United States territories, and 2,659 in foreign countries.

#### SECRETARY

During the past year the work of the office of the secretary included the following activities:

Recorded all minutes of meetings of the Shipping Board.

Prepared and presented to the board, by formal docket or otherwise, all cases which required the board's attention.

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

Prepared for use in litigation or otherwise certified copies of documents and records.

Conducted all investigations and correspondence under section 9 of the shipping act, 1916, as amended, and issued formal orders thereunder.

Prepared for the board or committee thereof cases which arose under section 30, subsection O, merchant marine act, 1920; conducted investigations in connection therewith, and issued formal orders thereunder.

Prepared as budget officer, for the consideration of the board and transmittal to Congress, estimates for appropriations required by the board.

Examined and took administrative action on vouchers covering salaries and expenses of employees of the Shipping Board, by direction of the chairman.

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

Supervised communications, telegrams, cables, etc.

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

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

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

The administration of the provisions of section 9 of the shipping act, 1916, as amended, is vested by the board in one of its standing committees, composed of three members. All preliminary investigations, studies, and recommendations concerning applications under this section are conducted in the office of the secretary on behalf of the standing committee.

Section 9 provides, in part, as follows:

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

This section further provides that any violation of the foregoing provisions shall subject the vessel to forfeiture to the United States and the person or persons guilty thereof to a fine of not more than \$5,000 or to imprisonment for not more than five years, or both.

Under section 202 of the merchant marine act, 1928, vessels owned by the United States and in its control may be reconditioned or repaired so as to equip them adequately for competition in the foreign trade of the United States; any vessel so remodeled or improved shall remain documented under the laws of the United States for not less than five years from the date of completion of the improvements and so long as there remains due the United States any money or interest on account of said vessel.

Under section 301, merchant marine act, 1928, all vessels to aid in whose construction, equipment, reconditioning or remodeling or improvement a loan is made from the construction loan fund of the board, shall be documented under the laws of the United States and remain so documented for not less than 20 years from the date the loan is made and so long as there remains due the United States any principal or interest on account of such loan.

The obvious intention of the foregoing provisions was to prevent the transfer from the jurisdiction of the United States of all vessels and craft of a type, size, and kind which may be deemed essential to the maintenance of an efficient American merchant marine and as auxiliaries in the national defense. This has been the dominant consideration in the administration of the law.

It has also been the policy of the board in the administration of these provisions to withhold approval of the sale alien and transfer to foreign registry of a vessel where it is the intention of the parties involved to place the vessel under foreign registry with reduced crews and alien personnel in direct competition with American-flag vessels operating on established trade routes and where it would be practicable to continue such vessels under United States registry and jurisdiction.

In cooperation with other branches of the Government, the board scrutinizes the transfer of vessels which, from their size and type, are adaptable to the smuggling trade and other violations of the laws of the United States.

In the exercise of the powers conferred by section 9 of the shipping act, 1916, as amended, the board requires the filing of an application, the form of which has been prescribed and copies of which may be obtained from the office of the secretary. The applicants are required, in executing the application form, to give details concerning the vessel's construction, age, present and contemplated trades, the reasons for requesting transfer of ownership or registry, and why it is not desirable or practicable to retain the vessel under American ownership for operation under the American flag. There must also be filed with the application a certificate issued by the collector of customs at the vessel's home port showing liens and encumbrances of record. If encumbrances are disclosed, the board insists upon the protection of the rights of all lienors. The application must show clearly whether sale, transfer of registry, or mortgage of the vessel is desired.

In the chartering of an American vessel to an alien, a less formal application is required, but it is essential that full details of the charter proposed be submitted. Concerning the chartering of privately owned American vessels to aliens, the board on July 3, 1929, adopted the following resolution prescribing charter regulations:

*Resolved*, as a regulation prescribed by this board under the provisions of section 9 of the shipping act, 1916, as amended, the approval contemplated by that section is hereby given that any vessel documented under the laws of the United States may be chartered, without further action by this board, to a person not a citizen of the United States, for a period not to exceed twelve months, or for a voyage or voyages the probable duration of which will not exceed twelve months; *Provided, however*, Neither this resolution, nor the resolution adopted October 14, 1921, shall be construed to apply to any vessel which has been purchased or chartered from the Shipping Board, nor to any vessel in aid of whose construction or improvement a loan was made by the board; whether the consent contemplated by section 9 of the shipping act, 1916, will be given to the charter of any such vessel will be determined on specific application for such consent.

*Resolved further*, the resolution adopted October 14, 1921, promulgating a regulation on this subject, is hereby repealed without prejudice, however, to any proper action heretofore taken thereunder.

The foregoing regulations supersede regulation adopted October 14, 1921.

Section 41 of the shipping act, 1916, provides that, whenever by section 9 the approval of the board is required to render any act or transaction lawful, such approval may be accorded either absolutely or upon such conditions as the board may prescribe. A violation of such conditions constitutes a misdemeanor and is punishable by fine or imprisonment in the same manner, and subjects the vessel, stocks, bonds, or other subject matter of the application conditionally approved to forfeiture in the same manner, as though the act conditionally approved had been done without the approval of the board, but the offense is deemed to have been committed at the time of the violation of the condition. By this section, it is also made unlawful for any person to make any false statement of a material fact to the board or any member thereof, or any officer, agent, or attorney thereof, for the purpose of securing such approval, and a penalty of a fine or imprisonment, or both, is imposed.

Among the conditions which have been imposed by the board in approving applications under section 9 may be cited the following:

(a) That the vessel would within a prescribed period, be completely dismantled and scrapped; or, except for one outward voyage, will not trade with ports of the United States for five years.

(b) Where American citizens have industrial and commercial interests in foreign countries, requiring vessels to be documented under local registration to engage in local coastwise trade, the transfer has been permitted upon condition that the vessel be restored to American registry within a prescribed period upon demand of the United States should it be considered that a national emergency exists.

(c) That upon the transfer of the vessel to foreign registry or ownership, new vessels of at least equal tonnage would be constructed in a limited time and placed under American registry.

A great many of the vessels transferred to foreign registry are of 2,500 dead-weight tons or less, many of which it has been shown have come into the hands of persons engaged in unlawful trade. Pursuant to section 41, the board has, in cooperation with the Department of Justice, the Treasury Department, and the Coast Guard imposed a condition that the vessel thus transferred shall not be used in the transportation to or from ports of the United States of any alcoholic liquors. This condition is imposed where the vessel does not exceed 2,500 dead-weight tons. All applications involving vessels of this size and type are investigated in connection with the executive departments involved, who, through special agents, obtain reports concerning the business, occupation, and probable trade of the proposed vendee or transferee.

Instances have been brought to our attention where the Government under whose registry the vessel is to be transferred has objected to the inclusion by the Shipping Board in its transfer orders of any condition which they may claim tends to restrict the free operation of the vessel under such foreign registry. In such cases, where the board deems a condition essential for the protection of the American merchant marine, it may refuse approval entirely, or, as an alternative, may approve the application and may accept, in lieu of the condition in its transfer order, adequate security in the form of a performance bond or otherwise for the enforcement of certain conditions and covenants which it may deem appropriate.

Upon approval of applications under section 9, there is issued by the secretary a formal order setting forth the board's approval and incorporating therein the conditions upon which such approval has been accorded, except, however, in cases prescribed in the preceding paragraph, where conditions may be omitted.

In cases of violation of section 9 of the shipping act, 1916, or of any of the conditions or provisions which the board imposes in transfer orders granting its approval to sell alien and/or transfer to foreign registry or the mortgage or charter of vessels, the office of the secretary conducts an investigation to disclose all the facts and circumstances regarding alleged illegal transaction. This investigation involves considerable correspondence, obtaining of affidavits, and reports through the Department of State, Department of Justice, Treasury Department, Labor Department, and the United States Coast Guard, all of which may be involved in the prosecution of the violation in question. Upon the conclusion of the board's investigation, if the evidence developed warrants, the matter is referred to the Department of Justice for appropriate legal action. It is customary for these cases to be referred to the proper United States District Attorney for prosecution, and, in the conduct of the case, the office

of the secretary follows the case to a conclusion, and is often called upon to furnish additional evidence and to have some one present at the trial of the persons involved.

Of the applications made to the board during the past year, 80 were acted on favorably. A number of cases were presented where preliminary examination indicated the vessels were of such type and size that they should be retained under American registry, and, through suggestion by this office, sales were negotiated with other Americans rather than with aliens as had been proposed. There are at present pending and under consideration 55 cases awaiting results of investigation and further consultations with applicants.

The following statement shows action of the board on applications under section 9 of the shipping act, 1916, from July 1, 1923, to June 30, 1929.

*Approvals by the United States Shipping Board under section 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1928, to June 30, 1929*

Name of vessel	Official No.	Rig	Gross tonnage	Last American home port	Name of owner or applicant	Name of purchaser	Foreign registry	Date of order	Order No.
Norka	107721	Sch.	28	Providence, R. I.	Fenner Ball	Carlos Avila	Spanish	June 20, 1928	2091
Star of Italy	116070	Shp.	1,784	Portland, Ore.	Darling-Singer Shipping & Lightering Co.	Max de Lemos y de Castro	Colombian	July 9, 1928	2092
Cecilia	219010	Ga. s.	19	New York, N. Y.	Louis H. Ingraham	William G. Ross	Canadian	July 5, 1928	2093
Corone	219661	St. s.	2,916	Boston, Mass.	General Color & Chemical Co.	Tidewater Fuel & Navigation Co. (Ltd.)	British	July 9, 1928	2094
Marion McLeon	202153	Ga. s.	30	Gloucester, Mass.	Langford & Pine and Mrs. Charles A. Steels	W. S. Harris	do	do	2095
Ozania	214562	St. s.	2,118	New York, N. Y.	New York & Porto Rico Steamship Co.	(No sale)	Swedish	July 10, 1928	2096
Athlete	202752	Sch.	132	Boston, Mass.	John F. O'Hara	Stephen L. Bury	Newfoundland	July 18, 1928	2097
Gladys	214788	Ga. s.	47	New York, N. Y.	Hatch Vessels Corporation	New York Harbor Dry Dock Co. (Inc.), (charterer)	(No change of registry)	July 26, 1928	2098
Nyamba	7608	Ga. s.	53	do	do	do	do	do	2098
Plo	(1)	Ga. s.	7	do	do	do	do	do	2098
Scout II	(1)	Ga. s.	10	do	do	do	do	do	2098
Celbie	227880	St. s.	3932	San Francisco, Calif.	The Robert Dollar Co.	Ooska Kaiji Kabushiki Kaisha	Japanese	Aug. 7, 1928	2099
Anna S.	223018	Ga. s.	9	Duluth, Minn.	Oliver J. Selvog and Harvey R. Selvog	Joseph Erickson	Canadian	Aug. 28, 1928	2100
Mayflower	221292	Ol. s.	165	New York, N. Y.	Charles P. Vanterpool	(No sale)	Dutch	Aug. 30, 1928	2101
Zalia	220745	Ga. s.	13	Seattle, Wash.	William E. Harned	Nootka Packing Co. (Ltd.)	Canadian	Sept. 11, 1928	2102
Bufile	507078	Ga. s.	14	Miami, Fla.	Arthur G. Sherman	Caldwell, Cuervo & Co.	Cuban	Sept. 15, 1928	2103
Commercial Trader	215710	St. s.	4,840	Wilmington, Del.	Honolulu Steamship Co. (Ltd.)	(Not stated)	Greek	Sept. 19, 1928	2104
Viking	220752	St. s.	1,210	San Francisco, Calif.	Meyer-Muzzall Co.	Inter-Island Steamship Co.	Philippine	do	2105
Do	220752	St. s.	1,210	do	do	do	do	do	2105A
Sterling	163497	Barge	230	Eagle, Alaska	American Yukon Navigation Co.	British Yukon Navigation Co. (Ltd.)	British	Sept. 19, 1928	2106
Arlington	223304	Dst.	27	New York, N. Y.	Grynes Engineering Co.	Richmond Petroleum Co.	Venezuelan	Oct. 10, 1928	2107
Leonora	218804	St. s.	6,032	Seattle, Wash.	U. S. Shipping Board	C. P. Cox Corporation	Japanese	do	2108
Alloway	216557	St. s.	6,113	San Francisco, Calif.	do	do	do	do	2108
Icolum	218804	St. s.	6,032	Seattle, Wash.	do	do	do	do	2108A
Alloway	216557	St. s.	6,113	San Francisco, Calif.	do	do	Foreign	Oct. 25, 1928	2108A
Atlantis	(9)	Ga. s.	229	do	Hugh Tevis	Martin Carstairs	British	Oct. 17, 1928	2109
Charletta	127071	Ga. s.	17	Cape Vincent, N. Y.	P. W. Devendorf	Eric U. Binks	Canadian	Oct. 17, 1928	2110
Ocmulgee	203953	St. s.	2,667	New York, N. Y.	Malory Steamship Co.	Schwartz & Oppler, A. G.	German	Oct. 24, 1928	2111
Vaucl	222013	St. s.	4,218	do	Vacuum Oil Co.	Deutsche Vacuum Oil Aktiengesellschaft	do	do	2112
Golden Gate	218131	Ga. s.	41	Los Angeles, Calif.	Rudolph Cur	Fusakichi Fujii	Japanese	Nov. 8, 1928	2113

THIRTEENTH ANNUAL REPORT UNITED STATES SHIPPING BOARD 79

Arcthuusa	204604	Ol. s.	157	Gloucester, Mass.	John Chisholm Vessels Co. and United Sail Loft (Inc.)	Arthur G. Ashbourne.	Newfoundland	2114
Chantier	218076	St. s.	2,323	New York, N. Y.	U. S. Shipping Board.	Ole Froliland	Norwegian	2115
Gilda Scuderi	227829	St. s.	2,176	Boston, Mass.	Scuderi Motor Co. (Inc.)	Sakama Kolchri	Japanese	2116
Favorite	203914	Ca. s.	11	Seattle, Wash.	Gilkey Bros. Towing Co.	Gilkey Bros. (Ltd.)	Canadian	2117
Merida	208431	St. s.	628	Wilmington, Del.	Atlantic & Caribbean Steam Navigation Co.	Pieter Johan Lampe Cross	Venezuelian	2118
Dusty Miller	221150	Ca. s.	82	New York, N. Y.	Walter L. Anderson	(No sale)	Panama	2119
Do	221180	Ca. s.	82	do	do	(Cancellation)	Cuban	2119A
Barracuda	210853	Ca. s.	25	Miami, Fla.	Lawrence Crabtree	Santiago Charat and Antonio de la Guardia	do	2120
Susquehanna	219189	St. s.	9,959	Wilmington, Del.	Drew Childrester	Shimantai Kisen Kabushiki Kaisha	Japanese	2121
Mexol	216937	St. s.	1,370	Los Angeles, Calif.	Huasteca Petroleum Co.	Compania Petrolera Ulises, S. A.	Mexican	2122
Tampa	126391	St. s.	2,536	New York, N. Y.	Eastern Steamship Lines (Inc.)	Vincent J. Ajallo and/or associates	Italian	2123
Alaskan	107736	St. s.	8,538	do	American-Hawaiian Steamship Co.	Compania General Armamento Socheta Anonima	do	1954A
Sun	208923	St. s.	4,602	Philadelphia, Pa.	Sun Oil Co.	Giovanni Q. McNamara	do	1967A
Silver Heels II	215470	Ca. s.	32	Miami, Fla.	Jay Rescher	Harold D. McNamara	Canadian	2124
Beaver	162437	Barge	416	Eagle, Alaska	American Yukon Navigation Co. (Ltd.)	British Yukon Navigation Co. (Ltd.)	British	2125
Gambie	86576	Sch.	726	Tampa, Fla.	Whitman Hyde	(No change of reg. (sary))	(No change of reg. (sary))	2126
Mariners Harbor	216395	St. s.	2,431	New York, N. Y.	United Navigation Co. (Inc.)	(Not stated)	Foreign	2127
Callabass	217394	St. s.	2,200	do	Hannum Lumber Co.	Nissin Kaun Shokal	Japanese	2128
Lake Charles	216091	St. s.	2,013	Newport News, Va.	Noland Steamship Co. (Inc.)	Th. Brovig	Norwegian	2129
Caddo	212845	St. s.	6,223	Wilmington, Del.	Standard Shipping Co. (Inc.)	Imperial Oil (Ltd.)	British	2130
Dorothy	86359	Sch.	2,237	Essexport, N. B.	Charles R. Trivon	(Not stated)	Canadian	2131
Dacula	168368	Barge	2,234	Seattle, Wash.	Washington Tug & Barge Co.	A. R. Bisset	do	2132
W. T. & B. Co. No. 70	188612	Barge	2,242	do	do	do	do	2132
W. T. & B. Co. No. 71	188644	Barge	2,244	do	do	do	do	2132
Providence	182747	Barge	2,169	Houston, Tex.	Petroleum Navigation Co.	Trinidad Leaseholds (Ltd.)	British	2133
Eastern Belle	216547	St. s.	2,923	San Francisco, Calif.	U. S. Shipping Board	Johann G. Obsol	Foreign	2134
Lake Elmford	216461	St. s.	2,674	New York, N. Y.	do	do	do	2134
Lake Elmwood	216452	St. s.	2,674	Baltimore, Md.	do	do	do	2134
Lake Elva	210572	St. s.	2,674	Savannah, Ga.	do	do	do	2134
Lake Elva	210644	St. s.	2,674	New York, N. Y.	do	do	do	2134
Lake Elpuello	222568	St. s.	4,864	San Francisco, Calif.	Alaskan Siberian Navigation Co.	Hasegawa Gentaro Kitabagawa	Japanese	2135
Do	222598	St. s.	4,864	do	States Steamship Co.	do	Foreign	2135A
Michigan (wreck)	220200	St. s.	5,376	Portland, Ore.	North Shore Transit Co.	(Not stated)	do	2136
W. J. Osby	218156	St. s.	2,466	Pert Huron, Mich.	George O'Brien	Canada Forwarding Co.	Canadian	2137
Pesquillo	223572	Ca. s.	30	Los Angeles, Calif.	Northern Fisheries (Inc.)	F. W. Murman	German	2138
City of Sydney	125470	Bkn	2,963	San Francisco, Calif.	A. Willard Ivers	Amaka Suromei Kaisha	Japanese	2139
John Manning	225157	Ol. s.	4,437	New York, N. Y.	do	Wallace Ogilvie	Canadian	2140

† Undocumented vessels. † Provisional registry.

Approvals by the United States Shipping Board under sect on 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1928, to June 30, 1929—Continued

Name of vessel	Official No.	Tonnage	Last American home port	Name of owner or applicant	Name of purchaser	Foreign registry	Date of order	Order No.
Alabama	286439	120	Mobile, Ala.	Felix Verzone	J. T. Ritch	British	Apr. 2, 1929	2141
Karline	228014	35	San Diego, Calif.	W. V. Ambrose	T. Abe	Japanese	Apr. 10, 1929	2142
Brandon	3915	1,052	New York, N. Y.	Eastern Steamship Lines (Inc.)	Quebec & St. Lawrence Navigation Co. (Ltd.)	Canadian	Apr. 10, 1929	2143
Manistique	91436	473	Duluth, Minn.	Reid Towing & Wrecking Co.	Reid Towing & Wrecking Co. (Ltd.)	do	Apr. 15, 1929	2144
York	210582	1,998	Baltimore, Md.	Merchants & Miners Transportation Co.	Rainhart Mithassel	Norwegian	Apr. 24, 1929	2145
Ruth Martin	219494	875	New York, N. Y.	Charles de Martino	Robert Bewley	British	do	2146
Edward Trevooy	13739	43	Joston, Mass.	Frank D. McCarthy	George A. Smith	do	do	2147
Lake of Isles	236781	15	Duluth, Minn.	Lake of Isles Outing Co.	William Mowat	Canadian	Apr. 29, 1929	2148
Zodiac	233735	142	New York, N. Y.	R. W. and J. S. Johnson	Arthur J. Nesbitt	British	May 8, 1929	2149
Gerald D.	249014	9	Erie, Pa.	Arthur Streuber	Siddall Bros.	do	do	2150
Mantia	214354	2,081	New York, N. Y.	Charles H. Lawrence, John McCambridge, Philip Curry, and John McLaughlin	C. Nass	Latvian	May 15, 1929	2151
Do.	214554	2,081	do	do	Louis Hannevig	Norwegian	June 5, 1929	2151A
Western Knight (wreck)	217840	5,779	do	American South African Line (Inc.)	(Not stated)	Foreign	May 15, 1929	2152
Bar Harbor	217973	2,420	do	U. S. Shipping Board	Emil Stray	do	May 18, 1929	2153
Chaparel	214070	2,323	do	do	E. A. Hansen	Norwegian	do	2154
Siar of Iceland	81699	2,161	San Francisco, Calif.	Alaska Packers Association	Anaksu Gomei Kaisha	Japanese	May 22, 1929	2155
India	100008	1,229	Port Huron, Mich.	Charles F. Mann	Algonia Steamship Co. (Ltd.)	Canadian	May 25, 1929	2156
Border Queen	211634	953	Seattle, Wash.	Border Line Transportation Co.	Dotwell & Co. (Ltd.)	do	May 28, 1929	2157
Ansonia	217787	2,624	Wilmington, Del.	Ansonia Steamship Corporation	J. Adler, Jr.	German	May 29, 1929	2158
York Harbor	218160	2,427	New York, N. Y.	U. S. Shipping Board	M. Chr. Stray	Foreign	June 7, 1929	2159
Medric	223807	23	Boston, Mass.	Robert K. Taylor	Neil McD. Squires	Newfoundland	June 12, 1929	2160
Patricia	213975	30	San Juan, P. R.	Agustin Liedo	Jose Moli (mortgagee)	(No change of registry)	June 19, 1929	2161
Cornalgrove	217819	2,324	New York, N. Y.	U. S. Shipping Board	M. Chr. Stray	Foreign	June 21, 1929	2162
Barbara	219740	2,150	do	A. H. Full Steamship Co.	C. A. S. Nass	Norwegian	June 25, 1929	2163
Reclimante	217065	404	do	Archer M. Huntington	Facit Scientific and Industrial Exploration Station of Vladivostok	Foreign	June 27, 1929	2164

RECAPITULATION, SHOWING NATIONALITIES AND TONNAGE

Registry	Number of vessels	Gross tonnage	Registry	Number of vessels	Gross tonnage
British.....	12	12,483	Latvian.....	1	2,150
Canadian.....	17	14,376	Mexican.....	1	1,370
Colombian.....	1	1,376	Newfoundland.....	3	312
Cuban.....	2	1,784	Norwegian.....	6	10,738
Dutch.....	1	39	Philippine.....	1	1,210
Dutch.....	1	165	Spanish.....	1	28
Foreign (registry not stated).....	15	51,729	Swedish.....	1	2,118
German.....	4	9,539	Venezuelan.....	2	655
Greek.....	1	4,840			
Italian.....	1	2,654			
Japanese.....	8	23,407	<b>Total.....</b>	<b>77</b>	<b>139,499</b>

**Ship Mortgage Act—Surrender of Documents.**

Section 30, merchant marine act, 1920, is cited as the "Ship mortgage act, 1920."

Applications filed under subsection O, section 30, merchant marine act, 1920, are referred to a standing committee of the board, composed of three members. The office of the secretary conducts all preliminary investigations, conducts all correspondence in regard to these applications, and prepares recommendations to the board on behalf of the standing committee.

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

Paragraph (d) of subsection O provides that no rights under a mortgage of a vessel of the United States shall be assigned to any person not a citizen of the United States without the approval of the board, and any assignment in violation thereof shall be void.

In the administration of the foregoing provisions, the board requires a written application to be filed by the owner of the vessel over his own signature or through a duly authorized officer, which application must contain, substantially, the following:

- (1) The name of the vessel or vessels involved.
- (2) The reasons for requesting surrender of the document.
- (3) The names of all preferred mortgagees, showing the date and the amount of the mortgage held by each.
- (4) The name and address of the proposed purchaser or transferee.

There must be obtained from each preferred mortgagee and filed with the board written consent to the surrender of the documents as requested, showing the amount of the mortgage or interest in such vessel, the citizenship of the mortgagee, and, if the same be a corporation, the citizenship of its president and managing directors. If the consent is executed by an officer, his authority to so consent must be clearly shown.

The purchaser or transferee of the vessel or of any interest therein must file an affidavit of citizenship. If the same be a partnership or association, the affidavit must show the per centum of such partnership or association owned by citizens of the United States. If it be a corporation, the affidavit must show the nationality of persons owning the controlling interest therein and the citizenship of its president and managing directors, and whether said corporation is a citizen of the United States within the requirements of section

2 of the shipping act, 1916, as amended by section 38 of the merchant marine act, 1920.

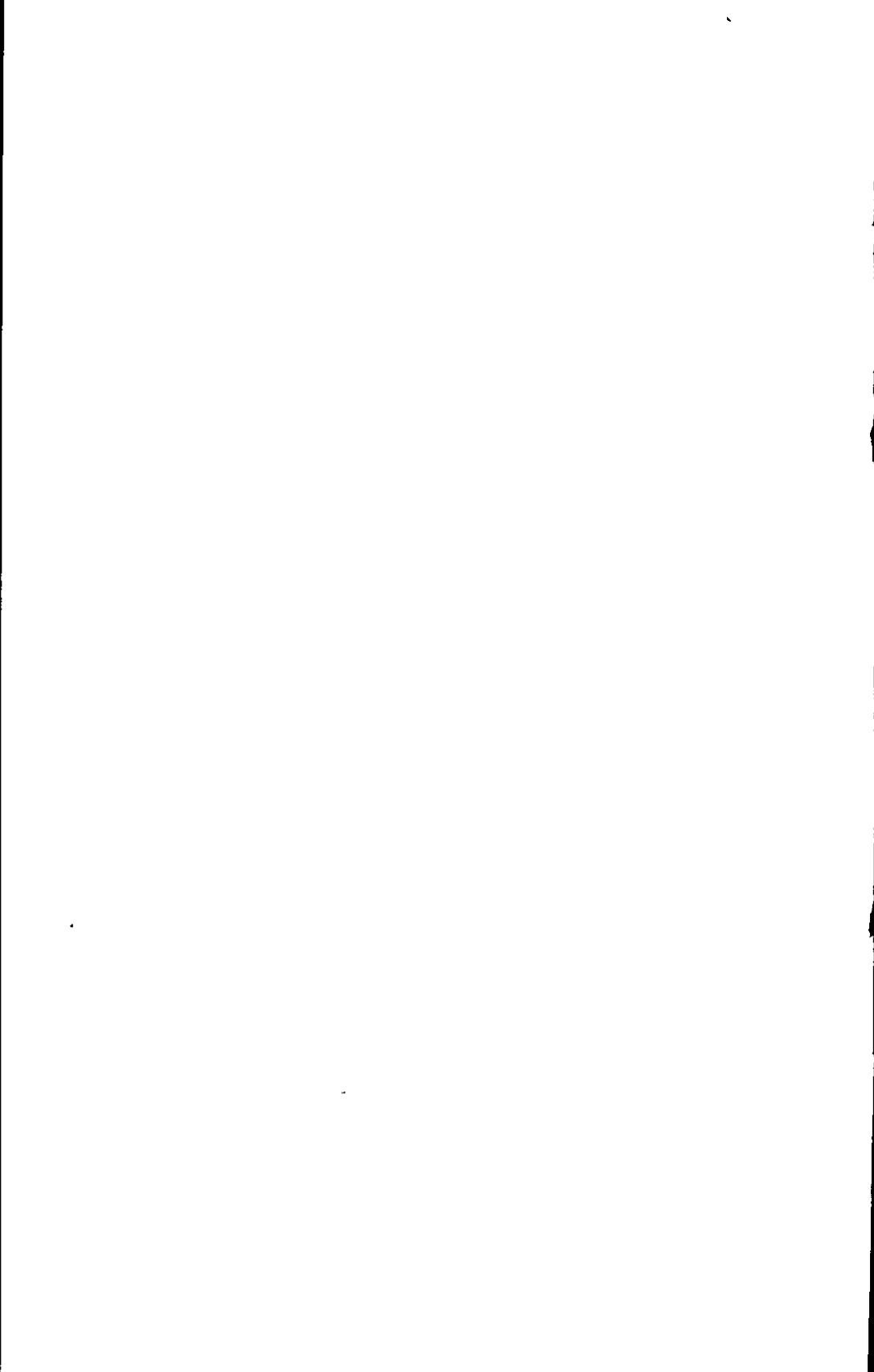
The proposed purchaser or transferee must, at the same time, agree to redocument the vessel under the laws of the United States concurrently with the surrender of the outstanding marine document.

The collector of customs at the home port of the vessel will issue a certificate of mortgages of record, which must also be filed with the application.

In numerous cases, the board has required the submission of copies of trust agreements, copies of mortgages, as well as outlines of proposed financial arrangements, and has required the parties concerned to execute collateral agreements for the protection of the interests of the preferred mortgagee and American citizens who have invested in vessel property.

Numerous cases arise where a vessel is lost at sea and is covered by a preferred mortgage. Upon receipt of such information, steps are taken to have the parties involved satisfy the mortgage and clear the record of the vessel in the office of the collector of customs at its home port. The vessel thereby becoming unencumbered, the approval of the Shipping Board to surrender the marine document is unnecessary, and the collector of customs may accept for cancellation the document of a vessel which has been lost or destroyed.

During the past year, the board has considered and approved 26 applications for the surrender of the marine documents of vessels of the United States.



---

---

**PART II**

---

**UNITED STATES SHIPPING BOARD  
MERCHANT FLEET CORPORATION**

---

---

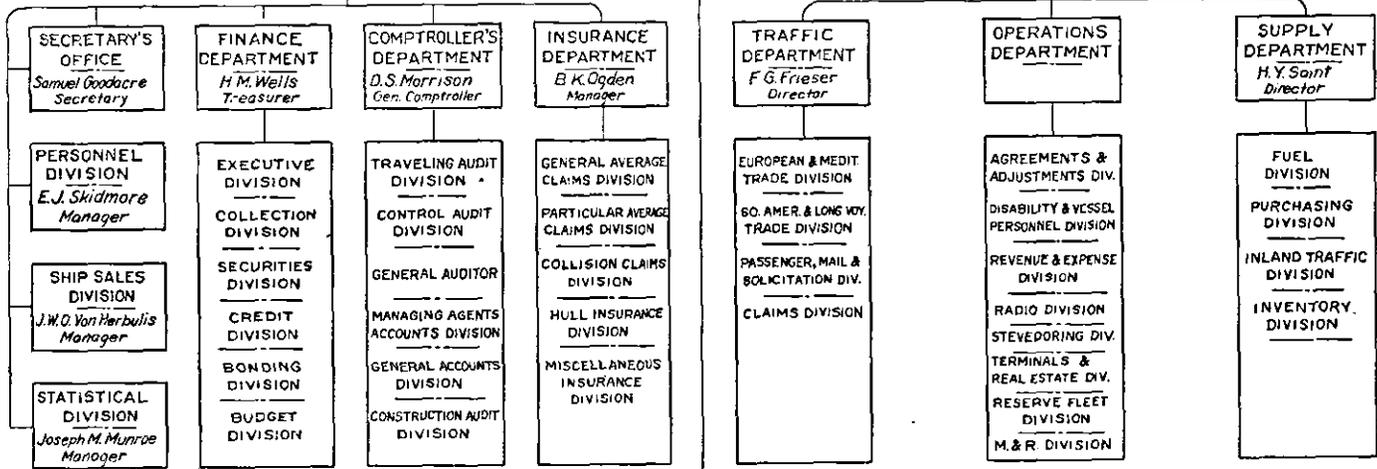
# ORGANIZATION CHART UNITED STATES SHIPPING BOARD MERCHANT FLEET CORPORATION. AS OF JUNE 30, 1929.

**BOARD OF TRUSTEES**  
 PRESIDENT & CHAIRMAN.....T.V.O'CONNOR  
 VICE PRES. & VICE CHAIRMAN.....E.C.PLUMMER  
 COMMISSIONER.....JEFFERSON MYERS  
 COMMISSIONER.....R.K.SMITH  
 COMMISSIONER.....A.H.DENTON  
 COMMISSIONER.....H.I.CONE  
 COMMISSIONER.....S.S.SANDBERG  
 SAMUEL GOODACRE-SECRETARY

**PRESIDENT**  
T.V.O'CONNOR

VICE PRES. FOR ADMINISTRATION  
J.C.JENKINS

VICE PRES. FOR OPERATIONS  
E.A.KELLY



**DISTRICT DIRECTOR One Each For:**

NEW ENGLAND    NEW YORK    PHILADELPHIA    BALTIMORE    SO. ATLANTIC    GULF    PACIFIC COAST    EUROPE    ORIENT    SOUTH AMERICA

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

AMERICAN MERCHANT LINES	AMERICA FRANCE LINE	AMERICAN BRAZIL LINE	DIXIE U.K. LINE	MISSISSIPPI VALLEY EUROPEAN LINE	AMERICAN PIONEER LINE
CROLE LINES	YANKEE LINE	AMERICAN GULF ORIENT LINE	DIXIE MEDITERRANEAN LINE	GULF-WEST MEDITERRANEAN LINE	TEXAS STAR LINE
AMERICAN DIAMOND LINES	AMERICAN HAWAII LINE	MIDDLE OCEANIC LINE	SOUTHERN STATES LINE	TEXAS MEDITERRANEAN LINE	TEXAS OAK LINE

# MERCHANT FLEET CORPORATION

---

## ORGANIZATION

The commissioners of the United States Shipping Board continued to act as the board of trustees of the Merchant Fleet Corporation throughout the fiscal year 1929, in accordance with the organization plan adopted in October, 1927, and described in last year's annual report.

The vice president and general manager, who under this plan was in direct charge of the activities of the Merchant Fleet Corporation, resigned effective January 31, 1929, and at that time the duties and authorities formerly exercised by that officer were assumed by the president of the Merchant Fleet Corporation. The general organization, however, continued to function through the vice president for administration and the vice president for operations, these officers reporting to the president instead of to the vice president and general manager, as before. Aside from this change in supervision the only organization changes effected during the year were of minor importance. An organization chart of the Merchant Fleet Corporation, as of June 30, 1929, will be found on the opposite page.

The sale of several cargo services permitted the discontinuance of the Savannah and Puget Sound district offices and the material reduction of the Pacific coast office. The sale of lines operating from the west coast also resulted in the discontinuance of foreign district offices in Hong Kong, Shanghai, and Kobe.

As mentioned elsewhere in this report, the sale of the United States Lines resulted in the practical discontinuance of the special organization which for a number of years operated the vessels of this line. At the end of the fiscal year 1929 all of the vessels of this line had been delivered to the purchaser and that part of the organization which remained was engaged in closing the accounts and in the final settlement of the affairs of the United States Lines.

The accompanying organization chart shows 18 lines of cargo vessels which were being operated by managing operators under the direct supervision of the Merchant Fleet Corporation on June 30, 1929. This is four less lines than were reported last year, two lines having been sold and two lines consolidated with a third line into the American Pioneer Line, as described later in this report. A

third line was sold but not delivered before the close of the fiscal year.

At the close of the fiscal year 1929 the officers of the Merchant Fleet Corporation were as follows:

President.....	T. V. O'Connor.
Vice president.....	E. C. Plummer.
Vice president for administration.....	J. C. Jenkins.
Vice president for operations.....	E. A. Kelly.
Treasurer.....	Heber M. Wells.
General comptroller.....	D. S. Morrison.
Secretary.....	Samuel Goodacre

Except that there is no vice president and general manager, the above officers are the same as those who were in charge of the activities of the Merchant Fleet Corporation at the close of the preceding fiscal year.

#### SPECIAL FEATURES OF THE YEAR'S ACTIVITIES

##### Sale of United States Lines and American Merchant Lines.

From a sales standpoint, the outstanding event of the fiscal year 1929 was the sale of the United States Lines and the American Merchant Lines, the only passenger services which were still being operated by the United States Shipping Board at the beginning of the year.

Early in the fiscal year 1929, the Shipping Board directed that advertisements be prepared inviting the submission of bids for these two lines, under several different plans for joint or individual operation. Arrangements were made to open these bids November 15, 1928; but subsequently, in order to allow prospective bidders more time for careful consideration, the opening date was postponed to January 15, 1929.

Six separate offers were submitted in response to the invitation for bids. After consideration of the merits of each bid, discussions with bidders, investigation of financial standing and operating experience of bidders, and other pertinent matters, and after hearings had been conducted by the Senate Committee on Commerce resulting in a majority vote by that committee that it should interpose no objection to the sale, the Shipping Board on February 14, 1929, accepted the bid of P. W. Chapman & Co., of New York, the highest bidder.

The sales agreement with the United States Lines (Inc.), the company organized by P. W. Chapman & Co. (Inc.), to operate the United States Lines and the American Merchant Lines, was executed March 21, 1929. The first ship to be delivered was the steamship *Leviathan* on April 8, 1929, and deliveries of the other 10 vessels were accomplished as they became available without inter-

fering with published sailing schedules, the final delivery being made June 12, 1929.

By the terms of this sale the purchaser agreed to pay \$16,082,000 for the two lines, comprising 11 vessels, and \$218,000 for leaseholds of the United States Lines in the United States and abroad. Cash payment of the latter sum was provided, while the basis of payment for the vessels was 25 per cent cash for each vessel upon its delivery, with the balances payable in 15 equal annual installments. The purchaser also agreed to operate the vessels for 10 years, the six comprising the United States Lines to be operated from New York, with the privilege of calling at other United States North Atlantic ports, to the United Kingdom, Ireland, France, and Germany, with a minimum of 61 voyages per annum, and the five vessels comprising the American Merchant Lines to be operated from New York to London with not less than 45 voyages per annum. A further consideration of the sale was the agreement of the purchaser to construct two new passenger vessels within two years from February 13, 1930, under plans and specifications to be approved by the Shipping Board, and to place these vessels in the service of the United States Lines, so as to make a minimum of 13 voyages each per year. The performance of the sales contract is guaranteed by a bond in the sum of \$2,500,000, reducible yearly after the second year, if the contract requirements are met.

The sale of the United States Lines will result in the eventual dissolution of the special organization which for several years has operated this line under the supervision of the Merchant Fleet Corporation. At the end of the fiscal year 1928, this organization numbered 630 employees located in the United States and elsewhere, with an annual pay roll of about \$1,063,000. As soon as the final delivery of this line was completed, early in June 1929, great reductions were made, so at the end of the fiscal year there were but 259 employees, with annual salaries totaling \$400,000, and the majority of these employees will be separated from the service within the first few weeks of the fiscal year 1930.

#### Other Ship Sales.

Other ship sales during the fiscal year 1929, included 168 cargo and 3 refrigerator ships, 9 tankers, and a miscellaneous group of 75 made up of launches, lighters, surf boats, and 1 damaged tug. In all, 266 vessels were sold and the sales prices totaled approximately \$29,000,000, but there were additional considerations to many of the sales, in the way of guaranteed service agreements and betterment contracts which are valuable from the standpoint of the establishment of a permanent American merchant marine.

Of the 168 cargo vessels sold during the year, 18 were sold for unrestricted operation, 10 of the smaller type with transfer of flag privilege, 43 for trade-route operation, 15 with buyer obligated to recondition and improve them, and 82 for dismantling and scrapping.

Three cargo trade routes were sold: The American West African Line with 10 ships, the American Palmetto Line with 10 ships and the Gulf Brazil River Plate Line with 12 ships. The first two of these trade routes were completely delivered during the year, but only one of the vessels of the Gulf Brazil River Plate Line was delivered before June 30, 1929. Eleven cargo ships were sold to augment lines sold in previous years, as follows: Three for the American Export Lines sold in 1925; 2 for the Pacific Argentine Brazil Line sold in 1926; 4 for the American Scantic Line sold in 1927; and 2 for the Oregon Oriental Line sold in 1928.

The 82 cargo ships sold for dismantling and scrapping, with the exception of 5, were required to be scrapped in the United States. This group consisted of vessels for which there was little demand as ships, due to their design and equipment.

One refrigerator vessel was sold for unrestricted operation and two for establishment of a refrigerator service between the United States South Atlantic ports and the United Kingdom and continental Europe.

A large reduction in the operating fleet and a good market justified disposing of the tankers which had been reserved for operation in conjunction with other vessels owned by the Shipping Board. The nine tankers sold during the year reduced this type to one steel and one concrete vessel at the end of the fiscal year.

Near the end of the fiscal year the Shipping Board authorized the sale of the Gulf West Mediterranean Line, including eight ships, to the Tampa Inter-Ocean Steamship Co., but the sales agreement was not executed until after the close of the fiscal year, so these vessels are not included in the above-mentioned sales totals. Bids for the purchase of the American Diamond Line and America France Line were received early in June, 1929, but were not acted upon before the end of the fiscal year.

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

#### Extent of Vessel Operations.

As a result of the sale of cargo and combined passenger and cargo services during the fiscal year 1929 the number of cargo and passenger vessels in active operation decreased materially in comparison with the preceding year. Excluding cargo vessels in the coal service,

there were 194 cargo ships and no passenger ships active at June 30, 1929, whereas on the corresponding date of the preceding year there were 219 cargo ships and 11 combined passenger and cargo ships in operation, a total of 230 active vessels. Cargo services which were still in operation at the end of the fiscal year 1929, however, had a greater number of active vessels than the same lines had at the end of the preceding year, the totals on these two dates being 194 and 191, respectively. The number of inactive vessels assigned to these lines was also greater at the end of 1929, there being 24, instead of 15, at the end of the preceding year.

Cargo services which were in operation throughout the fiscal year 1929 completed 916 voyages, thereby exceeding the total of 887 for these services in the fiscal year 1928. Sales of lines, however, had their effect on the total number of voyages for cargo and passenger services, which dropped from 1,208 in 1928 to 1,069 in the following year.

During the fiscal year the Shipping Board authorized the unification of the American India Line, the Atlantic Australian Line, and the American Pioneer Line, Atlantic division. For some time these lines had been operated separately under the management of a single operator, but overlapping schedules and routes made it desirable that they be combined and operated as one line, the American Pioneer Line, under the same management. At the same time, the name of the line operating from Gulf ports to the Far East was changed from the American Pioneer Line, Gulf division, to the American Gulf Orient Line. Otherwise, except for lines sold during the year, the services continued to be operated by the same managing operators and under the same trade names as described in preceding annual reports. A list of the lines' and operators' names is included in the appendix, Table IV.

#### **Total Results of Operations.**

The total operating loss for the Merchant Fleet Corporation for the fiscal year 1929 was approximately \$13,665,000, excluding the cost of reconditioning and operating vessels in the coal trade. This amount is about \$2,614,000 below the loss reported in 1928, and also compares favorably with the results in preceding years, it being the lowest point in a gradual scale of reduction from the total loss of \$41,000,000 reported in the fiscal year 1924. Some of the great reduction in losses in recent years is due to savings resulting from the sale of cargo and passenger lines, but a large part is the direct result of improvements made in recent years in the operating results of continuing lines.

A statement of profit and loss for the fiscal year 1929, showing operating results for the various types of vessels and for other

activities of the Merchant Fleet Corporation, is given in Table X of the appendix to this report.

#### Cost of Maintaining Cargo Services.

For cargo voyages and expenses of inactive cargo vessels assigned to managing operators, the total loss was \$10,507,000 in the fiscal year 1929. This total is \$4,263,000 below the 1928 figure. Inactive vessel expenses were nearly \$600,000 less in the fiscal year 1929 than in the preceding year, but it was in voyage losses that the greatest saving was made.

Part of the reduction in voyage losses results from the sale of lines, but an improvement of approximately \$2,269,000 may be attributed to improved operating results for voyages of continuing lines. If the results for lines which have been sold and delivered are omitted from the totals for the fiscal years 1928 and 1929, it will be noted that the continuing lines terminated 29 more voyages, carried 583,000 more tons of cargo and earned \$2,827,000 more revenue in 1929 than in the preceding year. In spite of the increased number of voyages, there was an increase of only \$560,000 in total expenses of voyages of these lines, due, to a great extent, to the low fuel prices which prevailed during a large part of the fiscal year 1929.

From the above it is evident that in 1929 a more extensive service was rendered by the cargo lines in full-time operation than was the case in 1928, and this was accomplished at a very much reduced cost to the Government.

#### Operating Losses for Passenger Services.

Due to the sale of the New York-London service of the American Merchant Lines, six less voyages were terminated by this line in the fiscal year 1929 than in the preceding year, but in spite of this fact, voyage profits were \$200,000 greater than the 1928 total. This improvement was offset to some extent by increased inactive vessel expenses in 1929, incident to the delivery of this line to its purchaser. The net improvement in operating results for this service between 1928 and 1929 was approximately \$95,000.

The sale of the United States Lines also resulted in a smaller number of voyages being reported in 1929 than in the preceding year. Instead of resulting in a saving to the Merchant Fleet Corporation, however, this caused an increased loss, since the nine voyages which would have terminated if the line had not been sold would have been in the profitable season, and the results would probably have offset some of the losses reported earlier in the year. This condition is particularly apparent in the case of the steamship *Leviathan*, which had four less voyages than in the preceding year, when these voyages resulted in a profit of \$419,000.

The net result of the operation of the United States Lines in the fiscal year 1929 was a loss of \$1,218,000, whereas in 1928 the net loss was about \$465,000. Cancellation of voyages which would probably have been profitable, as explained in the preceding paragraph, and increased repair costs incident to the delivery of the vessels of this line to its purchaser, are responsible for a large part of the increased loss in 1929.

In the winter of 1928-29 operators of American flag tonnage to Cuba were confronted with the problem of meeting unusual competition offered by a British flag passenger vessel, which was withdrawn from its usual service in the North Atlantic to operate during the profitable season in the New York-Habana passenger trade. To assist the American flag operators to meet this competition, the Shipping Board directed that the steamship *President Roosevelt* be temporarily withdrawn from the United States Lines and assigned to the New York and Cuba Mail Steamship Co., for operation for the account of the Shipping Board in direct competition to the British flag vessel which had been placed in the New York-Habana service. The *President Roosevelt* operated in this service for about three months, during which 11 voyages were completed.

Just before the *President Roosevelt* was returned to the United States Lines, the Shipping Board was gratified to learn from the New York and Cuba Mail Steamship Co., that the service of this vessel in the New York-Habana trade had reacted favorably on the Cuban people and on the traveling public, with resulting benefit to the interests of the American merchant marine.

#### Coal Trade.

The appropriation act for the fiscal year 1929 provided \$1,000,000, or so much thereof as might be necessary, for reconditioning and operating ships for carrying coal to foreign ports. In accordance with this authorization, 10 cargo vessels were reconditioned during the fiscal year 1929, at a cost of approximately \$500,000 and were assigned to managing operators for operation in the coal trade. During the fiscal year, 15 voyages to Mediterranean ports and one voyage to South America were completed, at a net cost of approximately \$270,000.

The 1930 appropriation act makes additional funds available for this purpose, so the operation of vessels in the coal trade will be continued in the ensuing fiscal year.

#### Other Operating Results.

Profits from tanker operations decreased from \$165,000 in the fiscal year 1928, to \$54,000 in 1929. This reduction was due to the decrease in tanker activities, which late in the fiscal year led to the sale of the remaining vessels and the discontinuance of this service.

Miscellaneous income amounted to approximately \$885,000 net, in the fiscal year 1929, approximately the same amount reported in the preceding fiscal year. In 1929 the Merchant Fleet Corporation was permitted to use the interest earned on bank balances, which in the preceding year was not available for use. On the other hand, fuel sales and deliveries from fuel stations maintained by the Merchant Fleet Corporation, which in 1928 resulted in a profit of about \$125,000, in the following year resulted in almost as great a loss, due to the fact that market and issue prices for fuel oil in 1929 fell below the prices paid at the time this oil was placed in storage.

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

During the fiscal year 1929 persistent effort was made to reduce as far as practicable the pay roll and other administrative expenses of the Merchant Fleet Corporation, and in this way to keep pace with the reduction of operating activities caused by the sale of various lines.

At the beginning of the fiscal year the Merchant Fleet Corporation set as its goal for the year a reduction of 20 per cent in its pay roll, and throughout the year it endeavored to accomplish this reduction by every possible means, including closing of offices on the west coast and in the south Atlantic district, by consolidation of duties of personnel, failure to make replacements for personnel resigned or separated, etc. Comparison of the total pay rolls of the Merchant Fleet Corporation at the end of the fiscal years 1928 and 1929, excluding the United States Lines and the P. & I. Agency, shows that a reduction of 599 employees with an annual pay roll of \$908,878 was accomplished during 1929, the latter figure being 19.2 per cent of the June 30, 1928, pay roll. While this percentage does not quite meet the 20 per cent reduction which was the goal, the June 30, 1929, pay roll includes salaries of a number of employees who had been separated from service but were on accrued leave, and if their salaries were omitted from the June 30, 1929, pay roll the total reduction would be 22 per cent.

Efforts to reduce other administrative expenses, including rent, telephone, telegraph, and cable charges, traveling expenses, transportation, etc., resulted in a reduction of approximately \$108,000 in the fiscal year 1929, or about 13 per cent below the total of such expenses for the preceding fiscal year.

#### **New Operating Agreements.**

It has long been recognized that the operating agreements which have been in effect in recent years do not provide a proper incentive for managing operators to keep expenses at a minimum or to increase

revenues. Prior to the fiscal year 1928 a further difficulty had been that the uniform compensation rates allowed to all operators, based on percentages of outward and inward revenue earned, were not entirely equitable due to varying conditions in the several trades, but the adjustments of compensation rates which were effected during the fiscal year 1928 did much to correct this fault.

During the fiscal year 1928 the Merchant Fleet Corporation recommended to the Shipping Board the adoption of two new forms of contract, designed to overcome the objections to the operating agreement, 1924. These contract forms, referred to as the profit-sharing and the lump-sum plans, were approved by the Shipping Board in November, 1928.

The profit-sharing agreement follows the general form of the operating agreement, 1924, except as to managing operators' compensation. It provides for the allowance of a fixed sum per voyage, intended to meet the operators' administrative expenses, and a further allowance to be determined by subtracting a certain percentage of voyage expenses from a prescribed percentage of revenue. The fixed allowance, and percentages of expense and revenue are determined separately for each service, depending upon conditions in that trade. This plan, therefore, provides the operator with a minimum amount to meet his out-of-pocket expenses, and leaves the balance of his compensation dependent upon his efforts to reduce expenses and to increase revenues.

The lump-sum agreement provides a different plan of management and compensation from either the profit-sharing agreement or the operating agreement, 1924. By this plan the operator assumes complete physical and financial control of the operations of the line, and the Merchant Fleet Corporation confines its activities to periodic inspections covering the maintenance of service in accordance with the contract and the physical condition of the ships. For the services of the operator in maintaining the line, a lump-sum amount is paid, the amount to be determined for each line by analysis of recent operating results. This form of agreement places the managing operator upon as nearly a privately owned operating basis as is practicable, and should pave the way for the eventual sale of lines.

Negotiations were commenced with all operators for the substitution of one or the other of these plans for the existing contracts. Definite propositions were received for two lines, but contracts were not consummated pending arrangements for the sale of these lines. A profit-sharing agreement was negotiated and concluded with the operator of the Mobile Oceanic Line, which is now being operated under this form of agreement.

**PRINCIPAL EVENTS OF THE YEAR IN OPERATIONS AND SUPPLY****Centralized Purchasing.**

The system of centralized purchasing, described in previous reports, was continued throughout the fiscal year 1929. The total value of purchases made by Merchant Fleet Corporation offices, exclusive of bunker fuel, approximated \$4,520,000, of which \$2,193,000 was for the account of the United States Lines and \$550,000 was for the account of the United States Lines (Inc.).

Wherever practicable, district offices of the supply department continued to make contracts for the requirements of managing operators at domestic and foreign ports. Domestic purchases made by managing operators on such contracts approximated \$2,440,000, and comparison with current market prices shows a 10 per cent saving under these contracts. Purchases made abroad by managing operators on supply department contracts totaled \$62,000 and purchases by the United States Lines on such contracts amounted to approximately \$215,000. Purchases made by managing operators on contracts negotiated by the Washington office of the supply department under the centralized purchasing plan for lubricating oils, paints, packings, manila rope, dunnage, fire brick, fire clay, yeast, ammonia, etc., approximated \$1,150,000, at a saving of about 40 per cent of current open market prices.

Contract prices during the fiscal year 1929 were much lower than those prevailing during the preceding fiscal year, due to keen competition, occasioned by the large quantities purchased and by the prompt payment of bills. Inspection of subsistence and other consumable stores items by district offices and by various bureaus of the United States Department of Agriculture, as in previous years, resulted in monetary savings, and in improved quality of goods purchased.

**Disposition of Surplus Stores and Reduction of Stocks.**

As in previous years the Merchant Fleet Corporation followed the policy of liquidating and reducing the stocks of materials in various warehouses, by sale of surplus, obsolete, and scrap supplies and equipment. The total amount of such sales was approximately \$290,000 in the fiscal year 1929, including materials valued at about \$12,000 which were transferred to Government departments.

The sale of several trade routes resulted in the closing of storehouses at Savannah, San Francisco, Portland, Seattle, Hong Kong, Manila, and Shanghai, and permitted a reduction of approximately 35 per cent in the stocks maintained at New York.

**Fuel Purchases and Issues.**

The following tabulation shows, by ports, the quantity of bunker fuel oil and coal purchased under contracts and on the market for the

fiscal year ended June 30, 1929, the number of bunker deliveries at each port, and a comparison of contract prices as of June 30, 1928, and June 30, 1929:

FUEL OIL

Port	Quantity	Cost	Number of deliveries	Contract price June 30, 1928	Contract price June 30, 1929
<b>DOMESTIC PORTS</b>					
	<i>Barrels</i>				
Boston.....	57,811	\$66,819.51	33	\$1.15.....	Market.
New York.....	1,371,389	1,448,410.64	244	\$1.15.....	\$0.92.
New York (United States Lines).....	1,153,734	1,219,360.55	128	\$1.15.....	
Philadelphia.....	1,001,738	947,395.22	154	\$1.05.....	\$0.92.
Baltimore.....	188,567	208,172.20	33	Market.....	Market.
Charleston.....	20,396	19,628.17	7	\$1.10.....	\$0.93.
Savannah.....	67,006	65,128.77	16	\$1.05.....	\$0.93.
Jacksonville.....	15,164	14,479.90	10	\$1.10.....	\$0.93.
Key West.....	710	603.53	1	\$1.15.....	Market.
Tampa.....				\$0.95.....	Do.
Port Tampa.....	64,096	53,920.10	10	\$0.90.....	\$0.90.
New Orleans.....	1,962,670	1,645,643.48	256	\$0.85.....	\$0.86.
Galveston.....	1,230,566	988,520.99	151	\$0.85.....	\$0.89.
Port Arthur.....	538,102	408,652.46	65	\$0.80.....	\$0.8433.
Baytown.....	8,351	6,001.86	4	\$0.75.....	
Corpus Christi.....	9,079	7,717.15	1	\$0.85.....	\$0.85.
San Pedro.....	301,557	226,057.57	35	\$0.785.....	\$0.70.
<b>Total.....</b>	<b>7,991,236</b>	<b>7,356,522.10</b>	<b>1,148</b>		
<b>FOREIGN PORTS</b>					
United Kingdom.....	11,749	24,778.34	10	60/ ton.....	55/ ton.
Southampton (United States Lines).....	219,053	435,163.80	11	55/ ton.....	
European continental ports.....	29,127	57,610.75	45	55/ ton.....	50/ ton.
Dakar.....	15,384	30,559.76	6	55/ ton.....	
St. Vincent.....	1,010	1,970.65	1	54/ ton.....	
Port Said.....	79,629	126,231.75	21	\$10.95 ton.....	\$9.95 ton.
Buenos Aires.....	10,515	20,027.95	10	2.135 barrel.....	\$1.81 barrel.
Trinidad.....	100,503	94,387.41	26	1.05 barrel.....	\$0.95 barrel.
Ponta Delgada.....	1,052	2,589.54	1		\$16.50 ton.
Bombay.....					\$7.6 ton.
Calcutta.....					62/6 ton.
Colombo.....					59/8 ton.
Fremantle.....	15,853	38,450.92	5		63/6 ton.
Karachi.....					57/6 ton.
Madras.....					61/6 ton.
Melbourne.....					67/6 ton.
Miscellaneous ports.....	46,819	94,715.39	22	Market.....	Market.
<b>Total.....</b>	<b>530,694</b>	<b>926,516.56</b>	<b>158</b>		

BUNKER COAL

Port	Quantity	Cost	Number of deliveries	Contract price June 30, 1928	Contract price June 30, 1929
<b>DOMESTIC PORTS</b>					
	<i>Tons</i>				
New York.....	18,079	\$93,453.15	42	\$5.69 t. i. b.....	Market.
New York (United States Lines).....	56,937	344,062.02	22	\$6.04 t. i. b.....	
Philadelphia.....	7,722	38,984.55	9	Market.....	Do.
Baltimore.....	1,381	6,445.38	4	do.....	Do.
Norfolk.....	79,426	365,504.69	116	do.....	Do.
Miscellaneous ports.....	931	5,214.94	3	do.....	Do.
<b>Total.....</b>	<b>164,476</b>	<b>858,664.73</b>	<b>196</b>		
<b>FOREIGN PORTS</b>					
Bremerhaven (United States Lines).....	60,118	339,405.65	19	20/11 t. i. b.....	
Ardrossan.....	4,554	16,814.11	4	15/3 f. o. b.....	15/3 f. o. b.
Glasgow.....	34,052	127,290.43	33	15/ f. o. b.....	15/ f. o. b.
Liverpool.....	4,422	19,280.98	4	18/ f. o. b.....	18/ f. o. b.
Manchester.....	34,825	147,216.89	37	17/3 f. o. b.....	17/3 f. o. b.
Rotterdam.....	3,504	15,283.10	7	18/ t. i. b.....	18/ t. i. b.
Miscellaneous ports.....	15,115	68,386.36	23	Market.....	Market.
<b>Total.....</b>	<b>162,590</b>	<b>733,677.52</b>	<b>127</b>		

The following tabulation shows fuel-oil storage stations, owned and leased, which were in operation during the fiscal year ended June 30, 1929, the quantity issued at each station, the number of bunker deliveries, the total value of the oil issued at each station, and comparison of prices as of June 30, 1928, and June 30, 1929:

Port	Quantity	Cost	Number of deliveries	Issue price June 30, 1928	Issue price June 30, 1929
DOMESTIC PORTS					
	<i>Barrels</i>				
Craney Island.....	398,883	\$423,918.95	100	\$1.15 barrel.....	\$1.05 barrel.
Mobile.....	531,719	493,723.15	110	\$1.10 barrel.....	\$0.95 barrel.
San Francisco.....	1,443	1,183.26	2	\$0.82 barrel.....	
Total.....	932,050	918,830.36	212		
FOREIGN PORTS					
Balboa.....	43,561	50,170.90	22	\$1.20 barrel.....	\$1.10 barrel.
Balboa (Diesel).....	43,025	59,014.15	15	\$1.45 barrel.....	\$1.35 barrel.
Cristobal.....	8,345	9,715.80	5	\$1.20 barrel.....	\$1.10 barrel.
St. Thomas.....	65,193	61,933.35	32	\$1.30 barrel.....	\$0.95 barrel.
Honolulu.....	129,653	136,135.65	46	\$1.05 barrel.....	\$1.05 barrel.
Manila.....	105,763	163,932.25	101	\$1.55 barrel.....	\$1.55 barrel.
Total.....	395,540	480,902.10	221		

## RECAPITULATION—FUEL PURCHASES

	Quantity	Cost	Average cost
FUEL OIL			
	<i>Barrels</i>		
Domestic ports.....	7,901,236	\$7,356,522.10	\$0.9205
Foreign ports.....	530,694	626,516.56	1.745
Domestic storage.....	932,050	918,830.36	.9858
Foreign storage.....	395,540	480,902.10	1.215
Total.....	9,849,520	9,682,771.12	.983
COAL			
	<i>Tons</i>		
Domestic ports.....	164,476	858,664.73	5.22
Foreign ports.....	162,590	733,677.52	4.51
Total.....	327,066	1,592,342.25	4.86
Total fuel cost, 1929.....		11,275,113.37	

Below is presented a comparative tabulation of fuel quantities and costs during the years 1928 and 1929 which shows the radical change in both these elements during the latter year:

	Quantity		Value	
	1928	1929	1928	1929
<b>FUEL OIL</b>				
	<i>Barrels</i>	<i>Barrels</i>		
Domestic ports.....	8,580,357	7,991,236	\$11,059,478.34	\$7,356,522.10
Foreign ports.....	685,583	530,694	1,519,540.28	926,518.56
Domestic storage.....	1,871,639	532,050	2,326,625.44	918,839.36
Foreign storage.....	900,212	395,540	1,241,993.10	480,502.10
Total.....	12,038,851	9,849,520	16,147,637.16	9,682,771.12
<b>COAL</b>				
	<i>Tons</i>	<i>Tons</i>		
Domestic ports.....	187,176	164,476	980,349.45	858,664.73
Foreign ports.....	135,635	162,590	647,587.82	733,677.52
Total.....	322,811	327,066	1,627,937.27	1,592,342.25
Total fuel cost.....			17,775,544.43	11,275,113.37
The average unit price per barrel of fuel oil purchased during the fiscal year ended June 30.....			1.341	.983
The average unit price per long ton of bunker coal purchased during the fiscal year ended June 30.....			5.042	4.86

The decreased cost of fuel oil in 1929 was due to favorable contracts, especially at Atlantic and Gulf ports. During the first half of the fiscal year the open-market prices of fuel oil at these ports took a decided drop, and the corporation under its contracts received the benefit of each decrease that was made. While the market was at the bottom, competitive bids were obtained for fuel-oil requirements for a period of three years beginning January 1, 1929, and the contract entered into lowered the fuel-oil costs at North Atlantic ports below any figure paid by the corporation during its operating history. This contract was operative during the last half of the fiscal year 1929, and the reductions in fuel-oil cost effected thereby are reflected in above tabulations. Open-market prices at North Atlantic and Gulf ports are now approximately 13 cents per barrel above these contract prices, and this differential may be radically increased during the remaining two and a half years which the present contract has to run.

The decrease in the average cost of coal results from reduced prices at United Kingdom ports and from the policy of purchasing coal at all home ports, except New York, on practically a distress market, as required, rather than entering into time contracts.

Following the assignment of additional Diesel vessels to regular routes, a contract for their bunker requirements was made at New

York. The price obtained was approximately \$0.60 per barrel under the open market.

#### **Bunkering.**

The supervision exercised over bunkering operations of vessels has produced savings that are greater than were anticipated when this control was inaugurated in 1927. The amount of fuel oil purchased abroad at high prices has been greatly reduced, with a consequent reduction in operating costs. In addition, the close supervision of bunkering activities has brought about a material reduction in the number of distress cases arising from fuel shortages. During the past year there were only four instances of fuel shortage at sea, all of which were the result of prolonged heavy weather.

#### **Stevedoring costs.**

Reductions in vessel operating expenses by limiting direct cargo handling costs and also by reducing lost time and expenses of vessels while in port by increasing the efficiency of cargo loading and discharging were accomplished during the fiscal year.

During the year several new cargo handling contracts were negotiated and a number of adjustments were made in individual rates, where cargo movement was of such volume as to justify establishing special rates. At several foreign ports, in South America, Europe, and the Orient, changes in cargo handling arrangements were made, or are in process of being made, which will result in worthwhile reductions in expenses and in increased operating efficiency.

The year 1929 reflected an improved situation in so far as insurance premiums on workmen's compensation and public liability insurance were concerned. The cost trend of this insurance was downward, whereas in 1928 rates increased materially.

Labor conditions were generally favorable in domestic ports during the year, but in French and South American ports, waterfront labor conditions were not satisfactory, frequent lockouts and strikes interfering with vessel dispatch and thereby increasing expenses.

The matter of procuring more efficient handling of cargo, to the end that cargo claims might be reduced to a minimum, was taken up energetically with managing operators and district offices, with the result that the former ratio between claims paid and revenue was reduced.

#### **Operation of Tankers.**

At the beginning of the fiscal year 1929, tankers on both the east and west coasts of the United States were operated under the direct supervision of the operations department of the Merchant Fleet Corporation. Early in the year, however, the delivery of west-coast cargo lines to purchasers resulted in the closing of west-coast offices

of the Merchant Fleet Corporation, so the single tanker operated on that coast was transferred to a managing operator. This arrangement continued until late in the fiscal year, when the service was discontinued due to the sale of this tanker.

Operation of tankers on the east coast of the United States by the operations department was continued until the end of April, 1929, when the sale of the remaining tankers led to the discontinuance of this service.

Except for the handling of several commercial fixtures, the employment of tankers during the fiscal year was confined to the carriage of fuel oil to the various fuel-storage stations operated by the Merchant Fleet Corporation.

#### Care of Reserve Fleet.

At the beginning of the fiscal year 1929 there were 490 vessels in lay-up, but by the end of the year this total was reduced to 341, including 35 vessels which had been sold, but not delivered at that time. On June 30, 1929, the 341 vessels were distributed to various fleets, as indicated below:

District	Fleet	Number of vessels
New York.....	Caldwell (Hudson River).....	62
	Staten Island.....	53
	Total.....	115
Hog Island.....	Hog Island.....	37
	Total.....	37
James River.....	James River.....	156
	Patuxent River.....	2
	Total.....	158
Gulf.....	Mobile.....	10
	New Orleans.....	20
	Orange.....	1
	Total.....	31
	Grand total.....	341

The number of ships in lay-up decreased about 30 per cent, and the number of personnel assigned to laid-up vessels was reduced 25.4 per cent below the total at the end of the preceding year. On June 30, 1929, the authorized personnel numbered 881, an average of 2.5 men per ship.

Reserve fleet expenses for the fiscal year 1929 totaled approximately \$1,310,000, showing a reduction of about \$160,000 compared with the preceding year. This reduction in expenses was largely made possible by rearranging the fleets into larger units, by reducing the personnel, and by the continued use of preservation solutions, which are considerably cheaper than paint. This method of

removing rust and scale and holding the vessels in good state of preservation affords prospective purchasers an opportunity to observe the condition of the plates, which is most essential when vessels have been laid up for a number of years.

At the request of the Navy Department, arrangements were made to take over seven Navy vessels which had been laid up at the Norfolk Navy Yard. The estimated annual maintenance and preservation cost for these vessels is \$50,000, which is approximately \$13,000 less than the cost to the Navy during the past year, and the transfer of these vessels to the fleet also released valuable dock space at the Norfolk Navy Yard. The Navy will reimburse the Shipping Board for actual expenses and estimated overhead costs.

To reduce expenses some unusual work was undertaken by the personnel of various laid-up fleets. Faced with a 33 $\frac{1}{3}$  per cent increase in the contract price of fresh water, the James River fleet organization laid about two miles of pipe, salvaged from Hog Island, and built a water barge, partly from salvaged lumber, and by these means fresh water is now obtained from Fort Eustis at 58 cents a ton below the proposed contract price. The same organization arranged to upturn, caulk, and repair a barge, so as to save the expense of towing to a distant repair yard, dry-docking costs, etc. At Mobile a barge was built, and at New Orleans a small marine railway was erected to save dry-docking charges on a work barge.

At Hog Island, numerous buildings and several shipways were razed and sold for firewood. The general clean-up and maintenance program progressed satisfactorily and should be practically completed within a short time.

#### Terminals.

The terminal facilities at Hoboken, N. J., were operated throughout the fiscal year by personnel of the Merchant Fleet Corporation. Pier 4 used by the vessels of the United States Lines is now assigned to the United States Lines (Inc.), purchaser of this service, but otherwise the assignment of piers remains as described in preceding reports. This terminal is in good physical condition and the net earnings during the fiscal year 1929 were approximately \$290,000.

For several years the terminal facilities at Boston, Brooklyn, Philadelphia, Norfolk, and Charleston have been leased for private operation. Except as otherwise noted below, the leases mentioned in preceding reports are still in effect.

*Boston.*—The lease with the Boston Tidewater Terminal expired December 1, 1928, but was continued to December 31, 1928, by supplementary agreement with the lessee. Effective January 1, 1929, this property was leased for a term of five years to the Bay State

Shipping Co. This lease provides that the lessee will pay to the United States Shipping Board  $37\frac{1}{2}$  per cent of the gross receipts received, with a guaranteed minimum of \$85,000 per annum. During the fiscal year 1929 revenues amounting to approximately \$57,000 accrued to the United States Shipping Board from this terminal, and repair and other expenditures for the board's account totaled about \$3,000.

*Brooklyn.*—The lease with the Atlantic Tidewater Terminals expired December 1, 1928. A new lease for this property for a period of five years became effective on the same date, and provides that the Shipping Board will receive 55 per cent of the gross receipts, with a guaranteed minimum of \$160,000 per annum. During the fiscal year 1929 revenue amounting to approximately \$220,000 accrued to the United States Shipping Board from this terminal, while repair and other expenditures for the board's account totaled about \$7,000.

*Philadelphia.*—The lease with the Merchants Warehouse Co. for this terminal does not expire until August 15, 1932. During the fiscal year 1929 revenue amounting to approximately \$130,000 accrued to the United States Shipping Board from the Philadelphia terminal and the lumber concentration yard, while repair and other expenditures for the board's account totaled about \$15,000.

*Norfolk.*—The lease with the Norfolk Tidewater Terminals (Inc.), covering this terminal, does not expire until August 31, 1930. During the fiscal year 1929 revenue amounting to approximately \$75,000 accrued to the United States Shipping Board for the Norfolk terminal. When this property was transferred from the War Department it was in bad condition and it has been necessary for the Shipping Board to make large expenditures for betterments, improvements, and reconditioning, in order that the terminal might be used to its capacity. To this end, approximately \$99,000 was expended during the fiscal year 1929.

*Charleston.*—The lease with the Port Utilities Commission at Charleston expires February 8, 1931. This property when taken over from the War Department was in such poor condition that it could not be operated as a terminal until numerous repairs were made. In this connection, expenditures totaling approximately \$21,000 were made during the fiscal year 1929. During the past year revenue amounting to approximately \$11,500 accrued to the United States Shipping Board from this terminal.

During most of the fiscal year 1929 pier No. 7, North River, was leased by the Merchant Fleet Corporation from the Delaware, Lackawanna & Western Railroad for the use of vessels of the American Merchant Lines. Due to the sale of this line, however, the lease for this pier was transferred to the United States Lines (Inc.), the purchaser of this service.

## PROGRESS ALONG SPECIAL TECHNICAL LINES

**Diesel Conversion Program.**

Three of the eight vessels included in the second group to be converted to Diesel propulsion were completed during the fiscal year 1929, and it is expected that the entire program will be completed early in the ensuing fiscal year.

Complete details with regard to Diesel conversion work on these vessels will be found in the report of the Bureau of Construction of the United States Shipping Board.

**Fuel Conservation.**

This work was carried on during the fiscal year 1929 along the same lines followed in several preceding years, and again resulted in substantial savings in fuel expenditures.

In spite of the large savings effected in prior years, and in spite of the lower price of fuel oil, a saving of \$179,000 was made during the first half of the calendar year 1928 as compared with the first half of 1927. In the second half of the calendar year 1928 further savings amounting to approximately \$222,000 were made, as the result of increased efficiency of vessels in the matter of fuel consumption.

During the fiscal year continued attention was paid to the possibility of effecting still greater fuel economies on the various active vessels. These economies have been produced in the main by attention to a number of details, such as the operation of auxiliaries and simple changes in pipe lines, making a single pump available to perform the functions that were carried on by two or more pumps. Attention has also been given to utilizing exhaust steam instead of live steam for a number of purposes. The net result has been gratifying, for instead of the fleet, which is growing old, showing increased fuel consumption, it has been possible to show a continued improvement.

**Tests with Pulverized Coal.**

The steamship *Mercer*, which, during the fiscal year 1928, was equipped to burn pulverized coal, has continued in active service under the management of the American Diamond Lines in the trade route between New York and Rotterdam. Since the time of her conversion she has traveled over 55,000 miles, using pulverized fuel, and has definitely established the reliability of this type of power. The primary purpose of the experimental installation on the steamship *Mercer* was to determine the reliability of pulverized fuel, and in order to keep down the initial expense of the installation the auxiliaries used by the pulverizing plants were selected with the idea of reliability and low first cost rather than with the idea of econom-

ical performance. For this reason the efficiency of the equipment is not as high as it would be for a plant designed for commercial service, but even so, the economies that may be expected from use of pulverized fuel have been clearly indicated.

The Todd pulverized fuel equipment was submitted for test in July, 1928, and a series of tests were carried on which finally indicated a satisfactory equipment. The results of these tests were such that an experimental installation of this equipment was made on the steamship *West Asek*. This vessel has had satisfactory sea trials and has run from New York to Baltimore, where she will enter the service of the Oriole Lines in the run from Baltimore to United Kingdom ports.

During the year work was continued at the Fuel Oil Test Plant at the Navy Yard, Philadelphia, in conjunction with the United States Navy Department, and several equipments were tested. One equipment, which is quite similar to that installed on the steamship *Mercer*, appears to be satisfactory, and in Great Britain installation of this type of equipment has been made on the steamship *Horatito*, operating from the United Kingdom to New Zealand.

Tests are now being made on another type of equipment, which has been installed by the Inland Waterways on the towboat *Dwight F. Davis*, and is also being installed on two colliers now being constructed at the Bethlehem Shipbuilding Co., Quincy, Mass., for the Berwind-White Co. The preliminary runs of this equipment have shown very satisfactory performance and the continuous service tests will be run in the near future.

#### Radio.

The radio service contract with the Radiomarine Corporation of America, referred to in the twelfth annual report, was extended for a period of one year from January 1, 1929.

With a view to improving radio service and equipment available to vessels of the Merchant Fleet Corporation, a large number of vessels were equipped with amplifiers which increased their receiving range, and a number of vessels were equipped with special types of radio transmitters, to meet peculiar conditions in the trades in which they are operated. Special arrangements were also made during the year with naval radio stations, which result in improved communication with vessels in the Pacific Ocean.

As a result of the participation of representatives of the Merchant Fleet Corporation in the International Safety of Life at Sea Convention in London during April and May, 1929, several proposals were incorporated in the agreement entered into by representatives attending this convention. These proposals provide for equipping

merchant vessels with radio apparatus, and equipping certain types of vessels with radio compasses, distance-finding and echo depth-sounding apparatus. It is believed that the adoption of these proposals by the convention will react to the advantage of the merchant marine.

A saving in excess of \$100,000 was effected during the year by utilizing naval radio facilities for the transmission of messages.

## TRAFFIC

### General Conditions.

While, in general, the fiscal year 1929 evidenced a tendency toward recovery from the rather severe depression of the previous year, the improvement in export cargoes and rate conditions was restricted largely to movements from the Atlantic coast of the United States to various foreign ports. Unfortunately, similar improvement was not experienced by the services from Gulf ports, where the situation has been disturbed by severe competitive conditions and depressed rates. Inward traffic conditions, however, have shown an improvement in practically all trades.

The developments of the past year have clearly indicated the value of rate conferences with competing lines. The tendency is toward a closer form of agreement which will assure all lines a fair participation in all classes of business. There is a resulting advantage to shippers as well as steamship operators, as such agreements stabilize rates and permit proper spacing of sailings to provide exporters with more satisfactory service.

### European and Mediterranean Trades.

Conditions in these trades indicated a return to normal conditions after a rather extended period of depression, particularly for the North Atlantic trades to France and Belgium, where exports were considerably in advance of previous years.

The improvement in North Atlantic conditions resulted largely from the settlement of conference difficulties which last year led the American Diamond Lines to withdraw from the continental rate conference. Early in the fiscal year 1929 an agreement was entered into with the principal foreign lines which eliminated these difficulties, and which has reacted favorably throughout the entire Havre-Hamburg range, for which rates and cargo offerings have generally improved.

In the Gulf services, disturbed conditions have continued, due to heavy competition of foreign lines and threats of tramp tonnage, which have combined to prevent the formation of proper conference agreements. While rates are not lower than during the previous fiscal year, they have shown practically no improvement.

Grain moved spasmodically during the fiscal year and cotton exports, while not in excessive volume, were concentrated within a shorter period of time than is normally the case. These conditions made necessary the placing of 41 additional vessels in active operation, to prevent congestion and provide a satisfactory outlet for surplus crops.

#### South American Trade.

The American Brazil Line, which was inaugurated during the fiscal year 1928, has shown continued improvement in outward and homeward earnings. This service has been established on a more permanent basis of operation, which calls for two sailings each month from North Atlantic ports to north Brazil.

In the River Plate trade competition by foreign combination passenger and cargo motor ships of the best type increased during the past year. The competition of these vessels presents a serious problem in the operation of the American Republics Line and privately owned American flag vessels operating in this trade.

#### Far East, Australia, and India Trades.

The North Atlantic services to the Far East, Australia, and India have been reorganized and are now assigned to a single managing operator for operation as the American Pioneer Line. Generally speaking, traffic conditions in these trades have improved somewhat and the rearrangement of the services is also resulting in improved operating results.

Trade agreements entered into with foreign operators in the Australia and India trades are also resulting in stabilized conditions and increased revenues.

The position of these services in their trades has been materially advanced by the assignment of motor ships, which have been completed under the Diesel conversion program of the United States Shipping Board. The assignment of these vessels has placed these lines in a better competitive position with foreign lines, and has enabled them to obtain a greater participation in the carriage of high-class cargo.

#### PUBLICITY

During the fiscal year 1929 a continuous advertising campaign was carried on to develop both passenger and freight business for Merchant Fleet Corporation services. Regular advertising schedules for all of the freight services were carried in publications in the United States and many foreign countries. As a supplement to these schedules, a special display campaign in a large number of leading trade and business papers was carried on, which proved to be a valuable factor in gaining the good will of shippers. In this

campaign the Merchant Fleet Corporation was fortunate in securing the cooperation of some of America's best known business leaders, who urged support of American ships.

In addition to newspaper and magazine advertising, special campaigns were carried out through the medium of exhibits at expositions and fairs, by means of motion pictures and window displays, and by direct mail campaigns. Special advertising was begun during the year for the passenger services offered by the new motor ships of the American Pioneer Line, which make possible interesting voyages to Australia, India, and around the world at low rates.

The sale of the United States Lines and the American Merchant Lines will result in a great reduction in advertising activities and expenditures in the ensuing and following years.

### INSURANCE

#### Marine Insurance.

Under the provisions of section 501 of the merchant marine act of 1928 the Shipping Board has created an insurance fund in which to insure the legal and equitable interests of the United States in certain vessels. With the establishment of this fund, the marine insurance activities of the Merchant Fleet Corporation took on a wider scope of activity and purpose than heretofore. At the end of the fiscal year 1929 insurance in this fund totaling approximately \$38,000,000 was in effect on 153 vessels, and 41 additional vessels were bound, but their insurance, amounting to nearly \$12,000,000, had not yet attached.

For the establishment of this insurance fund the Shipping Board transferred from liquidation receipts the sum of \$3,500,000, and premiums totaling about \$700,000 were collected before the end of the fiscal year. Charges against this fund during the fiscal year for claims and losses paid, and for administrative expenses, totaled \$428,000, leaving a balance of \$3,772,000 in this fund as of June 30, 1929. At the end of the fiscal year there were 126 claims pending against this fund in the estimated amount of \$577,000, but considering recoveries which will be made against third parties, including general average, these claims will probably be settled for less than the estimated amount. The bad winter of 1928-29 in the Baltic, which marine publications have stated was the worst in 50 years, gave rise to unusually heavy claims for ice damage, and these claims represent a very large proportion of the losses. The loss of one vessel alone in the Baltic during the past winter resulted in the payment of \$210,000 from this insurance fund.

In addition to the insurance already described, the Merchant Fleet Corporation continued to maintain a marine insurance reserve, from

which marine insurance damage and loss claims for vessels owned by the Shipping Board are paid. Premiums credited to this reserve during the fiscal year amounted to \$2,300,000, while charges for claims arising in 1929 and preceding years, and for 1929 administrative expenses, totaled about \$4,500,000. The latter amount includes the fire loss of \$2,000,000 on the Steamship *America*, which may be recovered later by court action against the Newport News Shipbuilding & Dry Dock Co.

The large number of ship sales during this and preceding fiscal years made necessary the examination and approval of hull, disbursements and protection and indemnity policies, including renewals, in the amount of \$217,500,000, furnished by purchasers of Government tonnage to protect the interests of the Shipping Board.

Further efforts have been made to convince underwriters that the improved condition and operating record of Shipping Board vessels entitles shippers to the benefit of reduced cargo insurance rates, with the result that the highest rating, class A, has been granted for steamers of 14 of the lines operated by the Shipping Board, and all vessels operating from the Gulf are considered first-class cargo liners by the cotton underwriters.

#### **Protection and Indemnity Insurance.**

During the fiscal year 1929 protection and indemnity claims against Shipping Board vessels were handled through the United States Protection & Indemnity Agency (Inc.), on the same basis described in preceding annual reports.

Excluding numerous small claims handled by managing operators under their delegated authority, a total of 2,604 new claims were received by the agency during the year, while 2,940 were settled for approximately 10 per cent of the amount claimed. At the end of the fiscal year there remained a total of 1,058 claims involving \$8,860,000, of which 535 claims were in litigation.

The total amount expended for protection and indemnity claims settled by the agency and also by managing operators, together with miscellaneous expenses in this connection, was approximately \$990,000 in the fiscal year 1929.

Including claims pending in the home office of the agency, those being handled by the London office, and claims pending in offices of managing operators, there was outstanding at June 30, 1929, a total of 2,154 claims, involving \$11,732,000, of which 620 claims were in litigation. Comparison of these totals with those reported at the end of the preceding fiscal year shows a net reduction of 746 claims amounting to \$1,439,000.

In June, 1929, the Shipping Board accepted an offer made by the Marine Office of America to purchase the United States Protection

& Indemnity Agency (Inc.), and to undertake protection and indemnity coverage of Shipping Board vessels. The purchasing company is a combination of seven American insurance companies, and the Shipping Board, in authorizing the sale, was guided by its desire to give these companies an opportunity to develop protection and indemnity insurance under private ownership and operation, along with the development of private American shipping.

Under the terms of the sales agreement the new coverage attaches to each vessel upon completion of discharge of all cargo at the last port of discharge in the United States, subsequent to midnight June 30, 1929. Protection and indemnity claims which were pending at the close of the fiscal year 1929 and those which arise for voyages which were incomplete at the end of that fiscal year, will be handled by the protection and indemnity claims division of the Merchant Fleet Corporation.

#### FINANCE DEPARTMENT

The closing of west coast offices and the assumption of direct supervision over the cashier's department of the United States Lines, on account of the sale of that line to private operators, were practically the only changes in the organization of this department during the fiscal year. Otherwise the organization and activities of this department, which have been fully described in previous annual reports, continued with but little change.

##### Cash Discount and Interest.

Careful attention given to cash discount privileges and to collection of interest on bank deposits resulted in cash discounts totaling \$141,000 and interest collections of \$336,000 in the fiscal year 1929.

##### Cash Accounts.

During the fiscal year the total number of cash accounts maintained by the Merchant Fleet Corporation and the United States Lines was reduced by 95. This reduction was accomplished by discontinuing clearance accounts, formerly utilized by managing operators, and by consolidating and closing accounts as a result of sales of lines. The sale of the United States Lines alone permitted the closing of 56 cash accounts, and the 20 accounts of that organization which remained as of June 30, 1929, will be closed as soon as its books and funds are consolidated with those of the Merchant Fleet Corporation.

As of June 30, 1929, there were 155 cash accounts being maintained, of which 20 were United States Lines accounts, 41 subagency accounts, 14 were accounts carried in the United States Treasury, and 80 were miscellaneous accounts in commercial banking institutions all over the world.

Approximately \$20,600,000 was deposited in the United States Treasury during the year in pursuance of the policy inaugurated several years ago, of transferring to the Treasury all funds in commercial bank accounts not immediately essential to operating activities.

#### **Collection of Past-Due Accounts.**

During the fiscal year 148 past-due accounts, amounting to \$26,785,000, were collected, settled, or adjusted, and at the end of the year there remained 184 such accounts, totaling \$36,456,000.

#### **Housing Properties.**

At the close of the fiscal year the board still held possession of 12 properties in Camden, N. J., which could not be conveyed because of uninsurable titles. Certain utilities, park spaces, etc., in various localities, were also held pending completion of conveyance agreements with municipalities. One property in the city of Philadelphia, recovered during the preceding year through foreclosure proceedings, was sold and conveyed during the fiscal year 1929.

The Liberty Housing Co., Dundalk, Md., and the Wyandotte Home Co., Wyandotte, Mich., which were organized to hold title to the housing projects constructed in those cities by the Shipping Board, were dissolved during the fiscal year. The following companies which were incorporated elsewhere for similar purposes are still in existence: Fairview Realty Co., Camden, N. J.; Noreg Realty Co., Brooklawn, N. J.; Federal Home Building Co., Lorain, Ohio.

It is expected that the dissolution of the last two companies named above will be completed early in the ensuing fiscal year.

#### **Securities.**

The volume of ship sales and the number of construction loans made during the fiscal year were largely responsible for increasing the face value of notes and other securities held by this department, to a total of \$67,521,602.19, at the end of the year. This is a net increase of nearly \$10,000,000 over the total at the beginning of the year. In addition, collateral securities to the value of \$5,330,000 were at hand.

Payments made on the principal of securities, as well as payments for interest, materially exceeded the amounts collected in the preceding year.

#### **Consolidated Cash Statement.**

A consolidated cash statement, summarizing the financial activities of the United States Shipping Board and the Merchant Fleet Corporation during the fiscal year ended June 30, 1929, is given in Table VII of the appendix.

## GENERAL COMPTROLLER'S DEPARTMENT

The personnel of this division was considerably reduced during the fiscal year without any material change in the form of organization, which has been described in preceding annual reports. The reduction was accomplished by closing offices on the west coast and at South Atlantic ports following the sale of lines, and by effecting minor consolidations and reassignments of the duties of offices and personnel in the department.

Close attention to audit procedure and operating accounts resulted in improved conditions, and special instructions issued in cooperation with the supply department have done much to improve the purchasing procedure of district offices.

Aside from its regular duties, this department exerted unusual effort to assist the legal department in handling claims and matters in litigation.

The balance sheet as of June 30, 1929, and the profit and loss statement for the fiscal year 1929 are included in the appendix, as Tables VIII and X, respectively.

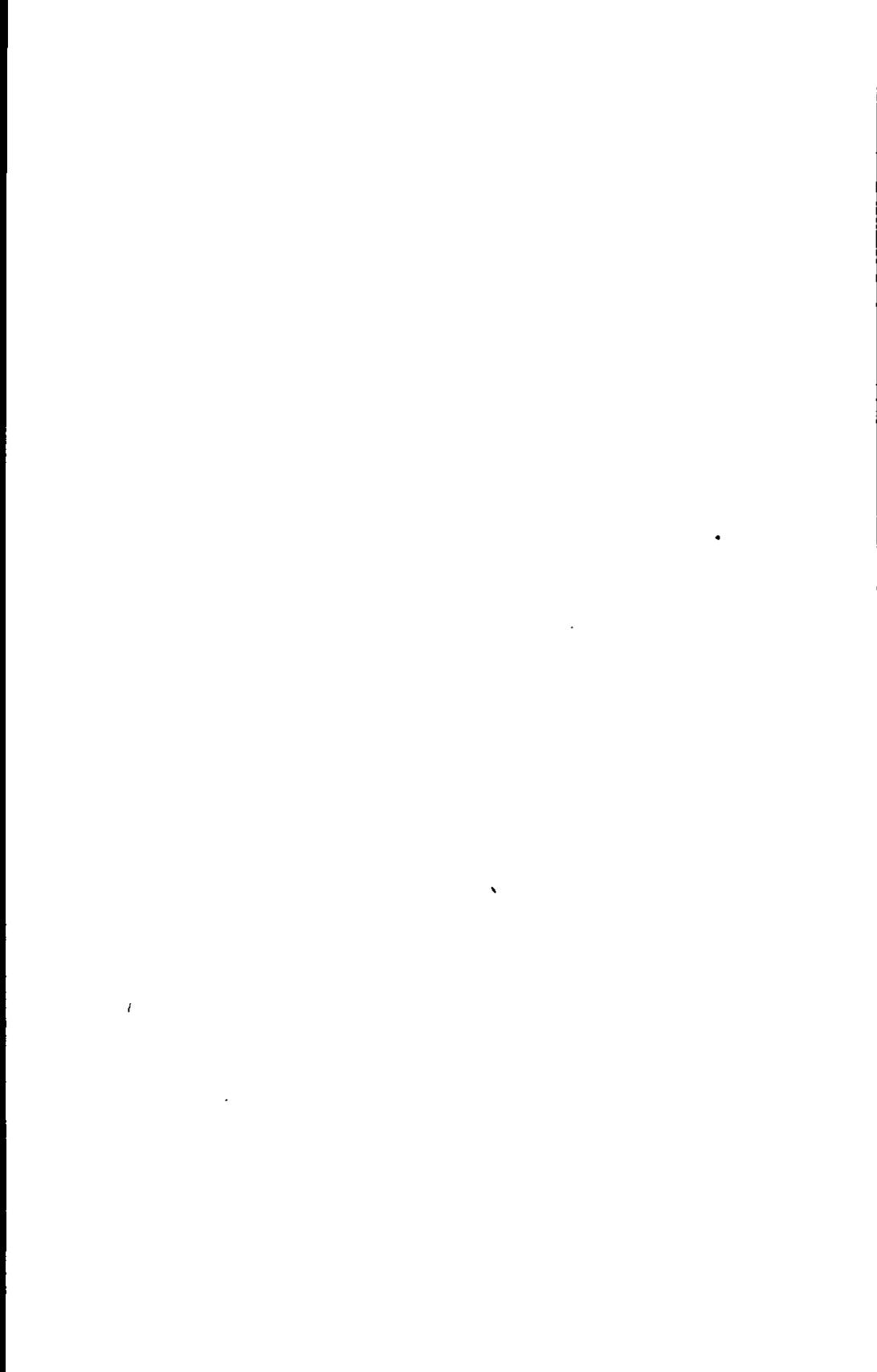
---

---

APPENDIX

---

---



## APPENDIX

TABLE I.—*Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929*

Name	Dead-weight tons	Gross tons	Sale price	Purchaser
<b>STEEL CARGO VESSELS</b>				
<i>Vessels sold for unrestricted operation</i>				
Chamberino.....	3,610	2,323	\$36,000.00	Baltimore & Carolina Steamship Co. of Baltimore City.
Democracy.....	7,323	4,430	1 76,450.00 (\$2,550.00)	The Charles Nelson Co.
Hutchinson.....	5,219	3,545	1 40,061.50 (\$4,633.50)	Chas. R. McCormick Lumber Co. of Delaware.
West Hembrie.....	8,570	5,779	1 199,025.00 (\$975.00)	Dimon Steamship Corporation.
Lake Festus.....	4,000	2,571	1 26,744.20 (\$1,710.00)	Gulf Caribbean Steamship Line (Inc.).
Delight.....	7,650	5,141	1 42,100.00 (\$12,900.00)	
West Haven.....	8,619	5,781	138,000.00	Los Angeles Steamship Co.
West Lianga.....	8,543	5,673	1 98,200.00 (\$1,800.00)	
West Hosokie.....	8,551	5,561	1 79,013.00 (\$2,987.00)	Lykes Bros. Steamship Co. (Inc.)
Moshico.....	5,273	3,658	25,000.00	
Lake Gatun.....	4,336	2,677	1 35,222.00 (\$3,978.00)	Merchants & Miners Transportation Co.
Lake Furnas.....	4,336	2,677	1 35,348.00 (\$1,892.00)	
Eastern Leader.....	6,248	4,002	1 86,240.00 (discount, \$1,760)	C. D. Mallory.
Westbrook.....	8,640	5,742	90,000.00	Shepard Steamship Co.
Westland.....	8,800	5,832	132,000.00	
West Cherow.....	8,582	6,188	117,000.00	Sudden & Christenson.
West Wauneke.....	8,635	5,765	1 70,228.00 (\$2,772.00)	
West Bridge.....	8,504	5,799	57,000.00	
Total (18).....	125,529	83,144	1,293,631.70	
<i>Vessels sold with privilege of transfer to foreign registry</i>				
Chantier.....	3,610	2,323	34,000.00	Oleo Froiland.
Chaparel.....	3,610	2,323	36,000.00	E. A. Hansen.
Eastern Belle.....	4,952	2,923	80,000.00	Johann G. Ohsol
Lake Elmford.....	4,278	2,674	1 27,455.00 (\$4,545.00)	
Lake Elmwood.....	4,278	2,674	32,000.00	Emil Stray.
Lake Elva.....	4,278	2,674	1 29,650.00 (\$1,350.00)	
Lake El Pueblo.....	4,261	2,674	1 29,875.00 (\$1,125.00)	M. Chr. Stray.
Bar Harbor.....	3,535	2,420	31,000.00	
York Harbor.....	3,521	2,427	1 33,700.00 (\$1,300.00)	
Copalgrove.....	3,630	2,324	27,000.00	
Total (10).....	39,953	25,436	360,680.00	

Footnotes at end of table.

TABLE I.—Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser	
<i>Vessels sold for restricted operation on trade routes</i>					
American Scantic Line (additional vessels to augment service sold in 1927):					
Saguache.....	7,825	5,021	\$46,950.00	American Scantic Line (Inc.)	
City of Fairbury.....	7,825	5,053	46,950.00		
Conehatta <sup>1</sup> .....	7,825	4,974	46,950.00		
Chickasaw <sup>1</sup> .....	7,840	4,948	150,000.00		
American West African Line:					
Cathlamet.....	8,789	5,869	238,621.35	American West African Line (Inc.)	
Otho.....	7,657	4,839	207,887.55		
Padnsay.....	7,659	4,838	207,941.85		
West Humhaw.....	8,554	5,527	232,241.10		
West Irmo.....	8,759	5,990	237,806.85		
West Kebar.....	8,527	5,620	231,568.05		
West Kedron.....	8,565	5,620	232,539.75		
West Campgaw.....	8,591	5,565	233,215.65		
West Chetac.....	8,554	5,627	232,241.10		
Zarembo.....	7,632	4,957	207,208.80		
American Export Lines (additional vessels to augment service sold in 1923):					
Naanhok.....	8,727	5,979	65,452.50	Export Steamship Corporation.	
Delanson.....	8,727	5,989	1(1,000.00)		
Waterbury.....	8,727	5,510	1(1,000.00)		
Gulf Brazil River Plate Line:					
Afel <sup>1</sup> .....	7,825	5,052	219,480.00	Mississippi Shipping Co. (Inc.)	
Bibbco.....	7,825	5,107	219,480.00		
Casey <sup>1</sup> .....	7,840	5,017	219,980.00		
Clavarack <sup>1</sup> .....	7,840	5,590	219,980.00		
Clearwater <sup>1</sup> .....	7,840	4,970	219,980.00		
Lorraine Cross <sup>1</sup> .....	7,825	5,127	219,480.00		
Salvation Lass <sup>1</sup> .....	7,825	4,985	219,480.00		
Saugerties <sup>1</sup> .....	7,825	5,101	219,480.00		
Schoodic <sup>1</sup> .....	7,825	4,932	219,480.00		
West Corum <sup>1</sup> .....	8,635	5,795	242,000.00		
West Neris <sup>1</sup> .....	8,542	5,588	249,380.00		
West Segovia <sup>1</sup> .....	8,627	6,187	241,800.00		
Pacific Argentine Brazil Line (additional vessels to augment service sold in 1926):					
West Ira.....	8,759	5,879	50,364.25		Pacific Argentine Brazil Line (Inc.)
West Ivis.....	8,766	5,866	50,404.50		
Oregon Oriental Line (additional vessels to augment service sold in February, 1928):					
West Hartland.....	8,624	5,721	120,400.00	States Steamship Co.	
West Harts.....	8,625	6,167	1(14,000.00)		
American Palmetto Line (renamed South Atlantic Mail Line):					
Coldwater.....	7,840	5,110	23,520.00	South Atlantic Steamship Co. of Delaware.	
Fluor Spar.....	7,825	5,055	23,475.00		
Liberty Glo.....	7,825	4,979	23,475.00		
Magmeric.....	7,840	5,172	23,520.00		
Schoharie.....	7,825	4,971	23,475.00		
Shickshinny.....	7,825	5,103	23,475.00		
Sundance.....	7,840	5,183	23,520.00		
Tulsa.....	7,825	5,083	23,475.00		
Wildwood.....	7,840	5,064	23,520.00		
Saccarappa.....	7,825	4,965	23,475.00		
Total (43).....	350,141	229,602	5,879,643.30		
<i>Vessels sold with buyer under contract to perform specified alteration/betterments</i>					
Terre Haute <sup>1</sup> .....	8,758	5,670	35,000.00	American Steamship Corporation.	
John Jay <sup>1</sup> .....	12,850	8,292	55,000.00		
James Otis <sup>1</sup> .....	12,850	8,292	157,737.00	(\$2,263.00)	
Kosciuszko.....	7,371	4,986	28,000.00	A. H. Bull Steamship Co.	
Cape Roumain.....	7,371	4,695	146,915.00		(\$2,010.00)
Minooka.....	5,248	3,545	118,420.00	(\$6,680.00)	
Houston.....	6,296	3,545	25,100.00	General Engineering & Drydock Co.	
Mohinkin <sup>1</sup> .....	9,637	6,049	25,000.00		
Diablo <sup>1</sup> .....	9,656	5,997	25,000.00		

Footnotes at end of table.

TABLE I.—Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser		
<i>Vessels sold with buyer under contract to perform specified alteration/betterments — Continued</i>						
Mursa *	9, 419	6, 085	\$25, 000. 00	Los Angeles Steamship Co. New Orleans & South American Steamship Co. (Inc.). C. D. Mallory.		
Capital of Nebraska.....	5, 311	3, 545	123, 691. 66			
Atlanta of Texas.....	3, 231	3, 545	25, 666. 66			
Oklahoma City.....	5, 314	3, 545	25, 666. 66			
Chickamauga *	5, 591	3, 853	60, 000. 00			
Wekika.....	5, 621	3, 513	60, 000. 00			
Total (15).....	115, 514	75, 157	476, 196. 98			
<i>Vessels sold with buyer under contract to dismantle and scrap</i>						
Lake Elmdale.....	4, 261	2, 674	60, 000. 00	Boston Iron & Metal Co.		
Lake Ellenorah.....	4, 261	2, 681				
Lake Ellerslie.....	4, 261	2, 674				
Lake Fanbush.....	4, 155	2, 598				
Middlebury.....	3, 909	2, 585				
Surinam.....	4, 336	2, 677				
Wauwatosa.....	4, 208	2, 689				
West Africa.....	4, 165	2, 611				
Alloway *	9, 248	6, 113			25, 000. 00	C. P. Cox Corporation.
Iconium *	9, 504	6, 032			25, 000. 00	
Havilah *	9, 489	6, 045			25, 000. 00	Hammond Lumber Co.
Haynie *	9, 489	6, 037			25, 000. 00	
Fort Wayne.....	8, 786	6, 231			20, 000. 00	Los Angeles Steamship Co.
Heber *	9, 489	6, 041			20, 000. 00	
Anniston.....	5, 191	3, 545			423, 600. 00	Union Shipbuilding Co.
Anthracite Bridge.....	5, 340	3, 283				
Asquam.....	5, 253	3, 545				
Assinippi.....	5, 259	3, 545				
Calno.....	5, 204	3, 283				
Clark Mills.....	5, 287	3, 283				
Cokato.....	5, 135	3, 545				
Cushnet.....	5, 300	3, 545				
Cuttyhunk.....	5, 300	3, 545				
Des Moines Bridge.....	5, 340	3, 545				
Farnam.....	5, 125	3, 283				
Fourth Alabama.....	5, 273	3, 283				
Haddon.....	5, 238	3, 545				
Hasselhurst.....	5, 340	3, 545				
Hico.....	5, 069	3, 283				
Ingold.....	5, 105	3, 257				
Knoxville.....	5, 196	3, 283				
Lackawanna Bridge.....	5, 296	3, 545				
Louisville Bridge.....	5, 192	3, 283				
Masca.....	5, 187	3, 286				
Massillon Bridge.....	5, 075	3, 545				
Minnewawa.....	5, 340	3, 283				
Monana.....	5, 225	3, 545				
Montgomery.....	5, 196	3, 283				
Mount Vernon Bridge.....	5, 075	3, 545				
National Bridge.....	5, 182	3, 545				
Nesco.....	5, 199	3, 283				
New England.....	5, 340	3, 545				
Noddle Island.....	5, 340	3, 257				
Nonantum.....	5, 233	3, 545				
Northwestern Bridge.....	5, 300	3, 283				
Passaic Bridge.....	5, 180	3, 283				
Pawtucket.....	5, 204	3, 283				
Phoenix Bridge.....	5, 095	3, 283				
Pontiac.....	5, 274	3, 283				
Putnam.....	5, 287	3, 545				
Schuykill Bridge.....	5, 340	3, 283				
St. Augustine.....	5, 204	3, 283				
Tekoa.....	5, 340	3, 278				
Tona.....	5, 340	3, 278				
Tonesit.....	5, 340	3, 545				
Tuladi.....	5, 340	3, 285				
Virginia Bridge.....	5, 340	3, 283				
Wallkill.....	5, 204	3, 283				
Woodmausie.....	5, 323	3, 283				

Footnotes at end of table.

TABLE I.—Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser	
<i>Vessels sold with buyer under contract to dismantle and scrap—Continued</i>					
Aniwa.....	9,248	6,012	\$385,000.00	Union Shipbuilding Co.	
Chipchung.....	9,248	6,163			
Galalah.....	8,790	5,728			
Hartford.....	8,591	5,703			
Merry Mount.....	8,627	5,724			
Mulpua.....	9,248	6,139			
Naiwa.....	8,858	6,240			
Nameaug.....	8,627	6,338			
Nantahala.....	8,726	5,714			
Nokatay.....	9,410	6,036			
Osawatomie.....	8,789	5,720			
Oskaloosa.....	8,750	5,623			
Oshkosh.....	5,910	3,961			
Ozaukee.....	5,940	4,045			
Quillwark.....	9,418	6,034			
Quinnipiac.....	8,501	6,202			
Tuckanuck.....	9,410	6,001			
West Avenal.....	8,735	5,692			
West Alcoz.....	8,660	5,606			
West Ashawa.....	8,660	5,609			
West Vaca.....	8,660	5,548			
Yesoking.....	8,790	5,749			
Zirkel.....	9,248	6,073			
Total (82).....	524,549	341,740	1,008,600.00		
PASSENGER AND CARGO					
<i>Vessels sold for restricted operation on trade routes</i>					
United States Lines:					
Leviathan.....		59,956	6,782,000.00	United States Lines (Inc.)..	
America.....		21,329	2,009,000.00		
George Washington.....		23,788	2,000,000.00		
President Harding.....		13,809	1,000,000.00		
President Roosevelt.....		13,809	1,000,000.00		
Republic.....		17,910	1,000,000.00		
American Merchant Lines:					
American Banker.....		7,430	400,000.00		
American Farmer.....		7,430	400,000.00		
American Merchant.....		7,430	400,000.00		
American Shipper.....		7,430	400,000.00		
American Trader.....		7,430	400,000.00		
Total (11).....		187,871	16,082,000.00		
REFRIGERATORS					
<i>Vessels sold for unrestricted operation (buyer obligated to perform betterments)</i>					
Neponset (1).....	9,737	7,435	120,000.00	Luckenbach Steamship Co. (Inc.)	
<i>Vessels sold for restricted operation (buyer obligated to inaugurate refrigerator service between specified South Atlantic ports and London)</i>					
Ice King.....	6,103	4,715	\$ 3,100.00	Strachan's Southern Steam Ship Co. (Inc.)	
Muscatine.....	6,103	4,708	\$ 3,200.00		
Total (2).....	12,206	9,423	6,300.00		

Footnotes at end of table.

TABLE I.—Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser
<b>STEEL TANKERS</b>				
<i>Vessels sold for unrestricted operation</i>				
Dilworth.....	10,000	7,045	\$602,763.43 (\$2,249.10)	Antietam Steamship Corporation (title taken in name of individual companies named for the respective tankers).
Meton.....	9,847	7,311	546,521.00	
Baldbutte.....	9,298	6,295	515,051.00 (\$1,000.00)	
Baldhill.....	9,298	6,376	516,051.00	
Hagan.....	9,298	6,373	466,051.00	
Darden.....	7,500	5,189	227,600.00	
Gladysbe.....	7,500	5,186	227,600.00	
Salina.....	9,758	7,311	352,000.00	
Stockton.....	9,816	7,294	347,903.15 (\$1,756.85)	
Total (9).....	82,315	58,350	3,801,540.58	
<b>MISCELLANEOUS</b>				
Manila, 40-foot wooden launch.....			1,600.00	Robinson Fisheries Co. Matson Navigation Co. Walsh Stevedoring Co.
Catalina, 40-foot wooden launch.....			190.00	
Centurion, wooden ocean tug (damaged).....			5,000.00	
Rochester, 69-foot wooden launch.....			1,500.00	Hoo Cheong Wo.
West Africa No. 3, gas tug.....			2,500.00	American West African Line (Inc.).
West Africa No. 4, gas tug.....			2,500.00	
West Africa No. 5, gas tug.....			3,000.00	
Lighter No. 1.....			1,600.00	
Lighter No. 3.....			1,500.00	
Lighter No. 4.....			1,200.00	
Lighter No. 5.....			1,200.00	
Lighter No. 6.....			1,200.00	
Lighter No. 7.....			1,200.00	
New York No. 1, lighter.....			2,500.00	
New York No. 2, lighter.....			2,500.00	
5 ship launches, at \$600 each.....			3,000.00	
55 surfboats, at \$70 each.....			3,850.00	
Total (75).....			35,940.00	
Grand total (266).....	1,259,944	1,018,188	29,064,532.56	

1 Figure represents net return on sale of vessel after deduction of credit account bottom damage not chargeable to insurance or a cash discount allowance.

2 Buyer obligated to recondition vessel.

3 Vessels on which Agreement of Sale has been executed but on which title was not transferred as of June 30, 1929.

4 Buyer under contract to install reciprocating engine as major betterment.

5 Dismantling and scrapping to be accomplished abroad.

DISPOSITION OF VESSELS OTHER THAN BY SALE

Name	Dead-weight tons	Gross tons	Sales price	Transferee
Transferred to other Government departments:				
Cargo—				
Dauperata.....	8,785	5,720	Without exchange of funds..	Inland Waterways Corporation (War Department).
Tollard.....	8,765	5,874	do.....	
Worcester.....	8,627	5,718	do.....	
Launch—				
Enterprise (wooden).....			do.....	War Department.
Shipboard (ex Peterson) (wooden).....			do.....	Bureau of Insular Affairs (War Department).

TABLE I.—Vessels sold and vessels disposed of other than by sale during the fiscal year ended June 30, 1929—Continued

## ADDITIONS TO SHIPPING BOARD FLEET

Name	Dead-weight tons	Gross tons	Price	Transferred from—
Transferred from other Government departments:				
R. F. No. 5 (wooden barge).....	-----	-----	-----	Navy Department.
Motor launch No. 2819 (wooden).....	-----	-----	-----	Treasury Department.
Purchased at United States court sale:				
Kosciuszko.....	7,371	4,986	\$40,000	

TABLE II.—Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1929

[This report is based on information received through July 1, 1929, affecting status of vessels as of June 30, 1929]

	Total		Contract		Requisitioned	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....	2	17,000				
Cargo.....	574	4,729,649	456	3,709,710	103	896,112
Tankers.....	2	17,047	1	10,000	1	7,047
Refrigerators.....	10	70,277	5	41,967	5	28,310
Tugs.....	4		1			
Unfinished cargo.....	1	9,400	1	9,400		
Total steel.....	593	4,843,373	464	3,771,077	109	931,469
Concrete vessels: Tankers.....	1	7,500	1	7,500		
Wood vessels: Tugs.....	7		7			
Total.....	601	4,850,873	472	3,778,577	109	931,469

	Purchased		Seized enemy		Acquired from other departments	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....			2	17,000		
Cargo.....	13	106,292	2	17,535		
Tugs.....					3	
Total steel.....	13	106,292	4	34,535	3	

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

TABLE III.—*Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1929*

[This report is based on information received through July 1, 1929, affecting status of vessels June 30, 1929]

	Number	Dead-weight tons
<b>Vessels in hands of operators or charterers:</b>		
Cargo—		
Operating in specified services, United States ports to foreign ports.....	194	1,719,730
Idle status with managing operators.....	24	221,134
Coal trade.....	10	84,995
U. S. Army service.....	1	7,840
Under bareboat charter.....	2	17,305
Tugs—		
Steel (bareboat).....	4	
Wood (in service with Reserve Fleet).....	7	
<b>Total in hands of operators or charterers.....</b>	<b>242</b>	<b>2,051,004</b>
<b>Vessels inactive with Merchant Fleet Corporation or shipbuilders:</b>		
Cargo—		
Tied up.....	329	2,552,270
Spot with operations department.....	10	87,356
Dieselizing.....	5	48,419
Passenger, tied up.....	2	17,000
Refrigerators, tied up.....	10	70,277
Tankers—		
Steel, tied up.....	2	17,047
Concrete.....	1	7,500
<b>Total inactive fleet.....</b>	<b>359</b>	<b>2,799,869</b>
<b>Total fleet.....</b>	<b>601</b>	<b>4,850,873</b>

SUMMARY OF TOTAL FLEET

	Active		Inactive		Total	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo.....	231	2,051,004	344	2,688,045	575	4,739,049
Passengers.....			2	17,000	2	17,000
Refrigerators.....			10	70,277	10	70,277
Tankers.....			3	24,547	3	24,547
Tugs.....	11				11	
<b>Total.....</b>	<b>242</b>	<b>2,051,004</b>	<b>359</b>	<b>2,799,869</b>	<b>601</b>	<b>4,850,873</b>

TABLE IV.—Managing operators and charterers of Shipping Board vessels as of June 30, 1929

Name of line (and operator)	Address	Number of vessels	Dead-weight tons	Form of agreement
America France Line (Cosmopolitan Shipping Co., Inc.)	42 Broadway, New York City	11	96,286	Operating agreement, 1924.
American Brazil Line (Colombian Steamship Co., Inc.)	37 Battery Place, New York City	5	38,020	Do.
American Diamond Lines (Black Diamond Steamship Corporation)	39 Broadway, New York City	14	121,737	Do.
American Gulf Orient Line (Tampa Inter-Ocean Steamship Co.)	Whitney Central Building, New Orleans, La.	13	148,876	Do.
American Merchant Line (C. H. Winchester & Co., Inc.)	Whitchell Building, 17 Murray Place, New York City	6	39,170	Do.
American Pioneer Line (Roosevelt Steamship Co., Inc.)	41 Broadway, New York City	26	248,914	Do.
American Republics Line (C. H. Strague & Sons, Inc.)	44 Whitehall Street, New York City	14	118,478	Do.
American West African Line, Inc. (Barber Steamship Lines, Inc.)	33 Broad Street, Boston, Mass.	1	8,578	Bareboat charter.
Coyle, W. G. & Co., Inc.	390 Marquette Building, New Orleans, La.	1		Do.
Dixie Mediterranean Line (Dixie Steamship Co., Inc.)	Whitney Central Building, New Orleans, La.	9	72,518	Operating agreement, 1924.
Dixie U. K. Line (Dixie Steamship Co., Inc.)	Whitney Central Building, New Orleans, La.	14	123,287	Do.
Export Steamship Corporation (Dixie Steamship Co., Inc.)	120-126 Hibbernia Bank Building, New Orleans, La.	10	84,995	Do.
Gulf Brazil River Plate Line (Mississippi Shipping Co., Inc.)	Whitney Central Building, New Orleans, La.	11	92,845	Do.
Gulf West Mediterranean Line (Tampa Inter-Ocean Steamship Co.)	Whitney Central Building, New Orleans, La.	8	62,600	Do.
Merritt, Chapman & Scott Corporation	17 Murray Place, New York City	1		Bareboat charter.
Mississippi Valley European Line (Mississippi Shipping Co., Inc.)	1310-1316 Hibbernia Bank Building, New Orleans, La.	3	27,349	Operating agreement, 1924.
Mobile Oceanic Line (Waterman Steamship Corporation)	First National Bank Building, Mobile, Ala.	13	114,237	Profit-sharing agreement.
Do.	First National Bank Building, Baltimore, Md.	1	8,366	Operating agreement, 1924.
Orlop Lines (Consolidated Navigation Co.)	First National Bank Building, Baltimore, Md.	17	141,373	Do.
Pacific Argentina Brazil Line (McCurtick Steamship Co., Inc.)	946 Mason Building, San Francisco, Calif.	1	8,727	Bareboat charter.
South States Line (Lykes Bros.-Tripley Steamship Co., Inc.)	923 Whitney Central Building, New Orleans, La.	19	174,085	Operating agreement, 1924.
Texas Mediterranean Line (Lykes Bros.-Tripley Steamship Co., Inc.)	Cotton Exchange Building, Galveston, Tex.	4	35,563	Do.
Texas Star Line (Lykes Bros.-Tripley Steamship Co., Inc.)	923 Whitney Central Building, New Orleans, La.	12	106,379	Do.
Texas Uray Line (Texas Oceanic Steamship Co., Inc.)	Cotton Exchange Building, Galveston, Tex.	11	102,179	Do.
War Department	Washington, D. C.	1	7,840	Loan basis.
Yankoe Line (Rogers & Webb)	110 State Street, Boston, Mass.	8	69,102	Operating agreement, 1924.
Total		4235	2,931,604	

† Does not include 7 tugs and 12 barges operated by the Reserve Fleet.

‡ Operates vessels in coal trade.

§ Line sold and in process of delivery.

¶ Tugs.

TABLE V.—*Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1929*

	Number of services	Number of vessels
European.....	21	128
Mediterranean.....	5	21
South American.....	8	30
Far East and long voyage.....	4	39
Total, cargo services.....	38	218
Coal trade.....	1	10
Grand total.....	39	228

NOTE.—For names of lines in each trade see pages 124 and 125.

TABLE V.—Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1929—Continued

## EUROPEAN TRADES

Line and operator	From—	To—	Frequency of sailings	Vessels in hands of operators
Oriole Line (Consolidated Navigation Co.)	Baltimore, Hampton Roads, New York	Glasgow, Londonderry, Belfast, Dublin, Avonmouth, Cardiff	Every 2 weeks	17
Do.	Baltimore, Hampton Roads, Boston, New York	Manchester, Liverpool, Cork	Weekly	6
American Merchant Line (J. H. Winchester & Co.)	Philadelphia, Baltimore, Hampton Roads, Boston	London, Hull, Leith	2 per month	
American Diamond Lines (Black Diamond Steamship Corporation)	Baltimore, Hampton Roads, New York	Antwerp	Every 20 days	14
Do.	Boston, Philadelphia, New York	do	do	
Do.	New York	Rotterdam	Every 10 days	11
Do.	Boston, Philadelphia, Baltimore, Hampton Roads, New York	do	Every 20 days	
America France Line (Cosmopolitan Shipping Co. Inc.)	New York	Havre, Dunkirk	Weekly	8
Do.	Baltimore, Philadelphia, New York	Bordeaux, St. Nazaire	Monthly	
Yankee Line (Riippers & Webb)	North Atlantic ports (Norfolk to Portland)	Bremen, Hamburg	3 per month	14
Dixie U. K. Line (Dixie Steamship Co. (Inc.))	New Orleans	Liverpool, Manchester	2 per month	
Do.	do	Glasgow, Belfast, Dublin, Avonmouth	Monthly	11
Do.	do	London, Hull, Leith	2 per month	
Texas Uky Line (Texas Oceanic Steamship Co.)	Texas ports	do	Monthly	14
Do.	do	do	2 per month	
Mobile Oceanic Line (Waterman Steamship Corporation)	East Gulf Ports	Liverpool, Manchester	do	3
Do.	do	do	do	
Mississippi Valley European Line (Mississippi Shipping Co., Inc.)	New Orleans	London (also Rotterdam or Antwerp)	do	12
Texas Star Line (Lykes Bros.-Ripley Steamship Co., Inc.)	Texas ports	Bremen, Hamburg	do	
Southern States Line (Lykes Bros.-Ripley Steamship Co., Inc.)	New Orleans	Havre, Antwerp	2 per month	19
Do.	Texas ports	Havre, Antwerp (Rotterdam)	3 per month	
		Bremen, Hamburg, Rotterdam	4 per month	
		do	do	

† Steamers load alternately at Philadelphia and Baltimore before sailing from New York. One steamer every six weeks also calls at Boston.

MEDITERRANEAN TRADES

Gulf West Mediterranean Line (Tampa Inter-Ocean Steamship Co.), <sup>2</sup>	Gulf and South Atlantic ports.....	Portugal and North Spain.....	Monthly.....	8
Do.....	do.....	Spanish Mediterranean and North Africa (west of Biscaya).....	2 per month.....	
Dixie Mediterranean Line (Dixie Steamship Co., Inc.).	New Orleans and East Gulf ports (South Atlantic), Gulf ports (South Atlantic), <sup>2</sup>	French Mediterranean and West Coast Italy.....	2 per month.....	
Do.....	Gulf ports (South Atlantic), <sup>2</sup>	Adriatic, Greek Levant/(Constantinople/North Africa (west of Bizart)).....	Monthly.....	9
Texas Mediterranean Line (Texas Oceanic Steamship Co.).	Texas ports.....	French Mediterranean and West Coast Italy.....	2 per month.....	4

SOUTH AMERICAN TRADES

American Brazil Line (Columbian Steamship Co., Inc.).	New York.....	Pernambuco, Bahia.....	1 per month.....	5
Do.....	Philadelphia, New York, South Atlantic ports, Boston, New York.....	Para to Victoria, inclusive.....	do.....	
American Republics Line (C. H. Sprague & Son, Inc.).	do.....	Santos, Rio Grande do Sul, and Montevideo.....	do.....	
Do.....	Boston, Philadelphia, New York.....	Montevideo and Buenos Aires.....	Every 3 weeks.....	14
Do.....	Philadelphia, Hampton Roads, and South Atlantic ports.....	Brazil and River Plate ports.....	1 per month.....	
Gulf Brazil River Plate Line (Mississippi Shipping Co.), <sup>2</sup>	New Orleans and Texas ports.....	Brazil ports.....	do.....	
Do.....	do.....	River Plate ports.....	do.....	
Do.....	East Gulf ports and New Orleans.....	do.....	do.....	11

FAR EAST AND LONG VOYAGE TRADES

American Pioneer Line (Roosevelt Steamship Co., Inc.).	North Atlantic ports.....	Far East ports.....	Monthly.....	26
Do.....	do.....	Australia.....	2 per month.....	
Do.....	do.....	India.....	Monthly.....	
American Gulf Orient Line (Tampa Inter-Ocean Steamship Co.).	Gulf ports.....	Far East.....	do.....	13

COAL TRADE

Export Steamship Corporation.....	North Atlantic ports.....	Mediterranean (coal trade).....	As cargo offers.....	10
-----------------------------------	---------------------------	---------------------------------	----------------------	----

<sup>2</sup> Line sold but vessels not delivered. <sup>3</sup> Operated jointly with Texas Mediterranean Line.





TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1929—Continued

## VESSELS CONSTRUCTED BY THE UNITED STATES SHIPPING BOARD MERCHANT FLEET CORPORATION

Type	Vessels originally constructed		Conversion in type		Total vessels after conversion effected		Vessels sold		Vessels lost		Vessels transferred to other Government departments		Vessels scrapped		Vessels owned as of June 30, 1929			
	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	Num-ber	Dead-weight tons		
Cargo steamers:																		
Steel.....	1,419	9,409,834			1,415	9,514,313	798	4,536,020	43	256,013	15	116,458			559	4,605,822		
			7 cargo converted to tankers; 3 cargo converted to coolie carriers; 5 cargo converted to passenger; 11 transports converted to cargo.															
Steel (uncompleted):																		
Wood.....	1	9,400			1	9,400												
Wood.....	304	1,120,600			304	1,135,160	262	980,753	22	82,910	2	6,088			18	65,409		
Composite.....	18	63,750			18	63,750	18	63,750										
Concrete.....	4	13,500			4	12,656	2	6,078	2	6,578								
Total.....	1,746	10,707,084			1,742	10,735,279	1,080	5,586,601	67	345,501	17	122,546			18	65,409	560	4,615,222
Tankers:																		
Steel.....	138	1,863,030			145	1,416,340	131	1,287,622			12	131,680					2	17,047
Wood.....	1	4,700			1	4,700	1	4,700										
Concrete.....	8	60,000			8	56,282	3	19,969	1	7,500	3	21,313					1	7,500
Total.....	147	1,427,730			154	1,477,331	135	1,292,291	1	7,500	15	182,993					3	24,547
Passenger steamers, steel.	25	308,972			30	324,468	30	324,488										
Refrigerator steamers, steel.	19	161,400			19	141,495	5	40,380	1	5,324	3	25,314					10	70,277
Transports, steel.....	22	179,775			11	75,721	3	29,740			8	54,981						
Colliers, steel.....	9	70,850			9	71,674	9	71,674										
Coolie carriers, steel.....					3	11,395	3	11,395										
			3 cargo converted to coolie carriers.															



TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1929.—Continued

VESSELS PURCHASED BY UNITED STATES SHIPPING BOARD

	Total vessels acquired by purchase		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1929		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo:	49	294,277	28	128,661	8	42,669	2	8,965	13	106,292	49	286,587
Steel.....	1	2,800	1	2,800							1	2,800
Wood.....												
Total.....	50	289,077	27	131,461	8	42,669	2	8,965	13	106,292	50	289,387
Tankers, steel.....	5	31,150	5	31,153							5	31,193
Passenger:												
Steel.....	1	8,200	1	8,200							1	8,200
Iron.....	1	4,000	1	4,000							1	4,000
Total.....	2	12,200	2	12,200							2	12,200
Colliers, steel.....	10	33,378	10	33,118							10	33,118
Tugs:												
Steel.....	24		8				16				24	
Wood.....	4		3		1						4	
Total.....	28		11		1		16				28	
Barges, wood.....	8		5						3		8	
Grand total.....	103	365,805	60	207,972	9	42,669	18	8,965	16	106,292	103	365,808

EX-ENEMY VESSELS SEIZED

	Total vessels seized		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1929		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo:												
Steel.....	52	308,257	39	223,921	6	37,349	5	40,165	2	17,535	52	318,970
Wood.....	2						2				2	
Total.....	54	308,257	39	223,921	6	37,349	7	40,165	2	17,535	54	318,970
Passenger, steel.....	29	302,201			2	10,910	3	38,377	2	17,000	29	283,300
Transport, steel.....	9	39,029	22	210,013			9	38,739			9	38,739
Tugs, wood.....	1										1	
Barges, steel.....	3		3								3	
Sailing vessels:												
Steel.....	7	24,264	6	22,050	1	2,214					7	24,264
Wood.....	2						2				2	
Total.....	9	24,264	6	22,050	1	2,214	2				9	24,264
Grand total.....	105	675,441	71	455,984	9	59,473	21	117,281	4	34,535	106	667,273

TABLE VI.--An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1929.—Continued

VESSELS TRANSFERRED FROM OTHER GOVERNMENT DEPARTMENTS TO UNITED STATES SHIPPING BOARD

	Total vessels acquired by transfer		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1929		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo, steel.....	1	3,500	1	3,500							1	3,500
Passenger, steel.....	2	7,504	2	7,504							2	7,504
Transports, steel.....	2	13,060	2	13,060							2	13,060
Tugs:	6		2									
Steel.....	2		1				1		3		6	
Wood.....							1				2	
Total.....	8		3				2		3		8	
Barges, wood.....	9						2		7		9	
Grand total.....	22	25,504	8	24,064			4		10		22	24,064

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1929

Code	Caption	Total	United States Shipping Board			
			Salaries and expenses, 1926	Salaries and expenses, 1927	Salaries and expenses, 1928	Construction loan fund
	Unexpended balance as at June 30, 1928.....	\$117,568,452.89	\$29,570.04	\$10,909.78	\$13,960.84	\$72,617,255.67
RA	Receipts: Appropriations.....	13,688,750.00				\$288,750.00
RB	Sales:					
RB	Sales of vessels, tugs, and/or barges.....	11,098,622.91				
RC	Sales of assets other than vessels, tugs, and/or barges.....	924,771.41				
	Total sales receipts.....	12,023,394.32				
RF	Operations income, vessels: Operation of vessels revenue.....	67,853,221.89				
RII	Other operations: Real estate operation and rental revenue.....	761,966.85				
	Other receipts:					
RJ	Interest earned.....	1,858,805.46				
RL	Miscellaneous receipts.....	3,100,306.72				786,703.12
RM	Insurance premiums.....	766,771.57				
	Total other receipts.....	5,662,013.75				786,703.12
	Recovered disbursements:					
	Vessels:					
RDA	Real estate and equipment.....	5.00				
RDC	Operation of vessels expense.....	15.00				
RDD	Vessel repairs and betterments.....	3,447,434.78				
RDE	Protection and indemnity insurance expense and losses.....	158,201.27				
RDG	Marine insurance expense and losses.....	41,556.31				
RDI	Laid-up vessel expenses.....	462,844.42				
RDIJ		13,248.69				

TABLE VII—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1929—Continued

Code	Caption	United States Shipping Board.			
		Salaries and expenses, 1928	Salaries and expenses, 1927	Salaries and expenses, 1928	Salaries and expenses, 1929
	<b>Recovered disbursements—Continued</b>				
RDL	Real estate operation and rental expense.....	\$63,824.09			
RDM	Fuel purchased for storage and issue to vessels.....	186,353.60			
RDO	Warehouse stores.....	236.10			
RDT	Miscellaneous disbursements.....	1,778,894.47			\$1,306,131.67
RDU	Administrative salaries.....	31,832.11			
RDV	Other general expenses.....	34,830.23	\$1,750.84	\$9,128.22	
RDX	Dieselization expenses.....	18,127.44			
	<b>Total recovered disbursements.....</b>	<b>6,232,833.81</b>	<b>1,750.84</b>	<b>9,128.22</b>	<b>1,306,131.67</b>
	<b>Total receipts.....</b>	<b>106,223,080.62</b>	<b>1,750.84</b>	<b>297,876.22</b>	<b>2,092,834.79</b>
	<b>Transfer of funds.....</b>	<b>20,201,714.26</b>			
	<b>Total.....</b>	<b>243,691,247.77</b>	<b>\$10,969.78</b>	<b>15,711.78</b>	<b>8,091,775.67</b>
	<b>Disbursements:</b>				
DA	Construction, repairs, and/or betterments—				
DA	Vessels.....	55,587.92			
DC	Real estate and equipment.....	84,347.26			
DX	Discharge expense.....	8,116,098.70			
	<b>Total construction, repairs, and/or betterments.....</b>	<b>8,256,033.94</b>			
	<b>Operations outgo vessels—</b>				
DD	Operation of vessels expense.....	64,984,322.61			
DE	Vessel repairs and betterments.....	8,284,870.56			
DG	Protection and indemnity insurance expense and losses.....	1,174,094.97			
DH	Marine insurance expense and losses.....	1,304,638.27			
	<b>Total operations outgo vessels.....</b>	<b>75,717,946.41</b>			
DJ	Laid-up vessels expenses.....	1,455,946.17			
DL	Real estate operation and rental expense.....	736,090.92			

DM	Other disbursements—								
DO	Fuel purchased for storage and issue to vessels.....	846,610.16							
DS	Warehouse stores.....	1,053,465.43							
DT	Appropriations refunded to United States Treasury.....	20,572.74	20,570.64				2.10		
	Miscellaneous disbursements.....	7,458,083.48							6,728,790.00
	Total other disbursements.....	9,378,752.81	20,570.64				2.10		6,728,790.00
DU	General administrative expense—								
DV	Administrative salaries.....	3,848,211.64					337.33	221,938.92	
	Other general expenses.....	1,239,638.66					13,480.55	80,878.92	
	Total general administrative expense.....	5,087,850.30					33,917.88	278,816.84	
DRF	Refunded receipts—								
DRH	Operation of vessels revenue.....	4,707,650.76							
DRJ	Real estate operation and rental revenue.....	1,628.65							
DRK	Interest.....	33,991.49							
DRL	Miscellaneous receipts.....	2,830,205.42							786,703.12
DRM	Insurance premiums.....	659.41							
	Total refunded receipts.....	7,280,433.73							786,703.12
	Total disbursements.....	107,913,073.78	20,570.64				13,639.98	278,816.84	7,315,493.12
	Transfer of funds.....	20,703,714.79							3,500,000.00
	Unexpended balance as at June 30, 1919.....	113,876,509.73				10,909.78	1,771.80	19,039.38	70,616,373.01
	Total.....	243,991,247.77	20,570.64	10,909.78	15,711.78	297,876.22			83,631,866.13





TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1929—Continued

United States Shipping Board Merchant Fleet Corporation									
Code	Caption	Operating fund	1923 claims appropriation	Liquidation fund, 1920-1925	Sales receipts		Dieselization fund	Repossessed ships and trade routes	Insurance fund
					Liquidation fund, 1929	In suspense			
	General administrative expense—								
DU	Administrative salaries.....	\$3,635,917.39							
DV	Other general expenses.....	1,169,148.19							
	Total general administrative expense.....	4,795,065.58							
	Refunded receipts—								
DRF	Operation of vessels revenue.....	4,707,650.76							
DRH	Real estate operation and rental revenue.....	1,638.63							
DRI	Interest.....	412.83							\$3,572.98
DRJ	Miscellaneous receipts.....	1,749,662.30							993.41
DRK	Insurance premiums.....								965.03
	Total refunded receipts.....	6,498,162.60							
	Total disbursements.....	91,830,567.13	\$12,000.00						
	Transfer of funds.....	805,630.75	331.58	\$267,862.79	\$2,112,631.24		\$7,826,988.64		361,074.15
	Unexpended balance as at June 30, 1929.....	32,671,112.81	1,622,006.98	81,066.72	112,398.76		2,554,467.59	\$5,000,000.00	3,867,232.90
	Total.....	124,787,338.69	1,634,438.53	348,949.51	2,225,000.00	11,174,601.45	10,639,263.40	5,000,000.00	4,214,740.34

TABLE VIII.—Balance sheet as of June 30, 1929

ASSETS		
A-1-1. Cash and unrequisioned appropriations available for general purposes.....		\$30,925,062.50
A-1-2. Cash and unrequisioned appropriations available for operating contingencies....		6,339,535.79
A-1-3. Cash, insurance fund, merchant marine act, 1923.....		3,807,232.90
A-2. Cash and unrequisioned appropriations available for settlement of claims, appropriation act, fiscal year 1923.....		1,622,096.98
A-3. Cash and unrequisioned appropriations, U. S. Shipping Board.....		20,841.18
A-4. Construction loan and Dieselization funds.....		92,629,248.92
A-5. Accounts receivable.....		\$37,418,308.40
Less payable offsets.....	\$941,436.65	
Less claim offsets.....	17,917,491.01	
Less reserve for doubtful and uncollectible accounts.....	15,322,250.43	
		34,181,178.09
A-6. Accounts receivable of managing operators.....		3,237,130.31
A-7. Notes receivable.....		1,907,413.35
Less claim offsets.....	59,589.64	
Less reserve for doubtful or uncollectible notes.....	192,976.72	
		252,566.36
A-8. Operating supplies.....		40,051.45
A-9. Surplus material for sale.....		3,649,194.52
A-10. Land, structures, and equipment for sale.....		3,086,204.91
A-11. Mortgages receivable and securities.....		7,500.00
Less payable offsets.....	130,460.95	
Less claim offsets.....	1,709,444.00	
Less reserve for estimated value.....	1,482,233.20	
		5,799,724.85
A-12. Accounts and notes receivable for ship sales.....		3,322,138.15
Less payable offsets.....	56,467.28	
Less claim offsets.....	381,379.75	
Less reserve for uncollectible accounts and notes.....	891,604.07	
		2,477,586.70
A-13. Real estate and equipment used in operations.....		43,903,433.36
A-14. Estimated recoverable value of claims in favor of U. S. Shipping Board.....		42,573,982.20
A-15. Fleet (at appraised value).....		12,829,790.46
A-16. Deferred accounts and commitment charges.....		386,014.29
		78,600,940.00
		23,077,566.61
<b>Total.....</b>		<b>307,217,343.13</b>
LIABILITIES		
L-1. Accounts payable and unclaimed wages.....	\$4,164,718.06	
Less receivable offsets.....	904,849.71	
		\$3,259,868.35
L-2. Accounts payable of managing operators.....		7,949,720.90
L-3. Deposits on sales and other contracts not consummated.....	347,556.05	
Less receivable offsets.....	159,441.31	
		188,114.74
L-4. Suspense credits (receipts from ship sales contracts not fulfilled by purchasers).....	78,612.42	
Less receivable offsets.....	64,073.86	
		14,538.56
L-5. Commitments (other than Dieselization).....		7,414,244.53
L-6. Reserve for insurance claims and losses.....		8,153,354.94
L-7. Reserve for operating claims.....		3,945,220.43
L-8. Dieselization commitments and accounts payable.....		2,145,131.01
L-9. Reserve for claims settlements.....		1,622,096.98
L-10-1. Reserve, insurance fund, merchant marine act, 1923.....		85,327.64
L-10-2. Unearned premiums, insurance fund, merchant marine act, 1923.....		552,724.96
Reserve for operation of vessels taken back from purchasers.....		5,000,000.00
Net worth as at June 30, 1929.....		266,886,969.74
<b>Total.....</b>		<b>307,217,343.13</b>

140 THIRTEENTH ANNUAL REPORT UNITED STATES SHIPPING BOARD

SCHEDULE 1.—Cash and unrequisioned appropriations available for general purposes as at June 30, 1929

Cash available for general purposes, before adjustment—Cash in U. S. Treasury, in banks, in hands of managing operators, and in transit to depositories	\$40,438,223.57
Unrequisioned appropriations, emergency shipping fund	11,512.25
Plus amount to be transferred from insurance fund to operating fund, subsequent to June 30, 1929	14,895.03
	40,464,630.85
Less:	
Amount to be transferred from operating fund to construction loan fund subsequent to June 30, 1929	\$6,031.13
Amount to be transferred from operating fund, subsequent to June 30, 1929, representing adjustments of Diesel expenditures	594.46
Amount to be transferred from operating fund to Dieselization fund subsequent to June 30, 1929, in accordance with Shipping Board resolution of Oct. 9, 1929	757,405.76
Amount to be transferred to construction loan fund subsequent to June 30, 1929, representing excess of sales receipts over liquidation expense requirements	7,436,301.21
Amount to be transferred to operating contingencies fund subsequent to June 30, 1929	1,339,355.79
	9,539,868.35
Total cash and unrequisioned appropriations available for general purposes as of June 30, 1929	30,925,062.50

SCHEDULE 2.—Reconciliation of cash and unrequisioned appropriation balances as shown by the balance sheet with Treasurer's cash and appropriation statement as at June 30, 1929

Total cash and unrequisioned appropriation balances per Treasurer's statement, June 30, 1929	\$115,876,509.73
Balance sheet application of the above total:	
Cash and unrequisioned appropriations available for general purposes (Schedule A-1-1)	\$30,925,062.50
Cash, operating contingencies fund (Schedule A-1-2)	6,339,535.79
Insurance fund, merchant marine act, 1928 (Schedule A-1-3)	3,807,232.90
Claims fund—cash and appropriation balance fund established by Fleet Corporation appropriation act for the fiscal year 1924 (Schedule A-2-1)	1,622,096.99
U. S. Shipping Board, 1927, cash and appropriation balance (Schedule A-3)	110,909.78
U. S. Shipping Board, 1928, cash and appropriation balance (Schedule A-3)	1,771.80
U. S. Shipping Board, 1929, cash and appropriation balance (Schedule A-3)	19,059.38
Amount set aside for construction loan fund as authorized by sec. 11 of the merchant marine act of 1920, and amendment thereto approved Mar. 4, 1927 (Schedule A-4-1)	70,616,373.01
Amount established as a fund for the Dieselization of vessels (Schedule A-4)	2,534,467.69
Total cash and unrequisioned appropriations per balance sheet of June 30, 1929	115,876,509.73

SCHEDULE 3.—Cash and unrequisioned appropriations available for expenses of United States Shipping Board as at June 30, 1929

Cash:	
Available for salaries and expenses, fiscal year 1929	\$12,327.83
Available for printing and binding, fiscal year 1929	1.94
Total cash	\$12,329.77
Unrequisioned appropriations:	
Salaries and expenses, fiscal year 1927	\$10,903.28
Printing and binding, fiscal year 1927	6.50
Salaries and expenses, fiscal year 1928	1,771.80
Salaries and expenses, fiscal year 1929	3,729.61
Printing and binding, fiscal year 1929	3,000.00
Total unrequisioned appropriations	19,411.19
Total cash and unrequisioned appropriations, United States Shipping Board	31,740.96
Less amount of 1927 appropriations, unrequisioned as at June 30, 1929, to be covered into the U. S. Treasury subsequent to that date:	
Salaries and expenses, fiscal year 1927	\$10,903.28
Printing and binding, fiscal year 1927	6.50
	10,909.78
Cash and unrequisioned appropriations available for expenses of U. S. Shipping Board	20,831.18

<sup>1</sup> The unexpended balance of this appropriation as at June 30, 1929, will be covered into the U. S. Treasury as of July 1, 1929, and this amount has therefore been deducted from Schedule A 3.

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1929

	Original appropriation	Returned to U. S. Treasury surplus, or reappropriated	Net appropriation	U. S. Shipping Board	U. S. Shipping Board Merchant Fleet Corporation
<b>For fiscal years ended prior to July 1, 1928:</b>					
U. S. Shipping Board—					
Acts of Sept. 7, 1916; June 12, 1917; July 1, 1918; July 19, 1919; June 5, 1920; Mar. 4, 1921; June 16, 1921; June 12, 1922; Feb. 13, 1923; June 7, 1924; Mar. 3, 1925; Apr. 22, 1926; and Feb. 11, 1927.....	\$5,421,618.41	\$686,341.15	\$4,735,277.26	\$4,735,277.26	
U. S. Shipping Board Merchant Fleet Corporation—					
Act of Sept. 7, 1916, permanent fund.....	50,000,000.00	---	50,000,000.00	---	---
Acts from June 15, 1917, to June 12, 1922, emergency shipping fund.....	3,393,553,000.00	37,650,497.61	3,355,803,502.39	---	---
Acts of Feb. 13, 1923; June 7, 1924; Mar. 3, 1925; Apr. 22, 1926; and Feb. 11, 1927, current maintenance and operations.....	134,000,000.00	---	134,000,000.00	---	---
Act of June 12, 1922, claims, damage charges, and miscellaneous adjustments.....	50,000,000.00	11,745,515.10	38,254,484.90	---	---
Acts of Apr. 17, 1917; and July 1, 1918, national security and defense (presidential allotments).....	29,512,426.27	4,654,107.72	24,858,318.55	---	---
Acts of Apr. 22, 1926, and Feb. 11, 1927, operation of trade lines, expurchasers (expenditures on approval of President of the United States).....	15,000,000.00	15,000,000.00	---	---	---
Total U. S. Shipping Board Merchant Fleet Corporation.....	3,642,965,436.27	68,059,430.43	3,574,906,005.84	---	\$3,574,000,005.84
Total for fiscal years ended prior to July 1, 1928.....	3,648,387,042.68	69,645,761.58	3,578,741,281.10	---	---
<b>For fiscal year ended June 30, 1929:</b>					
U. S. Shipping Board—					
Act of May 16, 1928—					
7 commissioners.....	84,000.00	---	84,000.00	---	---
Printing and binding.....	9,000.00	---	9,000.00	---	---
All other expenses.....	166,750.00	---	166,750.00	---	---
Total U. S. Shipping Board.....	259,750.00	---	258,750.00	258,750.00	---
United States Shipping Board Merchant Fleet Corporation—					
Act of May 16, 1928—					
Current maintenance and operations.....	13,400,000.00	---	13,400,000.00	---	---
Operation of trade lines, expurchasers (expenditures on approval of President of the United States).....	5,000,000.00	5,000,000.00	---	---	---
Total U. S. Shipping Board Merchant Fleet Corporation.....	18,400,000.00	5,000,000.00	13,400,000.00	---	13,400,000.00
Total for fiscal year ended June 30, 1929.....	18,658,750.00	5,000,000.00	13,658,750.00	---	---

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1929—Continued

	Original appropriation	Returned to U. S. Treasury surplus, or reappropriated	Net appropriation	U. S. Shipping Board	U. S. Shipping Board Merchant Fleet Corporation
For fiscal year ending June 30, 1930:					
U. S. Shipping Board—					
Act of Feb. 20, 1929—					
7 commissioners.....	\$84,000.00		\$84,000.00		
Printing and binding.....	10,000.00		10,000.00		
All other expenses.....	265,750.00		265,750.00		
Total U. S. Shipping Board.....	359,750.00		359,750.00	\$359,750.00	
U. S. Shipping Board Merchant Fleet Corporation—					
Act of Feb. 20, 1929—					
Current maintenance and operations.....	11,134,250.00		11,134,250.00		
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States).....	5,000,000.00		5,000,000.00		
Total U. S. Shipping Board Merchant Fleet Corporation.....	16,134,250.00		16,134,250.00		\$16,134,250.00
Total for fiscal year ending June 30, 1930.....	16,494,000.00		16,494,000.00		
Gross appropriations and allotments.....	3,683,569,792.68	\$74,645,761.58	3,608,924,031.10	5,383,775.26	3,603,540,255.84

TABLE X.—Estimated operating profit and loss, fiscal year 1929

(Amounts shown in italics represent losses)

	Num-ber of termi-nals	Cargo tonnage and pas-sengers	Estimated revenue	Estimated voyage expense	Adjust-ment	Repairs		Insurance	Adver-tising expense	Adminis-tration expense	Total expense	Profit or loss
						Mainte-nance	Better-ments					
Freighters.....	954	7,537,003	\$48,819,989.36	\$47,572,513.60	\$664,863.78	\$4,486,051.24	\$289,975.27	\$2,991,662.10	\$303,173.51	\$3,118,025.75	\$39,327,394.91	\$10,607,405.65
Passenger and cargo exclu-sive of United States Lines).....	57	{ 1,163,021 18,969	{ 2,734,072.29	{ 2,233,465.45	247.37	287,379.63	149.24	82,702.91	39,706.20	76,510.79	2,719,863.11	15,109.18
United States Lines.....	38	{ 228,403 163,723	{ 13,035,636.40	{ 11,807,076.24	124,938.50	1,084,766.84	88,092.60	370,433.54	400,351.41	307,970.08	14,243,654.21	1,817,897.72
Tankers.....	15	143,994	282,056.26	168,607.59	1,812.90	21,402.39	---	27,040.45	---	9,662.58	227,925.01	54,130.35
Coal trade.....	16	106,498	273,940.53	561,262.66	494.03	401,488.13	7,621.62	36,472.72	2,500.65	34,186.41	1,043,984.24	770,035.71
Chartered vessels.....	16	---	90,002.96	---	---	740.00	---	25,532.63	---	25,603.86	51,876.49	38,126.47
Inactive vessels (custody Merchant Fleet Corpora-tion):	1,106	---	65,220,627.89	62,402,325.54	792,336.58	6,281,828.25	385,540.25	3,583,849.35	646,861.43	3,571,939.47	77,614,766.87	12,368,072.98
Operations.....	15	---	---	---	---	---	---	---	---	---	---	---
Sales.....	4	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous revenue and expense.....	---	---	3,117,968.66	---	---	---	---	---	---	---	---	884,713.61
Total.....	1,115	{ 18,176,009 74,683	{ 98,344,896.55	---	---	---	---	---	---	---	82,779,884.26	14,484,957.71

1 Tons.

1 Passengers.

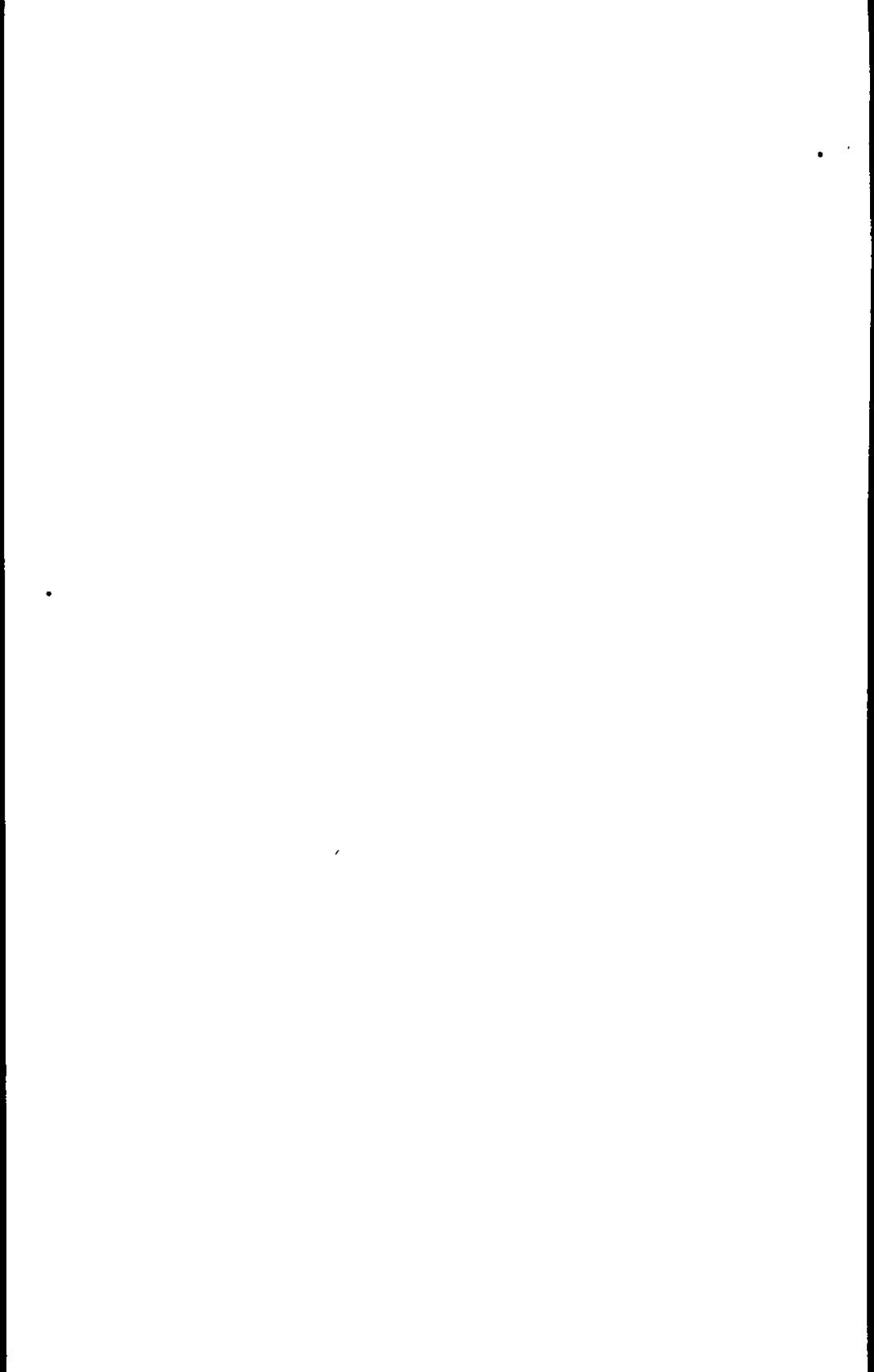
1 Number of vessels at end of fiscal year.

TABLE XI.—Names and compensation of employees of the United States Shipping Board in the service on June 30, 1929

Name	Designation	Legal residence	Rate per annum
Adolph Amende	Reporter	Alabama	\$2,300
C. O. Arthur	Director, Bureau of Regulation	Indiana	5,600
Edward J. Barnes	Assistant clerk	District of Columbia	1,260
Zelda Blank	Senior typist	do	1,440
Ruth Bowsman	Junior clerk	Missouri	1,560
Robert L. Boyd	Laborer	District of Columbia	1,140
Olive Brownell	Senior typist	do	1,440
Mabel G. Carragher	File clerk	Massachusetts	1,560
Lora S. Cass	Senior stenographer	Oklahoma	1,980
Lettie B. Chapman	Clerk	District of Columbia	1,620
Jean Colwell	Junior clerk	Michigan	1,620
Hutch I. Cone	Commissioner	Florida	12,000
Raymond J. Connolly	Assistant statistical clerk	Massachusetts	1,440
Edward P. Cotter	Head of foreign port surveys	Connecticut	3,700
Blanche M. Curry	Senior stenographer	District of Columbia	1,620
Maude Darracott	do	South Carolina	1,740
Albert C. Davis	Cabinetmaker	Virginia	2,200
Maude S. Dawson	Clerk	Nebraska	1,800
Thomas H. Deckelman	Law clerk	Maryland	2,100
Albert H. Denton	Commissioner	Kansas	12,000
Ernest M. Dew	Senior clerk	Ohio	3,100
Margaret E. Dowden	Clerk	District of Columbia	1,860
Dan P. Eldridge	Clerk to commissioner	do	3,100
Daniel Eskridge	Head porter	do	1,280
Margaret E. Evans	Junior clerk	Ohio	1,440
Caroline D. Flanner	Senior clerk	District of Columbia	2,600
F. H. Flinn	Assistant chief clerk	New Jersey	2,600
Mabelle Fry	Telephone operator	District of Columbia	1,280
Samuel Goodacre	Secretary	do	6,500
Charles B. Gray	Examiner	Pennsylvania	3,200
Marie L. Hagmuller	Junior typist	Missouri	1,440
Olive M. Henderson	Clerk	Virginia	1,500
Lillian M. Hillebrand	Senior stenographer	Maryland	1,980
Nettie J. Hipple	do	Pennsylvania	1,860
Samuel R. Howell	Head of domestic port surveys	Tennessee	3,300
James Jackson	Unskilled laborer	Virginia	1,320
Mary M. Kidwell	Junior statistical clerk	Kansas	1,440
Lottie P. King	Assistant section chief	Maryland	1,740
Larkin C. King	Laborer	District of Columbia	1,260
Olive V. King	Clerk	do	1,980
William T. Latham	Cartographer	do	1,920
Leon A. LeBulle	Clerk	South Carolina	1,920
Manila R. McCue	Secretary to director, Bureau of Research	Virginia	1,800
Bessie C. Mallicote	Stenographer	District of Columbia	1,740
Lucey A. Marsac	do	State of Washington	1,440
Julius Manns	Laborer	District of Columbia	1,140
Jefferson Myers	Commissioner	Oregon	12,000
John Nielson	Director, Bureau of Traffic	New York	7,500
Alf W. Nelson	Translator	Minnesota	2,000
Alice F. Nollner	Senior stenographer	District of Columbia	1,620
T. V. O'Connor	Chairman	New York	12,000
M. J. Pierce	Chief clerk	Tennessee	3,700
E. C. Plummer	Commissioner	Maine	12,000
Logan Presler	Clerk	Ohio	2,000
Fred A. Quinn	Examiner	Pennsylvania	3,200
Lee E. Rank	Clerk	do	1,980
J. G. Reckert	Assistant purchasing agent	District of Columbia	2,500
Katherine C. Renz	Telephone operator	do	1,380
Joseph H. Rhoderick	Clerk	do	1,680
L. R. Roberts	Chief, filing section	Iowa	2,700
Evelyn M. Sackett	Senior stenographer	New York	1,920
Samuel S. Sandberg	Commissioner	California	12,000
Samuel D. Schell	Assistant secretary	Maryland	4,200
Ralph I. Schneider	Examiner	Wisconsin	2,900
Marcella R. Schuyler	Stenographer	Ohio	1,440
Donald W. Shannon	Multigraph operator	District of Columbia	1,560
Marietta A. Stevens	File clerk	Indiana	1,580
Roland K. Smith	Commissioner	Louisiana	12,000
Anna Tiede	Clerk to commissioner	California	3,440
Jeanne Tullis	Senior typist	Maryland	1,440
Marie C. Van Arnum	Telephone operator	District of Columbia	1,380
Landon T. Voorhees	Secretary to the secretary	do	2,700
Emma Von Toerne	Senior stenographer	Wisconsin	2,040
May E. Wagner	Senior typist	District of Columbia	1,560
Hext P. Ware	Examiner	Maryland	3,200
George West	Underclerk	California	1,320
W. M. Woods	Accountant	Massachusetts	1,500
Virginia E. Woodward	Clerk	Maryland	1,680
Walter Ziwn	Senior typist	Pennsylvania	1,620

*Names and compensation of employees of the United States Shipping Board who have been in the service some part of the fiscal year ended June 30, 1929*

Name	Designation	Legal residence	Rate per annum	Date of separation
Arthur M. Boal.....	Admiralty counsel.....	Massachusetts.....	\$10,000	June 7, 1929
Lylle R. Buskey.....	Attorney.....	New York.....	4,600	July 31, 1928
Mason L. Fowler.....	Purchasing agent.....	South Carolina.....	3,100	Nov. 30, 1928
Evelyn M. Gliem.....	Clerk to commissioner.....	District of Columbia.....	2,600	June 15, 1929
Alice S. Murray.....	Senior clerk.....	Massachusetts.....	2,300	Aug. 15, 1928
Linda M. Shanahan.....	Clerk to commissioner.....	District of Columbia.....	2,600	July 10, 1928
Alexander R. Smith.....	Examiner.....	New York.....	3,000	May 13, 1929
Virginia M. Stetson.....	Minor library assistant.....	Virginia.....	1,260	Apr. 15, 1929
Florence J. Van Acker (née Lacy).....	Library assistant.....	District of Columbia.....	1,740	Oct. 31, 1928
Bertha E. Wolfe.....	Clerk.....	do.....	1,800	Mar. 31, 1929
Albert C. Wimberly.....	Junior clerk.....	do.....	1,440	Aug. 12, 1928



## INDEX

	Page
Accounts, cash:	
Merchant Fleet Corporation.....	110
United States Lines.....	110
Accounts receivable.....	69
Accounts, settlement of.....	70
Administrative expenses, reduction in.....	94
Admiral Oriental Line, mail contract.....	32
Admiralty division, report.....	68
Advertising.....	107
Agreements, carrier's, filed.....	40
Agreements, operating, new.....	4, 94, 95
Agwi Navigation Co. (Ward Line), loan agreement.....	58
Aid given vessels by tax exemptions.....	63-65
America France Line.....	6
American Brazil Line.....	6
American Diamond Line.....	6
American Gulf Orient Line.....	6
American Line Steamship Corporation, mail contract.....	32
American Merchant Lines, sale of.....	3, 88, 89
American Republics Line.....	6
American Scantic Line, mail contract.....	32
American-South African Line:	
Loan agreement.....	58
Mail contract.....	32
American Steamship Line, loan agreement.....	57
American West African Line, mail contract.....	32
Appendix.....	113
Appropriations and allotments, Table IX.....	141, 142
Argentine, prejudicial delay at Buenos Aires.....	17
Atlantic & Caribbean Steam Navigation Co., mail contract.....	32
Australian tariff regulations.....	23-25
Balance sheet, Table VIII.....	139
Boston, Shipping Board piers at.....	102
Brooklyn, Shipping Board piers at.....	103
Bunker deliveries:	
Coal, table.....	97
Fuel oil, table.....	97
Bunkering.....	100
Bureau of Construction, report.....	54-66
Bureau of Finance, report.....	68-71
Bureau of Law, report.....	66-68
Bureau of Operations, report.....	41-54
Bureau of Regulation, report.....	38-41
Bureau of Research, report.....	71-72
Bureau of Traffic, report.....	12-38
Canadian preferential tariff.....	22, 23

	Page
Cargo services, cost of maintaining.....	80
Cash statement, consolidated, Table VII.....	133-138
Castner, Curran & Bullitt (Inc.), litigation.....	66
Centralized purchasing.....	96
Charleston, S. C., Shipping Board terminals at.....	103
Chart, organization:	
United States Shipping Board..... facing..	1
United States Shipping Board Merchant Fleet Corporation... facing..	87
Charters of Shipping Board vessels.....	122
China, import tariff.....	15
City of Ellwood, motor ship.....	56
Claims, handling of by legal department.....	66
Coal:	
Bunker deliveries, table.....	97
Pulverized, tests of.....	104
Quantities purchased and costs, table.....	99
Trade.....	93
Coamo Steamship Corporation (New York & Porto Rico Steamship Co.), loan agreement pending.....	59
Coastwise laws:	
Great Lakes.....	19
Philippine Islands.....	18
United States.....	17
Virgin Islands.....	18
Codification of navigation laws.....	68
Collision of vessels at sea.....	10
Colombian Steamship Co., loan agreement pending.....	58
Competition, Cuban passenger trade.....	93
Competitive transportation through Canada.....	20-22
Complaints:	
Formal.....	38
Informal.....	39
Comptroller's department, work of.....	112
Cone, H. I., commissioner.....	1
Conference agreements.....	40
Conference on Merchant Marine, Second National.....	8, 50
Consolidated cash statement, Table VII.....	133
Construction bounty.....	60-65
Construction, Bureau of, report.....	54-66
Construction loan fund.....	4, 59
Consular reports on shipping.....	49
Contracts and opinions division, report.....	67, 68
Conversion program, Diesel.....	55, 104
Cost of maintaining cargo services.....	92
Costs, stevedoring.....	100
Cuban passenger trade, competition in.....	93
Deck boys.....	46
Denmark, transportation of immigrants.....	16
Denton, Albert H., commissioner.....	1
Diesel conversion program.....	55, 104
Dollar Steamship Line:	
Loan agreement pending.....	58
Mail contract.....	32

	Page
Eastern Steamship Lines, mail contract.....	32
Economic division, report.....	72
Educational division, report.....	71, 72
Employees, Shipping Board, list of, Table XI.....	144
Engineering development program.....	60
Ex-enemy vessels seized, Table VI.....	131
Export bill of lading.....	32
Export Steamship Corporation:	
Loan agreement.....	58
Mail contract.....	32
Finance, Bureau of, report.....	68-71
Finance department, work of.....	110
Fleet operation, study of financial results of.....	69
Flood Lines (Inc.), loan agreement pending.....	59
Foreign ports, study of.....	52
Foreign registry, transfer of vessels to, table.....	78-81
Formal complaint investigations.....	38
France:	
Customs regulations.....	14
Inspection laws.....	13
Vessel discrimination.....	14
Free ports.....	11, 51
Fuel conservation program.....	104
Fuel oil:	
Bunker deliveries, table.....	97
Foreign bunkering stations.....	53
Purchases and issues.....	96-100
Quantities purchased and costs, table.....	99
Storage stations, table.....	98
Galveston, motorship.....	56
General comptroller's department, work of.....	112
Grace Steamship Co.:	
Loan agreement.....	58
Mail contract.....	32
Great Lakes, coastwise laws.....	19
Groton Iron Works, litigation.....	67
Gulf-Brazil-River Plate Line, sale of.....	6
Gulf Mail Steamship Co., mail contract.....	32
Gulf-West Mediterranean Line.....	6
Hague rules.....	10, 30
Hoboken, N. J., Shipping Board piers at.....	102
Hog Island, salvage operations at.....	102
Housing mortgages, negotiations.....	69, 70
Housing properties.....	111
Indemnity and protection insurance.....	109
Industrial relations division, report.....	42-44
Informal complaint proceedings.....	39
Insurance:	
Department, work of.....	108
Marine.....	108
Protection and indemnity.....	109
Interstate carriers, tariffs of.....	41
Investigations division, report.....	48-50

	Page
Italy:	
Inspection laws.....	13
Panama Canal tolls.....	13
Trade with.....	12, 13
Visaing passports.....	15
Jones-White Act.....	4, 5, 6
Laid-up fleet.....	101
Land grant rates.....	50
Law, Bureau of, report.....	66-68
Leathem Smith-Nacco Steamship Co., loan agreement.....	59
Load lines.....	9, 10, 49
Lindsey Lumber Co., litigation.....	66
Litigation and claims division, report.....	66, 67
Loan agreements, applications pending.....	58
Losses, operating.....	4, 92
Lykes Bros. Steamship Co., mail contract.....	32
Mail contracts.....	5-8, 31, 32
Maintenance of lines taken back.....	28
Managing operators of Shipping Board vessels, Table IV.....	122
Marietta Manufacturing Co. et al., litigation.....	66
Marine insurance.....	69, 108
Maritime records division, work of.....	71
Matson Line (Oceanic Steamship Co.), construction loan.....	58
Merchant Fleet Corporation:	
Organization.....	87, 88
Organization chart.....	facing 87
Report.....	87-112
Merchant marine act, 1928.....	4, 5
Minimum intercoastal rates, control of.....	29
Monticello and Mount Vernon, steamships.....	56, 57
Munson Steamship Line, mail contract.....	32
Myers, Jefferson, commissioner.....	1
Naval Reserve.....	11
Navigation laws, codification of.....	68
Navy vessels cared for.....	102
New Orleans, motorship.....	56
New York & Cuba Mail Steamship Co., mail contract.....	32
New York & Porto Rico Steamship Co.:	
Construction loan pending.....	59
Mail contract.....	32
Norfolk, Shipping Board piers at.....	103
North River Terminal, New York.....	103
Ocean mail contracts.....	5-8, 31, 32
Oceanic & Oriental Navigation Co., mail contract.....	32
Oceanic Steamship Co., construction loan pending.....	58
Mail contract.....	32
O'Connor, T. V., chairman United States Shipping Board.....	1
Operating agreements, new.....	4, 94, 95
Operating expenses, retrenchment in.....	4
Operating losses.....	4, 92
Operating results, tankers.....	95
Operations, Bureau of, report.....	41-54
Operations, extent of vessel.....	90, 91

Organization:	Page
United States Shipping Board.....	1
United States Shipping Board Merchant Fleet Corporation.....	87
Pacific-Argentine-Brazil Line, mail contract.....	32
Panama Canal traffic.....	32, 33
Pan American Commission on Customs Procedure and Port Formalities.....	25
Pan American conference, Habana, 1928.....	25, 26
Philadelphia, Shipping Board piers at.....	103
Philippine Islands, coastwise laws.....	18, 19
Piers, Shipping Board, operation of.....	102, 103
Placements, sea-service section.....	47
Plummer, E. C., vice chairman, United States Shipping Board.....	1
Port facilities division, report.....	51-54
Port series reports.....	51, 52
Portugal, harbor master supervision in.....	16
Profit and loss, Table X.....	143
Protection and indemnity insurance.....	109
Publicity.....	107
Pulverized coal tests.....	104
Purchasing, centralized.....	96
Radio division, work of.....	105, 106
Reduction in operating and administrative expenses.....	4, 94
Regional advisory boards.....	38
Registry, transfers to foreign.....	78-81
Regulation, Bureau of, report.....	38-41
Research, Bureau of, report.....	71, 72
Reserve fleet, care of.....	101
Safety of Life at Sea, international conference on.....	9, 10, 48
Sale of ships.....	3, 88-90
Sale of ships, table showing.....	115
Sale of ships, to aliens.....	73-77
Sale of ships, United States Lines and American Merchant Lines.....	3, 88, 89
Sandberg, S. S., commissioner.....	1
Sea service section, work of.....	44-47
Secretary, report of.....	72-83
Section 15 agreements.....	40
Services maintained by Shipping Board, Table V.....	123-125
Ship mortgage act.....	82, 83
Ship sales.....	3, 88-90
Skinner & Eddy Corporation, litigation.....	66
Smith, John Russell, litigation.....	66
Smith, Roland K., commissioner.....	1
South Atlantic Steamship Co., mail contract.....	32
Spain, classification certificates.....	14
Spain, revenue act of 1928.....	15
States Steamship Co., mail contract.....	32
Stevedoring costs.....	100
Storage stations, fuel oil, table.....	98
Strachan's Southern Steamship Co., loan agreement.....	58
Supply and operations.....	96
Surplus stores, disposition of.....	96
Tanker operations.....	100
Tax exemptions, vessels aided by.....	63-65
Trade routes, interest in.....	26

	Page
Traffic, Bureau of, report.....	12-38
Traffic department, report.....	106
Transfers to foreign registry, table.....	78-81
Transports, Army and Navy.....	11
United States Lines, loan agreement pending.....	59
United States Lines, sale of.....	3, 88, 89
United States Protection & Indemnity Agency, sale of.....	4, 109
Venezuela, buoy tax.....	17
Vessels:	
Acquired by Shipping Board, Table VI.....	126
Constructed, Table VI.....	128
Controlled, Table II.....	120
Disposed of, Table I.....	115
Ex-enemy, seized, Table VI.....	131
Operation of.....	90, 91
Purchased, Table VI.....	130
Sold, Table I.....	115
Transferred from other Government departments, Table VI.....	132
Virgin Islands, coastwise laws.....	18
Voyages, number completed by Shipping Board ships.....	91
Warsaw rules.....	31
York-Antwerp rules.....	29