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MARITIME COMMISSION

REPORT
TO CONGRESS

FOR THE FISCAL YEAR ENDED
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UNITED STATES MARITIME COMMISSION

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WASHINGTON, D. C.

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LETTER OF TRANSMITTAL

UNITED STATES MARITIME COMMISSION,
Washington, November 17, 1948.

To the Congress:

I have the honor to present the annual report of the United States Maritime Commission for the fiscal year July 1, 1947, to June 30, 1948.

In the introduction to this report, a survey is made of the present state of the United States Merchant Marine, with some indication of its prospects in the immediate future. No forecast can be made with certainty on the national and international developments over the next few years which may affect merchant shipping. Experience in the past has shown, however, the need of an active and efficient Merchant Marine for purposes of national trade and defense, and the danger of permitting our fleet to become weakened through neglect after a period of intensive emergency building. Planning must be long-range and public support unwavering if the Merchant Marine is to be an effective instrument of national policy.

W. W. SMITH, *Chairman.*

INTRODUCTION

Encouraging progress has been made during the fiscal year 1948 and in the months since the end of that period in strengthening the position of the United States Merchant Marine under the present postwar conditions. A start has been made on a new shipbuilding program designed to fill the gaps in the present American merchant fleet and to strengthen it as a potential arm of defense. The number of privately owned ships in service has increased, while the Government has withdrawn from nearly all its operating and a large part of its chartering activities. Government-owned vessels have been chartered to private companies to supplement the privately owned fleet in carrying emergency shipments of relief and reconstruction goods to Europe and Asia. At the same time, however, sailings on regular trades have been restored and even increased.

Much, of course, remains to be done. Constant vigilance is required to prevent the neglect and indifference toward the Merchant Marine in times of peace which have in the past led to its decay. Improvements in efficiency of ships and in their management will be required to keep them operating in face of increased competition from maritime-wise competitors of other countries. Domestic shipping has failed to regain its prewar position, and its reestablishment will call for effort and ingenuity. With the continued support of Congress and the administration, and cooperation between Government, industry, and the public, these problems can be solved to the advantage of the whole nation.

Shipbuilding.—The most hopeful aspect of the present maritime situation of the United States is in prospects for shipbuilding. The 1947 annual report of the Maritime Commission pointed out that shipbuilding was at a dangerously low ebb, with no new merchant ship construction in prospect after the first half of 1948. At that time the Commission warned that lack of new contracts (particularly for passenger-type vessels and tankers) threatened the balance and efficiency of the commercial fleet and the maritime requirements for national defense.

The United States was the only major shipbuilding country to show a decline in ship construction in 1947. While it owned nearly one-third of all the merchant ships in the world, it built only about 4 percent of the tonnage constructed during the year. Since a large

proportion of the United States vessels were built during the war and are of prewar design, those countries replacing their fleets with postwar-built ships may soon surpass us in the modernity and efficiency of their merchant marines. Appendices A and B show the comparative strength of the United States and foreign merchant marines and rates of new ship construction.

Fortunately the outlook for United States shipbuilding at present is considerably brighter. Tonnage on order in private American yards has doubled in the past year, with 68 vessels of 1,069,840 gross tons on order on September 1, 1948, including 5 new passenger-cargo liners for which contracts were placed by the Commission in August.

The Commission's recommendations on the need for new ships were reinforced by conclusions of a committee of Cabinet members appointed by the President to study shipbuilding needs in relation to national defense. Through the Secretary of the Navy, this committee pointed out in April 1948 that the current troop-carrying capacity of United States merchant ships was only half the minimum that would be required in case of war and that a third more tankers would be needed to supply oil transport requirements.

In accordance with these findings and the President's request for funds for an expanded ship construction program, the Congress made available to the Maritime Commission for the fiscal year 1949 a total of \$178,000,000 in contract authority for new ship construction, including \$84,000,000 in contract authority granted for the 1948 fiscal year, which was extended to September 30, 1948. The extended authorization has now been fully obligated.

Certain policies established by the Merchant Marine Act of 1936, which had formed the basis of the Maritime Commission's peacetime shipbuilding programs in the past, were endorsed by the President as a guide to the new program. The Government program was to be a stimulant to, rather than a substitute for, private construction. The Commission was to consult with the industry to determine what vessels were economically justified at this time as indicated by the operators' willingness to purchase the vessels. The Commission's share was to be limited to payment of construction-differential subsidies making up the difference in cost between foreign and domestic shipbuilding. Government participation in tanker construction was to be limited to the cost of national-defense features. The Commission was to establish close liaison with the National Defense Establishment in working out the shipbuilding program to conform with defense requirements. This liaison was established through organization of a Maritime Commission-Military and Industry Liaison Committee, of which Admiral Smith is the chairman.

A preliminary survey indicated that there were reasonably good prospects of building 18 modern passenger and combination passenger-cargo vessels for purchase by 8 American shipping companies under construction-differential subsidies, 20 modern high-speed tankers to be constructed by private owners with the Government paying for increased speed as a national defense feature, and 2 passenger-trailer vessels designed for coastwise operation to be built by a private operator with Government mortgage credit assistance. Among the passenger-type vessels desired by the industry was an express liner for the North Atlantic service which would be the largest ever constructed in an American shipyard.

In view of legislation pending in the Congress, there was for some time a considerable reluctance on the part of shipowners to undertake building programs, particularly of passenger-type vessels, without assurance of at least a 50-percent construction-differential subsidy, and there was some suggestion that the Government build the ships and charter them to private operators. The Commission, however, felt that the program should be worked out in conformance with the policies previously mentioned, which seemed wise and fair in placing emphasis on private construction and operation with only as much Government assistance and control as was needed to assure American operators an even footing with their foreign competitors and to assure the Nation of an American Merchant Marine adequate for defense purposes.

With few exceptions American shipowners are in better financial condition to undertake a reasonable amount of new construction than at any time in the recent past. The aggregate net worth of the 12 operators now holding subsidy contracts with the Commission is more than 6 times what it was in 1937. In addition, a number of shipowners have obligations under their operating subsidy contracts to undertake new vessel construction.

Two companies have already undertaken to build new ships. Negotiations are being carried on with others concerned with passenger-ship operation which may result in further commitments in the near future. In August 1948 the Commission announced award of a contract for construction of two large passenger vessels for the Mediterranean service of American Export Lines and three combination passenger-cargo vessels for American President Lines' round-the-world service, for which the Government will pay about a 45-percent construction subsidy in addition to cost of national-defense features.

Bids have also been requested on a large high-speed liner for the trans-Atlantic service of United States Lines, and the Standard Oil Co. of New Jersey was authorized to request bids on large high-speed

tankers on which the Government will pay for speed in excess of commercial requirements, as a national-defense feature. The latter bids have been received and are being studied by the Maritime Commission and the Department of the Navy.

In cooperation with the Department of the Navy, the Commission has been working on designs for two new types of cargo vessels which will be suitable not only for peacetime operation but will be readily convertible for war use and adapted to mass production in case of emergency. The Commission hopes to schedule the construction of these prototype vessels during the fiscal year 1949.

The Commission's first 10-year program of shipbuilding was completed in July 1948. Instead of the 500 ships projected in 1938 for completion in this period, over 5,000 had been built. Upon completion of a refrigerated cargo ship in July, the Commission reached the point where no vessels were under contract for its own account or under construction-differential subsidy. But shortly thereafter, with the placing of contracts for 5 new passenger and combination vessels, the Commission commenced a new 3-year program which it is hoped will produce some 40 new vessels. While this will not come up to the recommendations of the National Defense Establishment, which were for 50 passenger ships and 170 tankers in 3 years, it will be a start on bringing the Merchant Marine up to standards necessary for purposes of defense. Moreover, these vessels are commercially feasible and are needed to improve the peacetime competitive status of the United States Merchant Marine.

This start has been made possible through cooperation of private companies, which are putting their money into these vessels, the Maritime Commission, which is paying for higher American costs as a means of assuring a strong shipbuilding industry and an up-to-date Merchant Marine for national security purposes, other Government and industry groups which have agreed to provide steel for the program, and the Congress, which is supplying necessary funds for Government participation. The program can be carried out under existing legislation. Insofar as the national interest is involved in providing a first-rate Merchant Marine, the Government is obliged to share in its expense, but insofar as private industry benefits from the provision of modern up-to-date vessels, it should be willing to bear its share of the cost. This method of cooperation between business and Government has proved its value in the past and will be proved again if the new shipbuilding program can be carried out as planned.

Shipping.—The number of United States merchant ships in active operation has decreased in the past year and will probably decrease further in the next few months. With cessation of chartering of Government ships at the expiration of the Merchant Ship Sales Act,

at present scheduled for March 1, 1949, the operating fleet may drop nearly to its prewar level of 1,060 ships. Employment of vessels as of June 30, 1948, as compared with the prewar year 1938 is shown in appendix C.

On March 31, 1947, there were 2,341 United States merchant sea-going vessels of 1,000 gross tons and over in active operation. On June 30, 1948, there were 1,723. There was encouragement in the fact that privately owned vessels in operation increased during this period from about 700 to nearly 1,100. The decrease was in the number of vessels chartered from or operated by the Government, from nearly 1,650 on March 31, 1947, to about 630 on June 30, 1948.

There was also a decrease in percent of trade carried in United States-flag ships. This was in part due to increasing foreign-flag competition for available cargoes, in part to a drop in bulk shipments of coal from the United States and to delay in getting increased Economic Cooperation Administration shipments under way.

Several changes were made in the Commission's charter policies, all designed to protect the interests of the permanent Merchant Marine and the financial interests of the Government. In August 1947 changes were made in charters to require separate computation of additional charter hire payments on voyages after September 1, in order to prevent loss of charter revenues to the Government. In April 1948, companies owning no United States vessels or having foreign interests were not permitted to bareboat any Government-owned ships in addition to those which they already had under charter.

When the need for additional charter tonnage to move emergency aid cargoes sharply decreased, it was decided in September 1948 to withdraw all chartered vessels from operators in these categories as of November 30, 1948,¹ and ratios were set to relate the number of vessels chartered to the number owned. These changes were designed to encourage companies which had indicated their intention to remain as long-term United States operators through ownership of vessels, and to discourage operation of Government-owned vessels by those having no substantial capital investment in the American Merchant Marine.

When these changes are completed, even though the total number of ships employed will be smaller, the operating fleet will have been placed on a firmer foundation. While prospects for increased ECA shipments may be offset by increased foreign competition and by decreases in some types of cargo, the hoped-for recovery of European nations under the ECA program should stimulate a healthier two-way trade in which United States ships may expect to share. The

¹ Later extended to January 31, 1949.

provision for transport of 50 percent of ECA cargoes in United States ships has helped to ease the transition from an inflated postwar demand for shipping to normal peacetime trade.

Resumption of payments of operating subsidies to those lines holding operating subsidy contracts on trade routes designated as essential to United States trade and defense will insure continuation of such services in competition with lower cost foreign operators. The maintenance of such services is no less important now than in the days prior to the war.

Greater participation of United States vessels in foreign trade has resulted in an increase in subsidized services over prewar and an increase in applications for supplying subsidized services. The cost to the Government of operating-differential subsidies will increase somewhat because of increases in wages and other operating costs to double prewar costs, combined with a lesser increase in foreign costs upon which subsidy differential payments are based. The close of the first 10-year subsidy period finds that under provisions of the law for recapture of subsidy payments out of one-half of the profits averaging over 10 percent of the capital employed, three companies will return all the money paid, and four others will return a substantial amount, for a total recapture of about \$17,000,000 out of a total of \$27,000,000 paid to them as subsidies by the Government. Since subsidies paid to aid merchant shipping have been only about 2 percent of all Government subsidies, it is evident that the United States has obtained a very valuable national service at an extremely moderate cost.

The situation of tanker shipping is quite different from that of dry-cargo vessels. There is not a surplus but a world-wide shortage of tankers. Demand for petroleum products to supply an increasingly mechanized civilization is steadily rising. It has been estimated that by 1952 the United States will have to import 10 percent of its domestic oil consumption. The present United States tanker supply, though greater than ever before, is only about two-thirds of the Nation's needs in case of emergency, according to estimates of the armed services.

The acute shortage of petroleum transport which developed during the winter of 1947-48 emphasized the need for more tankers. By June 1947 the Maritime Commission had on hand only a few requests from United States operators for purchase of surplus tankers. Therefore 100 such vessels were available at that time for purchase by operators of other nations who desperately needed them. Unexpected increases in United States demand and continued inadequacy of land transportation for oil products led American operators to increase

their requests for the war-built tankers, until by October 1947 there were nearly 200 applications from American citizens for tankers. Some of the tankers under consideration for sale to foreign operators, but not firmly committed, were withheld and sold instead to United States operators. Almost all remaining available Government-owned tankers were sold and withdrawn from reserve fleets for necessary reconditioning or repair. As a temporary measure, vessels sold during the winter were required to serve only in domestic United States trades for the emergency period. A total of 464 tankers were sold, 140 of them to noncitizens, and 50 naval-type tankers were removed from reserve fleets for use by the Navy.

By the summer of 1948 almost all Commission-owned tankers of all types had been sold or were in the process of sale and were either operating or being readied for operation. The construction of about 60 new tankers by private companies, in addition to purchases from the war-built fleet, should supply adequate water transportation for oil products in the near future, in spite of increasing domestic requirements.

The domestic shipping picture shows little improvement over last year's. For a time subsequent to June 30, 1947, when the Maritime Commission withdrew from the domestic services in which it was then operating, it appeared doubtful whether any substantial number of vessels would continue in the general cargo coastwise and intercoastal trades under private operation. Gradually, however, a number of established carriers resumed intercoastal operations on a minimum scale, using in most cases war-built vessels chartered from the Commission under terms which required payments to the Commission in amounts calculated at an annual rate of 8.5 percent of the statutory sales price of each vessel, with further payment of 6.5 percent to be made if the charter operation proved profitable.

The intercoastal general cargo trade showed considerable vigor, and by June 1948 approximately the same number of vessels were operating in this trade as a year previously. Even so, the number of vessels and dead-weight tonnage employed were less than half that engaged in intercoastal dry-cargo trade prewar. No combination passenger-cargo vessels have operated exclusively in this trade since the war.

General cargo service between United States North Atlantic and Gulf coast ports was maintained at a minimum level during the year by 3 prewar lines operating 12 vessels (8 of which were chartered from the Commission), in contrast with 9 lines that operated approximately 50 vessels in 1939. During fiscal 1948 there was almost no general cargo service between North Atlantic and South Atlantic ports,

although this coast was served by 7 or more lines operating in excess of 60 vessels prewar. At that time there were 20 combination passenger-cargo vessels operating in Atlantic coastwise and Atlantic-Gulf service. No such operations have been carried on postwar.

There still remains a substantial dry-bulk-cargo trade along the Atlantic seaboard and between Atlantic and Gulf ports, consisting mainly of coal, sulfur, and phosphate, which furnishes employment to about 45 vessels (principally colliers) with only slightly less total dead-weight capacity than the approximately 70 dry-bulk-cargo vessels employed in this trade before the war.

Pacific coastwise general-cargo trade operated at low ebb during fiscal 1948, with only one common carrier line supplying service most of the year. The traditional lumber and paper trade gave employment to a number of vessels, but on a greatly reduced scale compared with prewar operations. For example, in 1939 there were more than 60 dry-cargo vessels in Pacific coastwise trade, but not more than 10 in 1948.

Trade between the United States and the three principal non-contiguous areas—Alaska, Hawaii, Puerto Rico—supported the operation of approximately 70 dry-cargo freighters during 1948, and in addition 7 combination passenger-cargo ships were in regular service. The noncontiguous trades are the only ones which have continued to give employment to approximately the same number and tonnage of vessels as in prewar years.

Alaska shipping presented some especially difficult problems. Under Public Law 12, Eightieth Congress, effective March 15, 1947, the Maritime Commission was authorized to make surplus vessels available to Alaskan operators at a nominal charter hire, and was authorized to assume hull and marine insurance not only on the Government vessels furnished but on privately owned vessels operating in the Alaskan service. Four companies completed two hundred eighteen voyages with twenty-nine vessels. About 50 percent of the north-bound cargo was supplies for military establishments in southern Alaska.

While Congress extended until March 1, 1949, the Commission's authority to charter vessels to Alaskan companies at nominal rates, contracts were not renewed after June 30, 1948, since the companies had failed to submit satisfactory long-range plans within the terms and intent of the law. It was found subsequently that the companies were able to operate 21 vessels in Alaskan service, including 14 chartered under provisions of the Merchant Ship Sales Act and several purchased from the Commission.

The very substantial changes that have occurred in the several domestic trades are apparent from the following summary tabulation showing vessels employed June 30, 1939, and June 30, 1948.

Trade	June 30, 1939		June 30, 1948	
	No.	Dead-weight tons	No.	Dead-weight tons
Total ¹	468	3,156,000	206	1,871,000
Continental:.....	378	2,565,000	131	1,246,000
Atlantic and Atlantic-Gulf.....	173	963,000	60	530,000
Pacific coastwise.....	62	224,000	9	48,000
Intercoastal.....	143	1,378,000	62	668,000
Noncontiguous:.....	90	591,000	75	625,000
Alaska.....	31	149,000	29	150,000
Hawaii.....	32	291,000	25	278,000
Puerto Rico.....	27	151,000	21	188,000

¹ Dry-cargo freighters and combination (passenger and cargo) vessels of 1,000 gross tons and over.

Throughout fiscal 1948 the Commission assisted in the rehabilitation of domestic shipping along a number of lines, including chartering of war-built vessels for operation in coastwise and intercoastal trades at rates materially lower than in offshore trades, and through active participation in important rate proceedings vitally affecting the coastwise, intercoastal, and noncontiguous general cargo trades.

At the end of fiscal 1948 the domestic shipping situation was far from bright. Less than half as many dry-cargo vessels were operating as in 1939, and no new general cargo or combination vessels were being built, although some companies had purchased a limited number of war-built vessels for service in domestic trade. Fewer dry-cargo vessels were operating in the Atlantic, Gulf, and Pacific coastwise trades than a year previously. A majority of these were war-built vessels chartered from the Commission. A part of the failure of the coastwise shipping trades to revive is attributed to lack of adequate rate relief to the water lines. Rate proceedings before the Interstate Commerce Commission, dealing with unduly low rates of competing land carriers, were initiated more than 2 years ago and still continue.

Shipping on the Great Lakes is in a category by itself. Out of about 350 vessels with a total single-trip capacity of nearly 325,000,000 dead-weight tons, compared to a prewar fleet of 437 vessels of 3,430,000 dead-weight, more than half are over 40 years old, and three-quarters are over 30 years old. Thirteen have been in service for more than 50 years. Only 21 bulk freighters have been built for Great Lakes service since 1939, and only 1 ore carrier is now under construction on

the Lakes. New carriers are needed for this service. Applications have been received from 13 Great Lakes companies to trade in about 40 old ore carriers against the purchase price of some 20 new vessels. The trade-in allowances requested were higher than those permitted by law, and the Commission had no funds for this type of construction at the time the applications were filed. However, Great Lakes operators are believed to be in a position to undertake a building program with private capital.

Reserve fleets and ship sales.—As Government-owned ships have been withdrawn from active operation, most of them have been put in the reserve fleets established under the Merchant Ship Sales Act of 1946. The number in these fleets increased from 1,180 on June 30, 1947, to 1,675 on June 30, 1948, and has continued to increase steadily since that time. Some of these ships have been held in "ready status" to provide a sufficient number of ships for carriage of essential relief and rehabilitation cargoes if necessary. About 558 have been already selected by the armed services to be held in a permanent National Defense Reserve Fleet for use in case of national emergencies. Scrapping of those ships considered too old or too badly damaged for useful service has been continued throughout the year.

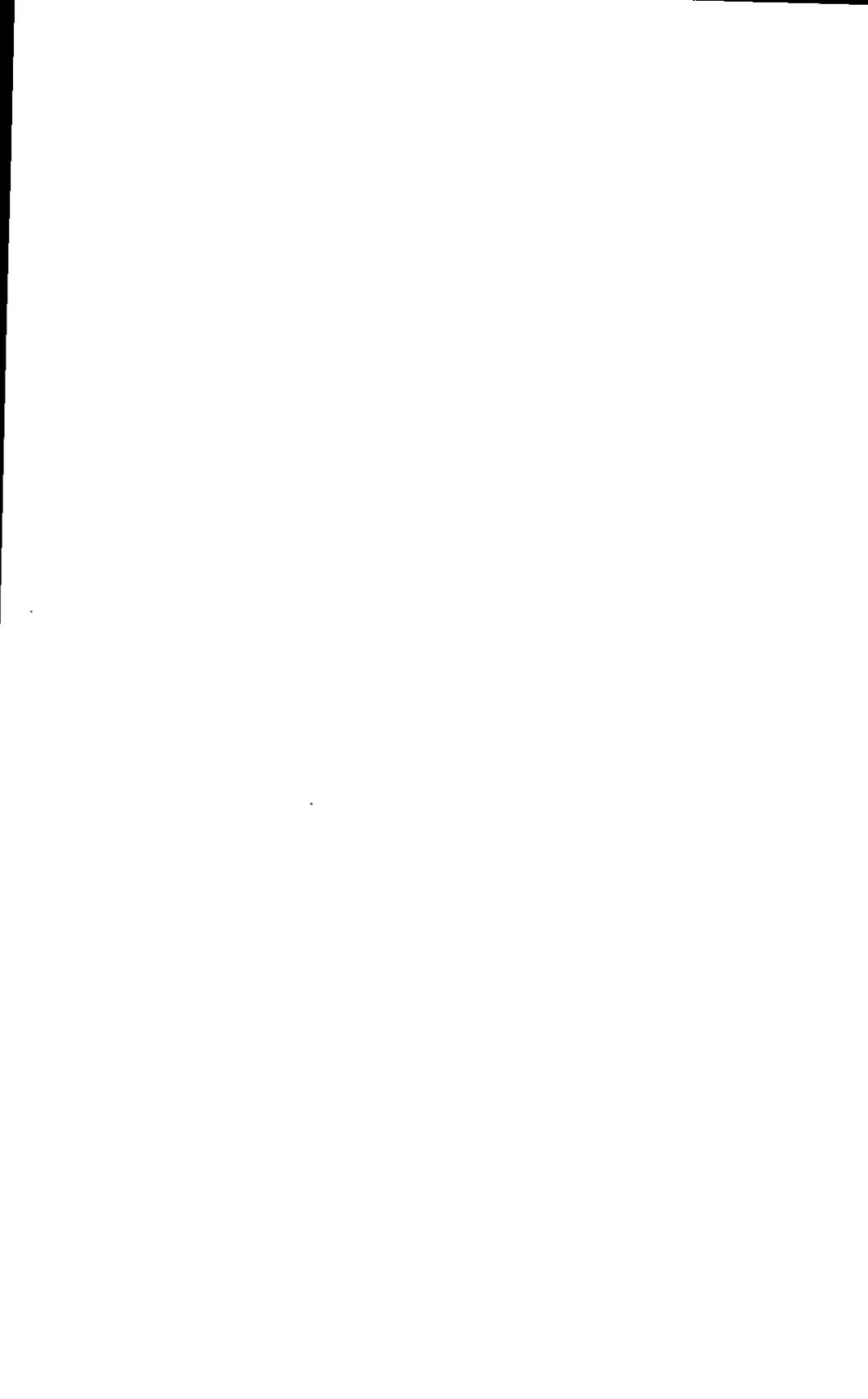
Expiration of the ship sales program is at present scheduled for March 1, 1949. To June 30, 1948, 1,790 ships had been sold for a return of \$1,720,000,000, 673 to United States and 1,117 to foreign operators. The Commission's new charter policy, previously referred to, may encourage further buying of ships by those operators who intend to remain a permanent part of our Merchant Marine. Ships sold to United States operators represent the best of the war-built fleet, types of vessels generally withheld from sale to noncitizens. Foreign-flag purchases were, in the main, limited to Liberty ships and other types not desired by United States operators.

The Commission's policy in selling to foreign countries, as stated at various times and as established by the provision for such sales in the Merchant Ship Sales Act of 1946, was to help replenish the fleets of allies who had lost many of their vessels in war service. As this purpose was fulfilled, the Commission decreased its sales to foreign countries. Nevertheless, there was a good deal of agitation in the fall of 1947 for transfer of some 300-500 more surplus United States ships by sale or charter to recipients of Marshall Plan aid, in order that they might carry the cargoes being sent them and both earn and save dollar payments. While the Commission was in full agreement with the objectives of the Marshall Plan, it strongly objected to a proposal that would have done irreparable damage to the United States Merchant Marine by depriving it of a large part of its commerce and

subjecting it to greatly increased foreign competition by ships acquired at nominal cost from the United States Government. The Commission therefore protested against this plan as dangerous to United States security. Congress agreed, not only by forbidding sales to foreign countries after March 1, 1948, while extending the rest of the Merchant Ship Sales Act, and by deleting provisions for sale or charter of United States vessels to Marshall Plan nations, but also insisted that at least 50 percent of all ECA cargoes should be carried by American ships.

Reorganization.—With settlement of most of the problems arising from dissolution of the War Shipping Administration and wartime programs, the Maritime Commission has undertaken an internal reorganization designed to increase efficiency of its operations. In August 1948 the Commission appointed a general manager and placed under his jurisdiction seven of the Commission's Bureaus. The Commission retained direction of the work of six other organizational units and determination of policy for all activities of the Commission. In this way it was believed that more centralized direction of operating functions could be obtained while retaining policy control in the hands of the Commissioners appointed for that purpose.

Following is the detailed report of activities carried on by the Commission during the fiscal year 1948.



SHIPPING OPERATIONS

Changing conditions in world commerce and in the domestic water-borne services of the United States during the fiscal year 1948 directly affected the shipping operations of the Maritime Commission. As far as world-wide operations were concerned, these changes were influenced, among other factors, by dollar shortages in foreign countries; the decline in the bulk movement of cargo for relief and rehabilitation purposes, leading to a depressed freight market; the acute world-wide shortage of petroleum and petroleum products; the coal strike; the passage of the interim aid bill and later the Foreign Assistance Act of 1948, and the increasing number of foreign-flag vessels competing in United States foreign trade.

Charters

The Commission continued to engage in the chartering of Government-owned vessels which had been initiated by the War Shipping Administration early in 1946. At the beginning of the fiscal year the demand for United States flag vessels to carry relief cargoes continued at a high level and on July 1, 1947, there were a total of 1,510 vessels of various types which had been allocated and/or delivered to the various charterers. However, as freight rates decreased, due to the reduction in coal, grain, and other relief shipments from the United States, and to the increased tonnage in the hands of foreign low-cost operators, the number of vessels under charter declined. In view of this situation, the Commission undertook to amend the terms of its fleet charter agreements.

On August 15, 1947, notice of termination was served on all bareboat charterers of Maritime Commission vessels effective September 1, 1947, subject to continuance under the following terms and conditions:

1. The rate of basic or additional charter hire remained unchanged.
2. The time limit of the charter was to be extended for a period of about 6 months, but no voyages were to commence after February 29, 1948, subject to termination on 15 days' notice by either party after 60 days from September 1, 1947, or from the date the vessel was delivered to the Commission thereafter.

3. Payment of additional charter hire was to be computed separately for those voyages which began prior to September 1, 1947, and for those which began under the amended terms of the charter agreement.

This action was designed to require the charterer to carry on all operations after August 31, 1947, without offsetting future losses against additional charter hire, due the Government, from voyage profits for the prior period. As a result of this change in policy, approximately 145 vessels were redelivered to the Commission by some of the charterers.

After the 60-day moratorium was over on November 1, 1947, the right to terminate the charter of vessels on 15 days' notice again became effective. As overseas shipments from the United States continued to decrease and additional foreign-flag vessels came into United States trade, charterers of Commission-owned vessels continued to turn back their vessels. On June 30, 1948, a total of only 660 vessels remained under charter, of which 569 were engaged in overseas trade, 57 in coastwise and intercoastal operations, 24 in the Alaskan service, and 10 were chartered to 4 Philippine companies under the Philippine Rehabilitation Act of 1946.

Inasmuch as operators of chartered vessels in the domestic services were confronted with a generally unprofitable domestic freight rate structure and under Public Law 127 were no longer permitted to offset losses in the domestic trades against profits from foreign operations, the Commission, in order to avert disruption of essential services, authorized the charter of war-built vessels to domestic operators on the following terms and conditions:

1. Basic charter hire was to be payable at the rate of 15 percent per annum of the statutory sales price or floor price, whichever was higher, of which, however, only $8\frac{1}{2}$ percent was to be payable unconditionally. The balance of $6\frac{1}{2}$ percent was to be paid from earnings before any participation in such earnings by the charterer.

2. Additional charter hire was to be payable, in accordance with section 709 of the Merchant Marine Act, 1936.

3. The period of the charter was to extend 6 months from August 31, 1947, subject to termination on 30 days' notice by either party.

Appendix D indicates the number of vessels chartered by the Commission during the fiscal year.

The following table shows cash received and billings made during the year for basic and additional charter hire under various types of charter agreements.

	Basic charter hire	Additional charter hire	Miscellaneous charter hire	Total charter hire
Interim agreements:				
Cash payments.....	¹ \$155,603.38	\$1,511,550.31		\$1,667,153.69
Charter hire billings.....	² 215,960.50	304,263.30		520,223.80
Ship sales agreements:				
Cash payments.....	¹ 125,772,795.86	37,273,949.82		163,046,745.68
Charter hire billed.....	² 119,284,185.14	17,708,739.78		136,992,924.92
Laud-Leathers agreement:				
Cash payments.....	¹ 6,896,837.37			6,896,837.37
Charter hire billed.....	5,953,203.08			5,953,203.08
Lend-Lease:				
Cash payments.....	¹ 334,658.59			334,658.59
Charter hire billed.....	164,478.27			164,478.27
Seajap vessels:				
Cash payments.....	130,526.31			130,526.31
Charter hire billed.....	130,526.31			130,526.31
Miscellaneous:				
Cash payments.....			\$195,181.87	195,181.87
Charter hire billed.....			⁴ 197,063.55	197,063.55
Total:				
Cash payments.....	133,200,421.51	38,785,500.13	195,181.87	172,271,103.51
Charter hire billed.....	³ 128,748,353.30	18,013,008.58	197,063.55	146,958,365.43

¹ Includes receipts during year affecting prior periods.

² Charter-hire billings are subject to adjustment for off-hire and redelivery of vessels.

³ Included are certain unliquidated accounts receivable, payment of which is expected during the fiscal year 1949.

⁴ Includes Lake charters.

Traffic activities

As a result of decreasing bulk cargo shipments for relief and rehabilitation purposes, the trend of the bulk cargo freight market continued downward during the fiscal year. Depressed earnings prevailed in the coastwise and intercoastal trades, due to depressed railroad freight rates acting as a ceiling on water freight rates, and the Commission continued to grant special reduced bareboat rates of hire for its vessels chartered for these trades.

A special contract with the Commission, authorized by Public Law 12, Eightieth Congress, provided for nominal rates of hire for vessels chartered by the Commission to the Alaska Steamship Co., Alaska Transportation Co., Northland Transportation Co., and Santa Ana Steamship Co. for operations between Puget Sound ports and Alaska. The act also provided for the assumption by the Commission of hull and machinery insurance on all vessels involved, including those owned by the above companies. On June 20, 1948, Congress passed Public Law 866, authorizing the Commission to extend certain of these benefits until March 1, 1949. Contracts were not extended beyond June 30, 1948, however, since satisfactory plans were not offered by the operators for carrying out the intent of the law.

In order to provide transportation, otherwise unavailable, for displaced persons, and others traveling in the national interest, the Commission continued to operate passenger services in the trans-

Atlantic routes under General Agency Agreement, with partially converted transport-type vessels not particularly suitable for passenger trade. When the Congress made funds available to the Maritime Commission for major alterations and improvements, to meet international safety requirements on these vessels, contracts were awarded for such work on a total of 7 C-4 type vessels. The total cost approximated \$2,800,000. On June 30, 1948, there were nine of these vessels in service, of which seven were employed between New York and United Kingdom-North European Continent ports, and two vessels in the North Atlantic-Mediterranean services.

As a result of vessel sales, transfer of tankers to the Navy, vessels bareboat-chartered to private operators and returned by them to the Commission, and vessels returned to the United States Government from Lend-Lease, there were a considerable number of vessels that required towing, stripping, and other activities in connection with their withdrawal from, or entry into, the Commission's laid-up fleets. Working in close cooperation with the Department of State, the Commission also handled all details in connection with the redelivery of the seven tankers and one dry-cargo vessel returned by the U. S. S. R. to the United States Government at Far Eastern and Mediterranean ports and arranged for storing, bunkering, proper documentation, crewing, etc., so as to enable the vessels to proceed as expeditiously as possible on commercial voyages under the American flag.

General agency agreements

On June 30, 1948, there were in effect 68 general agency service agreements and 4 berth agency agreements, which have been extended to February 28, 1949. Of these agreements, 4 were for the operation of Maritime Commission-owned vessels in passenger services, approximately 40 were for the purpose of stripping and preparing vessels for lay-up, while the remainder were inactive. Under the general agency service agreements, at the end of the fiscal year the Commission had in operation 9 passenger vessels of the troop transport type.

Tankers

On July 1, 1947, the Commission operated, through general agency agreements, approximately 250 tankers, making it the world's largest single operator of this type of vessel. Due to the tremendous demand for petroleum and its products and the need for ocean tanker transportation facilities, the Commission was able to sell all of its large tankers, with the exception of a few Liberty and overage types. By the end of the fiscal year only a few T-2 type tankers remained under Commission operation, and these were scheduled for prompt delivery to purchasers upon completion of their voyages. Accordingly, the Commission is now out of the tanker operating business.

Charters to aliens

During the acute tanker shortage in the winter of 1947-48 the Maritime Commission, in order to assure the availability of the maximum number of United States flag tankers for the domestic trade, modified its General Order No. 59 so as to require approval by the Commission of the charter of tankers by their private owners to aliens for voyages between foreign ports or between United States ports and foreign ports, except for the transportation of petroleum products from ports in the Western Hemisphere to ports in the United States, its Territories or possessions.

From July 1, 1947, to June 30, 1948, the Commission approved 231 voyage charters of vessels to aliens and 23 long-term charters to aliens. The great majority of these approvals covered tankers. Voyage charters of tankers were approved on condition that the voyage be completed by September 30, 1948. The purpose of this limitation was to give the Commission an opportunity to examine the petroleum situation, particularly as it might affect our domestic requirements before the winter season. The long-term tanker charters which were approved subsequent to April 1, 1948, are subject to cancellation or suspension by the Commission in the event of an emergency requiring the services of the vessels for the protection of our domestic economy.

Foreign transfers

Appendix L lists approvals granted by the Maritime Commission for transfer of United States flag vessels to foreign ownership and registry. The largest number of such transfers were Government-owned vessels sold pursuant to the Merchant Ship Sales Act of 1946 and the 1936 Merchant Marine Act. These figures represent only approvals granted by the Maritime Commission and do not represent the number of vessels actually released from the United States Merchant Marine. In some instances, sales or transfer were not consummated for one reason or another after the Commission's approval had been obtained.

Of the 224 privately owned commercial vessels of less than 1,000 gross tons approved for transfer to foreign ownership and/or registry, the greater portion were small fishing vessels of under 100 gross tons, principally "shrimpers" operating out of Gulf ports, which were transferred to Mexican ownership and registry for operation in Mexican waters, although the majority of such products are shipped to the United States for its consumption. Many of the vessels so transferred have since been redocumented under United States laws.

Foreign stock piles

Commission-owned stock piles of vessels' spare parts and equipment are located at Southampton, England; Naples, Italy; Manila, P. I.; and Yokohama, Japan. The total value of the stock pile material is approximately \$1,558,000. These stock piles are maintained to provide replacement in foreign ports of critical repair items required by vessels operating under general agency agreement or Commission-owned vessels under bareboat charter, thereby avoiding long delays, with attendant reductions in additional charter hire receipts by the Government, which would ordinarily result if parts had to be manufactured and shipped from the United States.

At the conclusion of the war there remained in foreign stock piles approximately \$8,000,000 of consumable stores, expendable equipment, and spare parts. Through screening and declaration of surplus to the Office of Foreign Liquidation Commission, these stocks have been reduced to their present level, and now consist primarily of items of a critical nature such as tailshafts, propellers, rudders, etc., which would not be readily obtainable in a national emergency.

Vessel¹ casualty investigation

A project of considerable importance initiated during the fiscal year was an analysis and investigation of some 700 Maritime Commission-owned or -controlled vessels lost during the war. The purpose of this study is to make recommendations for the removal of those vessels determined to be menaces to navigation, and to offer for sale those which are found to have scrap value.

Surrender of marine documents

During the fiscal year the Commission approved, pursuant to provisions of the Merchant Marine Act of 1920, the surrender of the marine documents of 427 United States vessels, for various purposes, such as change of name, home port, ownership, rig, tonnage, etc.

Forwarding

Under Section 217 of the Merchant Marine Act of 1936 as amended (Public Law 498), the Maritime Commission is charged with the coordination of forwarding and similar servicing of waterborne export and import foreign commerce of the United States. This section of the law was reactivated in connection with the work of the Economic Cooperation Administration. On January 10, 1948, the Commission issued a Notice of Procedures * * * relating to Freight Forwarding of Foreign Relief Cargoes, indicating that lists of forwarders would be prepared by the Commission and submitted to other Government departments, from which they might select forwarders to handle export relief shipments under their jurisdiction. Data were

assembled on 384 American forwarding companies and transmitted to various Government agencies interested in utilizing their services.

Insurance

All marine and war risk insurance required by the terms of contracts, including mortgages, charters, sales agreements, vessel reconversion, vessel construction and operating- and construction-differential subsidies, was processed for approval by the Commission during the fiscal year. The Commission had endeavored to have placed in the American market as much of the insurance arranged by mortgagors as was practicable, taking into consideration the fact that, in many instances, insurance could be obtained in the English market at a considerable saving in cost.

The following table, which is based on estimates, shows the kind and approximate amounts of insurance approved by the Commission and an estimate of the proportions of this insurance placed in the American and foreign markets by the private operators during the year.

Type	Total amount	Percentage American	Percentage foreign
Marine hull.....	\$830,000,000	35	65
Marine protection and indemnity.....	300,000,000	80	20
War risk hull ¹	800,000,000	25	75
War risk protection and indemnity ¹	480,000,000	25	75

¹ The Commission requires war risk insurance on all vessels mortgaged by or chartered from the Government, due to continuing danger from floating mines.

Consideration was given to applications by mortgagors and charterers for permission to collect directly from their underwriters reimbursement for vessel loss and damage. Where no arrears under the terms of the contracts were indicated, authorization was granted.

The Commission supplied 100 percent marine and war risk hull reinsurance on vessels operated in the Alaska service through an agreement with the American Marine Hull Insurance Syndicate. Under the terms of this agreement, the Commission paid all the losses and the operators paid \$175 per vessel to the syndicate to cover its administrative and office expenses. It is estimated that losses under this insurance will cost the Commission approximately \$425,000.

In accordance with the terms of the WARTIMEPANDI agreements, which had been in force since December 1, 1942, arrangements were made with the four American protection and indemnity underwriters to continue to provide this form of insurance until March 1, 1948, in connection with all vessels operated for the account of the Commission. Inasmuch as this number had been greatly reduced, it was impracticable to extend this agreement beyond February 29,

1948, and arrangements were made to issue the usual commercial form of policies to protect Commission-operated vessels until March 1, 1949.

Supervision of the WARTIMEHULL and the WARTIMEPANDI agreements was continued during the fiscal year. The HULL agreement was in force for approximately 2 years and the PANDI agreement for approximately 5½ years. Under the terms of these agreements the excess of premiums over the losses, expenses, and a limited profit is to be recaptured by the Commission. Through June 30, 1948, \$8,500,000 had been recaptured under the HULL agreement and \$11,500,000 under the PANDI agreement. Final settlements will not be made for approximately 5 years.

Maintenance and repair

Repairs were made on approximately 177 vessels delivered by the Maritime Commission into private operation under the Merchant Ship Sales Act charter during the year. Complete condition surveys were conducted on about 745 Commission-owned vessels redelivered to the Commission upon termination of charter operation.

Approximately 230 vessels were sold during the year under terms which provided for delivery of the vessel to the purchaser "in class." This involved, in addition to the complete condition survey, inspection of the vessel in drydock and the preparation of specifications covering requirements of the American Bureau of Shipping and the United States Coast Guard, removal of defense installations, crew quarter changes, and alterations to meet current commercial requirements, and work necessary to restore the vessels to the Maritime Commission's standard design. The cost of the necessary work amounted to about \$16,893,745.

Approximately 125 survey and repair projects in connection with the redelivery of privately owned vessels requisitioned by the Government during the war were handled during the fiscal year. The Commission conducted 279 subsidy condition surveys and approximately 1,263 repair inspections on vessels operating under the Commission's subsidy agreements. It participated in 245 final guarantec surveys held upon termination of the guarantee periods on newly constructed vessels. It also conducted 450 damage surveys on Commission owned or chartered vessels.

In October 1947, following a request from the Navy Department, the Commission authorized the withdrawal of 50 T-2 type tankers from lay-up, of which 24 were repaired by the Commission for operation by the Navy, with the Commission to be reimbursed by the Navy for the cost of the repairs, which totaled \$15,780,000. By March 19, 1948, all of these vessels were repaired and delivered to the Navy for operation, with the exception of two, the *Ocklawaha* and the *Ponagan-*

set, the former requiring considerable additional work, while the latter, which suffered casualty, was eliminated from the program.

During the fiscal year repairs were required on the 10 passenger-carrying vessels of the troop transport type which were operated by the Maritime Commission under general agency agreement. The total cost of these repairs approximated \$4,201,972. Of this amount \$1,593,898 represents expenditures for voyage repairs, while \$2,608,074 is the total cost of contracts awarded to comply with safety requirements of the United States Coast Guard for the conversion of 7 of these vessels for the improved carriage of 550 passengers, as against 800 carried previously. In addition, approximately 1,200 repair jobs were authorized during the year on tankers under general agency operation, at an approximate cost of \$5,522,614.

Vessel records

Current data were maintained on all phases of the Maritime Commission's shipping operations. New and varied activities, brought about primarily by the sharp increase in the world-wide demand for petroleum products and its effect upon the United States tanker situation, the passage of the interim aid bill and the Foreign Assistance Act of 1948, the numerous requests for shipping data from members of Congress and congressional committees, required the preparation of more than 25 major special reports, studies, and analyses, in addition to numerous continuing reports on various aspects of ship operation.

In addition a current record was maintained of the activities and position of every vessel bareboat-chartered by the Commission to private operators, as well as detailed information concerning the disposition of vessels owned or controlled by the Commission in the past. Information on past and current activities of vessels under United States control was frequently supplied to Government and private agencies.

Inventories

On July 1, 1947, a backlog of 6,734 unprocessed inventories of vessel stores and equipment was carried over from the preceding year. This included 6,284 in seven field offices (adjusted total from 6,290 reported in 1947 annual report) and an additional 450 in the Washington office. During the fiscal year, an additional 2,988 physical inventories of vessels were taken in the field, of which 1,499 were processed and sent to Washington. On June 30, 1948, therefore, there remained 7,773 unprocessed inventories in the field offices and 317 in the Washington office. Review of a total of 1,632 inventories was completed by the Washington office, of which 1,071 involved accounts receivable, amounting to \$12,898,081.46 and 250 concerned accounts payable in the amount of \$2,938,487.06. The difference, or 311, represents inven-

tories required in connection with voyage accounts of vessels operated under general agency agreements.

Operating costs analysis

A special report reflecting ship operations for 9 months of the fiscal year 1948 was prepared, in compliance with a request from the chairman of the Subcommittee on Independent Offices of the House Committee on Appropriations. In addition, daily operating costs of various types of vessels were furnished for use of the Commission and the Army and Navy.

Liquidation of wartime food control activities was completed.

Terminals and real estate

Claims against the Government for the use of various piers or terminals during the war emergency totaled approximately \$2,500,000. It is estimated, however, that these claims can be reduced by 50 to 75 percent. In cooperation with the Departments of the Army and Navy, a procedure was established to process claims for retroactive wage increases by West Coast terminal operators, in fulfillment of guaranties made by the Army, Navy, and War Shipping Administration to avert crippling waterfront labor strikes during the early reconversion period.

During the fiscal year all portions of Government-owned terminal properties were finally returned by the armed services to the jurisdiction of the Maritime Commission. The Navy surrendered the last remaining warehouse space at the Norfolk terminal, and the Commission negotiated a permanent permit by which the Maritime Commission would again assume interim control of the Boston Army base terminal. All four terminals at Boston, Mass.; Hoboken, N. J.; Philadelphia, Pa.; and Norfolk, Va., were fully devoted to the movement of civilian import and export goods.

The Boston Army base terminal was leased for a 10-year period at a rental of 51 percent of all gross revenue, with a guarantee rental of \$75,000 per annum. The Philadelphia Army base terminal office was also leased for a 10-year period at a rental of 40.5 percent of all gross revenue with a guarantee rental of \$250,000 per annum. It is now estimated that the Government will have received during the fiscal year 1948 a gross revenue of over \$1,800,000 from the commercial leasing of its terminals on competitive bids, resulting in an estimated net profit of \$1,250,000.

An accelerated program of maintenance and improvement was continued at all terminal properties during the fiscal year, in order to insure that these facilities will be ready in the event they are required for future emergencies. The program includes the rehabilitation and

reconversion for commercial use of the Norfolk terminal, with funds provided by the Army, to pay for the deferred repairs and physical changes made by the Army during its wartime use of this property. At the Philadelphia terminal, the north apron of pier No. 98 was rebuilt in concrete, in order to provide for the installation of gantry cranes.

During the fiscal year the War Assets Administration took physical custody and possession of the Government-owned part of the Sun Yard at Chester, Pa., which was the last Maritime Commission shipyard to be declared surplus. Bids were circulated for the demolition and restoration of the Consolidated Steel Shipyard at Wilmington, Calif., and a contract amounting to \$392,613 was awarded to the low bidder. The cost of this work was considerably less than originally estimated. This shipyard, along with the Government-owned facilities at the Pusey & Jones yard at Wilmington, Del., was returned to the jurisdiction of the Maritime Commission by the War Assets Administration for disposition, since the yards were constructed entirely on land owned or leased by the contractor or leased by the Government. Negotiations are being carried on for the disposition of the Pusey & Jones yard and final action is expected during the fiscal year 1949.

The maintenance and security program was continued during the fiscal year at the four war-built Government-owned shipyards at Wilmington, N. C.; Richmond and Alameda, Calif.; and Vancouver, Wash., which the Commission had previously decided to retain in a reserve status. All four shipyards are now under direct Commission control and jurisdiction and are manned by Civil Service maintenance and security forces.

During the same period, part of the Richmond shipyard was leased to commercial interests for the scrapping of vessels in order to alleviate a critical steel shortage.

Acquisition of real property was confined to the permanent reserve fleet sites.

Seamen

The Maritime Commission is concerned generally with the problems affecting merchant seamen from the point of view of availability for manning ships and the welfare of the men themselves. It participates in administering laws pertaining to awards of decorations and medals for Merchant Marine personnel; issuance of certificates of substantially continuous service; seamen's voting rights; and return and disposal of the remains of deceased merchant seamen to the United States.

REGULATION OF CARRIERS

During the fiscal year lines engaged in the foreign trade of the United States made further progress in the replacement of wartime losses, and new companies entered this field. The new services and the increased schedules of the returning companies resulted in sharp competition between operators on the various trade routes. This competition increased the activities of steamship conferences, resulting in a much greater volume of regulatory work on the part of the Commission.

Freight rates—United States Territories and island possessions

During the year 566 tariff schedules of carriers engaged in transportation with the Territories and possessions were received for filing; 4 were rejected for failure to comply with the notice requirements of the law, and 47 were amended to correct errors discovered therein. Thirty-five special-permission applications to file on less than the statutory 30 days' notice were received; 29 were granted, 1 was denied, and 5 were passed to files without action owing to developments subsequent to the receipt thereof.

The Alaskan trade in particular has presented a number of problems. The Commission has been faced with the necessity of assisting carriers in this trade, first, to obtain ships, and second, to maintain adequate services. The Commission has continued to favor establishment of a rate structure for this trade which will enable the carriers to maintain service without working undue hardships on the residents of Alaska. Additional carriers have showed an interest in this trade, and one barge line common carrier has entered the Alaskan service.

Rates were increased in many of the domestic offshore trades due to increased costs of operation. Most of these resulted in the receipt of protests and demands for the suspension of the proposed rates. In some instances satisfactory adjustments were reached without recourse to a formal hearing. The Commission has encouraged carriers to acquaint interested parties with all facts involved in rate increases, prior to the actual filing of such rates. It is believed that such a procedure will tend to prevent rate disputes and will lead to a better relationship between carriers and shippers.

A new Tariff Circular was issued during the year to bring up to date the Commission's rules for the filing of tariffs.

Conference and other agreements

During the fiscal year the Commission approved 36 agreements, 63 modifications, and 31 cancellations. One modification was disapproved. At the end of the fiscal year 28 agreements, 13 modifications, and 9 requests for cancellation of existing agreements were on file

pending Commission action. There were 422 changes in conference membership recorded, and 2,206 minutes of meetings of conferences were received during the year.

The following developments were of particular interest:

(1) Outward conferences serving the Mediterranean and Black Seas were consolidated into one conference, thereby eliminating certain inequalities between freight rates within this area.

(2) Steamship lines in the European trades entered into a series of agreements designed to facilitate the movement of commodities originating at inland points in Europe via any port of outlet. Under these arrangements parity of through rates is established, so that cargo originating in Switzerland, for example, can move with equal facility via a Mediterranean port or a Continental Atlantic port.

(3) The growing tendency on the part of foreign governments to adopt various discriminatory measures to attract to their merchant marines traffic to the detriment of the United States Merchant Marine has been called to the attention of the Department of State.

(4) The Commission has made efforts to secure through conference action the adoption of rules designed to improve the packaging of goods moving in foreign trade in order to reduce the risk of damage and loss by pilferage. This should improve the relationship between exporters and their customers and should also tend to remove a possible source of discrimination between shippers.

(5) The Commission's decision in Docket 648 upheld the lawfulness of the conference contract rate system but condemned certain contract provisions which were in more or less general use. Contract forms of conferences using this system are being revised in the light of this decision. At the same time attention has been given to the period of notice for rate changes as prescribed in these forms to the end that contract shippers will be assured of receiving sufficient notice of rate increases.

(6) A growing number of foreign-flag carriers have been combining to form joint services, thereby enabling the owners jointly to offer better services than they could give individually.

(7) Conferences have once more begun to feel the effects of tramp competition with respect to certain bulk commodities. They have adopted various means to meet this competition. It has been necessary to call to the attention of some of these conferences the potentially discriminatory effects of the measures adopted in order to protect the small shipper who is unable to book in shipload lots. Thus far the bringing of such dangers to the attention of the conferences has been sufficient to bring about a voluntary abandonment of these measures or a revision to remove the discriminatory features.

Foreign freight rates

Rate filings by carriers engaged in foreign commerce and by terminals showed a substantial increase to 17,135 as against 13,400 the previous year.

An upward trend in foreign freight rates was evidenced early in 1948. Conferences generally increased their freight rates by approximately 15 percent, which was attributed primarily to the substantial increase made in the price of fuel oil, although other factors were also involved. Substantial advance notice was given by most conferences before any increase became effective. Some of the conferences which covered trades where excessive port delays were occurring endeavored to avoid rate increases as such by applying port surcharges designed to offset the additional costs incurred by those delays. The purpose was not only to compensate the carriers for the extra expense incurred but also to focus attention of port authorities on situations deemed capable of being remedied. These surcharges were gradually removed or reduced, but in several cases the general increases mentioned above were simultaneously announced.

Despite these general increases, there was evidence that conferences were watching competition from other areas. Some individual downward rate adjustments were made to meet that competition.

Investigations

The number of investigations increased, due largely to the increase in the receipt of formal complaints. Some 16 new cases were instituted as against 8 the preceding year. At the same time, the Commission proceeded with investigations having to do with free time and demurrage charges, payment of brokerage, and the practice of carriers in not placing their freight rates and charges upon their bills of lading.

Terminals

Both the Commission and terminal operators on the Pacific coast have made efforts to secure uniformity of charges and practices among terminal operators in different areas on the Pacific coast.

Terminal operators have found it necessary to increase their charges, with the result that a total of 2,223 terminal filings were received as compared with 1,852 the previous year. Many filings were corrected as a result of suggestions from the Commission to eliminate inconsistencies, duplication, and ambiguities.

The dockets of all public hearings, the public tariffs, and copies of all notices, orders, reports, and decisions are open to the public.

HEARINGS BEFORE TRIAL EXAMINERS

At the beginning of the fiscal year, 14 complaints and/or investigations were pending on the regulatory docket and 2 on the subsidy docket. Twenty-five new complaints and/or investigations, including subsidy cases, were filed or instituted during the year. In addition three applications were filed on the Commission's special docket by subject carriers to pay reparation voluntarily. Two were granted and one is pending. Fifteen cases were closed during the year and 26 complaints and/or investigations were pending as of July 1, 1948. The trial examiners conducted 24 hearings and issued 14 decisions. Ten final decisions were issued by the Commission. The Commission's Rules of Procedure were revised to conform to the Administrative Procedure Act. Work also continued on a digest of volume 2 of the Commission's decisions.

Final reports

A résumé of the 10 final reports issued by the Commission during the year follows:

Docket No. 648—*Pacific Coast European Conference Agreement*, 3 U. S. M. C. 11. Increase of conference admission fee from \$250 to \$5,000 found detrimental to the commerce of the United States; retroactive penalty provisions of respondents' contract with shippers found to be unlawful; contract rate system under consideration and unanimous voting rule found not unlawful.

Docket No. 652—*Rates Between Places in Alaska*, 3 U. S. M. C. 7. In the first proposed report the examiner found that the operations of Lomen Commercial Co. between ship anchorages and shore in Alaska were lighterage and therefore did not come within the jurisdiction of the Commission. This recommendation was reversed by the Commission, and the matter was remanded to the examiner for his recommendations on the merits.

In its second report (supplemental) the Commission found that Lomen's rates, fares, and charges were unjust and unreasonable in violation of section 18 of the Shipping Act, 1916; that Lomen did not file with the Commission schedules showing all of its rates, in violation of section 2 of the Intercoastal Shipping Act, 1933, as amended; that the failure of Lomen to observe the free-time provision of its tariff violated section 2 of the Intercoastal Shipping Act, 1933, as amended; that Kotzebue Sound Lighterage Co., charging rates covered by a special contract, violated section 18 of the Shipping Act, 1916, and section 2 of the Intercoastal Shipping Act, 1933, as amended; and

that Kotzebue also violated section 2 of the 1933 act with respect to the rates charged pursuant to other special contracts.

Docket No. 655—*Terminal Rate Increases—Puget Sound Ports*. Definition of the terms "service charge," "handling," and "loading or unloading" contained in Seattle terminal tariff No. 2-C found to be unjust and unreasonable regulations in violation of section 17 of the Shipping Act, 1916; respondent directed to make necessary changes in the definition and to supply, within specified time, the financial results of their operations over a test period for each service for which they publish rates or charges.

Docket No. 661—*Alaska Rate Investigation No. 3*. The rates, fares, charges, regulations and practices of Alaska Steamship Co., Alaska Transportation Co., and Northland Transportation Co. were not shown to be unlawful; record held open for submission of additional evidence reflecting respondents' operations from October 1, 1947, to June 1, 1948.

Dockets Nos. 669 and 670—*Himala International v. Fern Line, et al.*; Docket No. 671—*Himala International v. Greek Line, et al.* Lanolin found to be misclassified in conference tariff; no violation of the Shipping Act, 1916, found; and proceedings discontinued.

In *Application for Financial Aid on Trade Routes Nos. 7 and 8—U. S. North Atlantic Ports—Antwerp-Hamburg Range et al.*; and *Trade Route No. 11—U. S. South Atlantic Ports—United Kingdom and Eire, Scandinavian and Baltic Ports*, the Commission ordered: (1) That the description of Trade Route No. 11 be amended in the manner provided in the order; (2) that Trade Routes Nos. 7 and 8 be separated and redefined in the manner provided in the order; (3) that the application of South Atlantic Line, Inc., for an operating-differential subsidy on Trade Route No. 11 be approved; and (4) that the applications of Arnold Bernstein Steamship Corp., Black Diamond Steamship Corp., and United States Lines Co., for operating-differential subsidy on Trade Routes Nos. 7 and 8 be denied.

In *Application of American President Lines, Ltd., to Operate Unsubsidized Vessels in Service C-2 of Trade Route No. 17*, the Commission authorized the operation of vessels by applicant without subsidy subject to conditions set forth in the authorizing resolution.

In *Application of Lykes Bros. Steamship Company, Inc., for Emergency Intercoastal Operation*, the Commission granted applicant, which operates in foreign trade, permission to carry emergency shipments of coconut oil and tallow from Long Beach, Calif., to New York, N. Y.

Recommended decisions of trial examiners

Docket No. 621—*Port of New York Freight Forwarder Investigation*. Persons carrying on the business of forwarding as foreign freight for-

warders in connection with a common carrier by water defined; need found for licensing and registration with the Commission of foreign freight forwarders; certain unreasonable practices in the method of billing for forwarding services found to exist; Commission should prescribe a standard form of invoice to aid in the correction of such practices; and practice of issuing a receipt for goods by forwarder which purports to be a bill of lading found unreasonable.

Docket No. 640—*Terminal Rate Structure—California Ports*. Formula approved for segregating terminal costs among wharfinger services at California ports; publicly owned and operated terminals entitled to a fair return on investment; "gift" property, such as buildings and structures, should not be included in rate base, but depreciation thereon should be charged to operating expenses, fair value determined to be actual legitimate cost of property if ascertainable, depreciated, plus working capital, and method suggested for arriving at cost; uniform rate level to be based on lowest cost operations, increased if necessary to permit all respondents to earn legitimate costs plus reasonable surplus, subject to competition and ability of traffic to pay; consideration should be given to nation-wide rule making proceeding under Administrative Procedure Act, to determine whether cost of providing dockage, wharfage, ships' services, and free-time storage should be assigned to the vessel.

Docket No. 657—*Agreements and Practices Pertaining to Brokerage, and Related Matters*. Provisions prohibiting the payment of brokerage found detrimental to the commerce of the United States under section 15, and an unreasonable practice under section 18 of the Shipping Act, 1916, as amended.

Docket No. 659—*Free Time and Demurrage Charges at New York*. Regulations and practices concerning free time and demurrage on import property at the port of New York found unjust and unreasonable in certain respects and not unjust and unreasonable in others.

Docket No. 660—*Matson Navigation Co.—Rate Structure*. The rates, charges, regulations, and practices of Matson Navigation Co. and other respondents in connection with transportation between United States mainland ports and Hawaii not shown to be unlawful.

Docket No. 668—*P. A. Dana, Inc. v. Moore-McCormack Lines, Inc., et al.* Charges collected on shipment of quartz crystal from Rio de Janeiro, Brazil, to New York found applicable; no violation of Shipping Act, 1916, shown; recommended that complaint be dismissed.

Florida National Bank of Jacksonville—Application for Commitment To Insure a Preferred Ship Mortgage. Application for commitment to insure a first preferred mortgage in connection with a proposed passenger and vehicle ferry between Key West, Fla., and Havana, Cuba, should be denied.

Decisions of the examiners in seven additional cases are the subject of final reports and are referred to under that section. They are Dockets Nos. 652 (supplemental report), 661, 669, 670, and 671; also *Application of American President Lines, Ltd., to Operate Unsubsidized Vessels in Service C-2 of Trade Route No. 17*, and *Application for Financial Aid on Trade Routes Nos. 7 and 8—U. S. North Atlantic Ports—Antwerp-Hamburg Range et al.; and Trade Route No. 11—U. S. South Atlantic Ports—United Kingdom and Eire, Continental Europe, Scandinavian and Baltic Ports*. In the latter case the Commission agreed in part with the examiner's report, and substantially affirmed the findings of the examiner in the remaining six cases.

Pending proceedings

Docket No. 672—*Fibreboard Products, Inc. v. W. R. Grace & Co.* Complainant alleges that respondent's carloading and unloading rates and charges on woodpulp in bales are in violation of sections 15, 16, and 17 of the Shipping Act, 1916. A cease and desist order and reparation are sought.

Docket No. 673—*Seatrains Lines, Inc. v. Gulf and South Atlantic Havana Steamship Conference et al.* Complainant alleges that respondents' port equalization practices with respect to traffic from Gulf and South Atlantic ports to Cuba contravene section 15 of the Shipping Act, 1916, and request elimination of practice or withdrawal by Commission of its approval of respondents' conference agreement.

Docket No. 674—*Ken Royce, Inc., et al. v. Pacific Transport Lines, Inc.* Complainant seeks reparation in the sum of \$96,469.08 on shipments of surplus road-building equipment which moved over respondent's line from Okinawa and Guam to Pacific coast ports. The charges assessed are alleged to be in violation of sections 14, 16, 17, and 18 of the Shipping Act, 1916.

Docket No. 675—*Port Commission City of Beaumont et al. v. Seatrain Lines, Inc.* Complainants allege that Seatrain's equalization and absorption practices on clean rice and other cargo originating in Louisiana and Texas and shipped to Cuba are in violation of sections 16 and 17 of the Shipping Act, 1916.

Docket No. 676—*D. L. Piazza Company v. West Coast Line, Inc.* Complainant seeks reparation in amount of \$51,663.60 for alleged violations of sections 14, 16, and 17 of the Shipping Act, 1916, on shipments of fresh fruit from Valparaiso, Chile, to New York.

Docket No. 677—*Bagged Fertilizer Rates—U. S. Atlantic and Gulf Ports to Puerto Rico*. This case involves an investigation of the lawfulness of rates on bagged fertilizer in tariff of United States Atlantic and Gulf-Puerto Rican Conference.

Docket No. 678—*Increased Rates—Ship's Anchorage to Shore—Nome, Alaska.* The Territory of Alaska protested rates of Lomen Commercial Co. on tobacco products and groceries, between ship's anchorage and shore at Nome, Alaska. The Commission suspended the tariff on these items, which were to become effective June 5, 1948, until October 5, 1948, pending an investigation thereof at the close of the navigation season.

Docket No. 679—*Northwest Marine Terminal Association et al. v. American Mail Line Ltd.* The Northwest Marine Terminal Association, consisting of terminal operators at ports in the States of Oregon and Washington, allege respondent's terminal tariff No. 1 is unlawful in violation of sections 16, 17, and 18 of the Shipping Act, 1916, and sections 2 and 3 of the Intercoastal Shipping Act, 1933.

Docket No. 680—*Himala International v. General Steam Navigation Company, Ltd., of Greece, et al.* Complainant alleges that the rates on lanolin and cocculus established by respondents pursuant to the Commission's decision in docket Nos. 669, 670, and 671 are in violation of sections 16 and 17 of the Shipping Act, 1916, and of respondents' conference agreement. Complainant seeks reparation and disapproval of the conference agreement.

Docket No. 681—*Himala International v. American Export Lines, Inc., et al.* Complainant requests reparation for alleged violations of sections 16 and 17 of Shipping Act, 1916, on shipment of 75 fiber drums DDT from New York to Salonica, Greece. Complainant questions legality of contract rate system and requests disapproval of respondents' conference agreement.

Application of Pacific Argentine Brazil Line, Inc., for Operating-Differential Subsidy. This proceeding involves the application of Pacific Argentine Brazil Line, Inc., for an operating-differential subsidy on Trade Route No. 24 (between United States Pacific coast ports and east coast of South America).

Application of Shepard Steamship Company for Operating-Differential Subsidy. This is an application of Shepard Steamship Co. for an operating-differential subsidy, on service B of Trade Route No. 1 (between United States Atlantic coast ports and east coast ports of South America).

Minimum Wage, Minimum Manning, and Reasonable Working Conditions on Subsidized Vessels. This is an investigation pursuant to section 301 (a) of the Merchant Marine Act, 1936, of employment and wage conditions on subsidized vessels.

Thirteen other pending proceedings are referred to elsewhere in this report or in the annual report for the fiscal year 1947.

SHIP CONSTRUCTION AND RECONVERSION

New construction

At the beginning of the fiscal year seven vessels were under construction for the Maritime Commission. Five of type R1-S-DH1 were at the yard of Bethlehem Sparrows Point and two of type P2-SE2-R3 were at the Bethlehem Alameda yard. All of these had been completed by the end of the fiscal year, with the exception of one type R1-S-DH1, scheduled for delivery early in July 1948.

No contracts for new construction were awarded during the fiscal year. Appendices E through H show details of the shipbuilding program.

Conversion and reconversion

At the beginning of the fiscal year 29 militarized merchant vessels were sold to American citizens. All of these vessels were delivered to buyers upon completion of reconversion.

In compliance with Public Law 269, the Commission revised its procedure at the beginning of the year for selling war-built vessels to American citizens. Instead of reconverting such vessels from military status to merchant vessels for its own account, the Commission arranged for the buyers to reconvert the vessels and reimbursed them for the cost by making allowances against the purchase price of the ships. Under this provision, purchasers were authorized to drydock and survey vessels and prepare specifications. The Commission then obtained bids and recommended to the applicant award of contract. Subsidized betterment specifications have been checked for eight vessels.

The restoration of the S. S. *Washington*, sufficient only to provide emergency accommodations for the transportation of displaced persons, was completed and the vessel placed in service.

The three "good neighbor" ships, *Uruguay*, *Argentina*, and *Brazil*, under conversion at the end of fiscal 1947, were completed and the vessels restored to service under charter to Moore-McCormack in the South American run.

A contract was awarded for the conversion of the Army transport, S. S. *General W. P. Richardson*, for passenger service of less than first-class quality. Progress on this conversion has been slow, but it is expected that the work will be completed and the vessel placed in service during the fiscal year 1949.

Construction-differential payments for betterments have been granted on 11 vessels now undergoing reconversion.

Contracts were awarded, late in fiscal 1947, for the conversion of four C-3 cargo ships which served during the war as attack transports for the Navy into combination passenger-cargo vessels for the New

York-Mediterranean service of the American Export Lines. Labor and material difficulties have delayed their orderly conversion and delivery is now expected in the fall of 1948.

Claims for additional expense due to changes under contracts were settled for 44 reconversion contracts and 15 drydocking reconversion contracts on vessels sold under the Merchant Ship Sales Act.

Building proposals

The five vessels for round-the-world service of the American President Lines, for which construction bids were received early in fiscal 1947, were readvertised late in fiscal 1947 and bids received. Because of lack of agreement over subsidy arrangements, the Commission awarded the contracts only shortly after the end of fiscal 1948.

Bids were also taken on two fast passenger vessels for service in the New York-Mediterranean trade of American Export Lines, for which contracts were awarded early in fiscal 1949.

Application was received for financial aid in the construction of two passenger-trailer ships for operation between Los Angeles and San Francisco. Technical aspects, plans, and specifications are being reviewed.

Late in fiscal 1947, a proposal was received from the United States Lines for aid in the construction of one 990-foot trans-Atlantic express liner. A vessel of such size and capacity involves extensive and time-consuming technical investigation from many angles, and this investigation was continuing at the close of the fiscal year. A model of the vessel was prepared by the designers of the United States Lines Co. and submitted for the Commission's examination late in fiscal 1948.

Technical developments

Further developments in construction of a gas turbine were made, but delivery is still delayed, and the installation in a vessel has not yet been made.

A pilot construction of an improved type of cargo-handling gear to reduce costs of cargo handling was completed. Side-port gear has been installed in the *President Cleveland* and the *President Wilson* and has proved very satisfactory. Improved versions of this gear are being incorporated in other vessels now undergoing construction or reconversion. Other special types of gear have not received general acceptance.

Budget restrictions have made it necessary to discontinue research on breaking of ships, materials specifications, interior designs, steam and fuel economies of proposed new designs, and have made it difficult to maintain files of technical data.

Inspection and performance surveys

During the fiscal year inspections during construction were made on 6 new vessels and 53 reconversions. There were certified as completely scrapped or dismantled 284 vessels. There were 88 recommendations made concerning claims for extension of contract time on 99 vessels, including new construction, reversion, reconditioning, and condition survey contracts. Six vessels sold on allowance for reversion were surveyed.

Reductions in personnel at times left an average of less than one inspector per vessel on extensive conversions and new construction, making an adequate check on these jobs impossible.

Acceptance trials were held on the 6 new vessels and on 8 reconversions, acceptance surveys on 93 military reconversions and reconversions of chartered vessels, and completion surveys on 20 reconverted cargo vessels and tankers sold on an allowance for reversion basis.

Final guarantee surveys were made on 18 newly constructed vessels and on 6 military reconversions. The majority of military reconversions are settled by correspondence and require no guaranty survey. Twenty-seven investigations of performance and casualties were continued or completed, among which were involved studies of the performance of the S. S. *President Cleveland* during its first cruise to the Orient; Diesel versus steam; and boiler and forced-draft blower performance for normal and overload capacities, superheat, etc., on the S. S. *Delsud*. Guaranty liability was established on 58 newly constructed vessels, 5 military reconversions, and 400 reconditioned vessels. Final settlements were negotiated with the contractors for their responsibility under the guaranty provisions of the contracts. Financial settlements were completed on 36 newly constructed vessels, 5 military reconversions, and 4 reconditioned vessels, representing \$50,000 recovered for guaranty liabilities.

Material inspection

Material inspection of Commission purchases and of a quantity of contractors' purchases to Maritime Commission specifications continued to be spotty, due to a shortage of personnel. Tests on materials conducted at the National Bureau of Standards and the Naval Observatory totaled 318.

Shipyard facilities

Current records were maintained of shipyard facilities in the United States, showing available capacities for construction of oceangoing merchant vessels. Research, compilation of data, and reports were made for the armed services and other Government agencies.

CONTRACT RENEGOTIATION

Recapture of excessive profits and price reductions amounting to \$25,028,000 were effected during the fiscal year through examination of war profits realized by contractors, principally those having a predominance of business with the Commission. Of this amount, \$3,245,000 was attributable to assignments taken over from the former War Shipping Administration Price Adjustment Board. Included in these figures were \$16,382,000 and \$923,000, respectively, of executed contracts or unilateral orders involving determinations made in a prior period.

Renegotiation was concluded during the fiscal year with respect to 361 cases, of which 166, having aggregate renegotiable sales of approximately \$1,296,000,000, were found to have realized excessive profits. The remainder of the cases completed were found to have realized no excessive profits or were not subject to the provisions of the law. Of the cases involving recoveries, 64, having aggregate renegotiable sales of approximately \$143,000,000, were applicable to operations taken over from the former War Shipping Administration Price Adjustment Board.

Recapture of excessive profits and price reductions amounting to \$464,841,951 have been effected from inception to June 30, 1948, by the Maritime Commission Price Adjustment Board and the former War Shipping Administration Price Adjustment Board.

GOVERNMENT AIDS*Construction-differential subsidy aid*

There was available for the fiscal year 1947 and 1948 contract appropriation authority in the sum of \$99,000,000, \$15,000,000 of which was earmarked for betterments, and the balance of \$84,000,000 for new construction. No contracts were awarded for new construction during the 2 years from the \$84,000,000 fund. In its exploratory discussions with members of the shipping industry, the Commission found a reluctance on their part to enter into firm commitments for the construction and purchase of ships in view of legislation then pending in the Congress to increase the construction subsidy to a flat rate of 50 percent and other benefits. However, applications were on file at the close of the fiscal year 1948 from American Export Lines, Inc., and American President Lines, Ltd., for construction subsidy on two passenger and five combination passenger-cargo vessels, respectively, that would more than absorb the fund, since, with the elimination of the Commission's revolving fund, the full amount of the construction cost of the vessels would have to be charged against the authorization.

During the 1947 fiscal year approximately \$9,415,185 was allocated from the betterment fund to 15 ships of 5 operators. The balance of \$5,584,815 was tentatively allocated during the 1948 fiscal year to betterments on approximately 11 vessels owned by 3 different operators. (See appendices G and H.) Of the eight operators expected to receive betterment grants in the 2 years, five were holders of operating-differential subsidy contracts, and three were not.

During the fiscal year a contract was awarded for the conversion of the S. S. *General Richardson* (a P2-S2-R10 type vessel) from a military to a commercial vessel, involving an estimated expenditure of approximately \$5,000,000. It is expected that this vessel will be operated under charter to the American Export Lines in the Mediterranean service until new vessels can be built for that service.

A construction subsidy application was filed by Arnold Bernstein Line, Inc., for betterments to be added to two P-2 vessels, for which this company filed a purchase application.

The steamships *Mariposa* and *Monterey*, passenger vessels built in 1932 by the Oceanic Steamship Co., under provisions of its ocean mail contract, were taken over by the Commission during the late war and converted into transports. These vessels were redelivered to the owner after the war, with the understanding that they would be reconverted back to commercial vessels in order that they might resume operations in the company's subsidized service between United States Pacific coast ports and Australia. The Oceanic Steamship Co., however, due to unexpected increased costs in reconverting these vessels, met with financial difficulty and discontinued the reconversion of vessels some months ago. In the meantime, developments in the Australian trade, so the owner contends, make it economically unsound to return them to the Australian service, even if it were possible to complete their reconversion. The vessels still have some value both commercially and for national defense purposes. The Commission has considered several proposals whereby something might be done to place the vessels back in commercial operation, at the same time making them available to the government when and if an emergency should arise. However, as of June 30, 1948, no plans had been developed under which the vessels could be returned to service.

Construction without subsidy

No contracts were awarded for the construction of vessels for sale to owners without subsidy during the fiscal year 1948. One application was received from the Pacific Coast Steamship Co. for the construction of two combination passenger-trailerships for operation in the domestic service between Los Angeles and San Francisco. The application had not been acted on as of June 30, 1948, since plans and specifications had not been put in final form.

Operating-differential subsidy aid

Subsidized operations on regular foreign services were resumed in 1946, and, subject to certain findings in each individual case, the Commission has agreed to resume subsidy payments as of January 1, 1947, to 10 of the subsidized operators and as of January 1, 1948, to the other 2 operators. Appendix I lists vessels over 20 years of age on which operating-differential subsidies were paid during the year for voyages made previous to their requisitioning by the Government.

The following subsidy payments were made under operating subsidy contracts prior to January 1, 1943:

	<i>Subsidy payment prior to Jan. 1, 1943</i>	<i>Recapture accruals as of Jan. 1, 1943</i>
Temporary agreements.....	\$7, 480, 233. 92	¹ \$1, 523, 539. 43
Long-range agreements.....	43, 013, 360. 15	² 28, 637, 709. 49
Total.....	50, 493, 594. 07	30, 161, 248. 92

¹ This amount has been repaid to the Government.

² The amounts applicable to the various operators comprising this total are on deposit in the special reserve funds, but payments to the Government by the operators are not to be made until after the expiration of the first recapture period with respect to each operator. (Those amounts applicable to the long-range agreements are subject to final audit.)

The following revised subsidy schedule of accruals and payments for the fiscal years 1947, 1948, and 1949 was submitted to the Subcommittee of the Committee on Appropriations, House of Representatives, in connection with the 1949 budget:

	<i>Estimated subsidy payment</i>	<i>Estimated subsidy accrual</i>
1947.....	\$1, 580, 550	\$9, 470, 000
1948.....	7, 721, 575	25, 736, 000
1949.....	16, 691, 775	38, 307, 000
Total.....	25, 993, 900	73, 513, 000

Under a plan worked out with the Appropriations Committee, the annual recapture accrual will be withheld from the subsidy payments and carried on the operators' books as contingent accounts receivable, subject to adjustment each year during each 10-year recapture period, based on the revised accumulated recapture accrual.

Balances in the capital and special reserve funds are noted under Finance and in appendix J. Construction reserve funds, which are established by individual operators, are administered jointly by the Commission and the depositors. Thus far such funds have been utilized exclusively by nonsubsidized shipowners. As of June 30, 1948, the aggregate of balances in 17 separate construction reserve funds was \$30,453,647.76.

Federal ship mortgage insurance

Since the war there has been some revival of interest in Federal ship mortgage insurance, particularly with respect to the construction of vessel types unavailable for sale by the Government as surplus

war-built vessels, and with respect to the conversion to commercial use of certain types originally intended for naval or other wartime service.

During the year, an application involving the reconstruction of a partially completed naval craft, the *Carib Queen*, which had been originally filed in the 1946 fiscal year, was reactivated and a public hearing held. Amendments and necessary changes in the program prevented final action during the current fiscal year. At the request of the applicant, action has been suspended on a 1947 application involving reconversion of two small (LST's) naval craft, the *Albany* and *New York*. One new application was filed for a small fishing vessel, but this application was withdrawn.

There has been some indication that further applications for various types of domestic craft will be filed in the succeeding fiscal year.

Receipts to the Federal ship mortgage insurance fund were limited to one \$50 filing fee during the year, and the outstanding balance in the fund at the end of the fiscal period now totals \$586,857.73, as indicated in appendix O.

Applications for new operating subsidy contracts

Public hearings were held in the fiscal year 1947 in connection with applications of Arnold Bernstein Line, Inc., Black Diamond Steamship Corp., and United States Lines Co. for operating subsidies on essential foreign Trade Routes Nos. 7-8 and 8; also on an application from South Atlantic Steamship Line for a subsidy contract for operation on Trade Route No. 11. On October 22 and 23, 1947, the Commission heard oral arguments in connection with the proposed report of the examiners on the above applications, and on February 18, 1948, issued an order which provided that the applications of Arnold Bernstein Line, Black Diamond Steamship Corp., and United States Lines Co. be denied; and that the application of South Atlantic Steamship Line be approved, subject to compliance with the applicable provisions of the 1936 act, as amended, and to such terms and conditions as are imposed by the Commission. No further action had been taken, however, on the application of South Atlantic Steamship Line as of the end of the fiscal year 1948, since additional essential information requested from the company in connection with its application had not been supplied.

Some time after the issuance of the Commission order on February 18, 1948, Arnold Bernstein Line, Inc. filed application for an operating subsidy for the operation of two P-2 vessels on service No. 1 of Trade Route No. 8 (United States North Atlantic ports to Antwerp-Rotterdam), the application being contingent upon favorable action by the

Commission on a vessel purchase and a betterment subsidy application filed simultaneously. Bernstein's original application for an operating subsidy was for the operation of five Victory vessels on Trade Route No. 8. As indicated, its latest application is for the operation of P-2 vessels, which, when converted, will be combination passenger-cargo vessels. A public hearing on this application was held early in the 1949 fiscal year.

The Gulf and South American Steamship Co., Inc., of New Orleans (a new company formed by Grace Line, Inc., and Lykes Bros. Steamship Co., Inc., each company owning 50 percent of the stock) filed an application on April 23, 1947, for an operating subsidy in connection with the operation of vessels on Trade Route No. 31 (between United States Gulf ports and west coast of South America). The processing of this application for consideration by the Commission had not been made as of the close of the fiscal year, pending the determination of the status of foreign-flag competition in this service.

The Pacific Argentine Brazil Line, Inc., of San Francisco, filed on April 1, 1948, an application for an operating subsidy contract for operation on trade route No. 24 (between Pacific coast ports in the United States and ports on the east coast of South America). Public hearings were held in San Francisco on June 10, 11, 12, and 14, 1948, and in Washington on June 23, 24, and 25, 1948. The trial examiner's report was issued after the end of the fiscal year.

An application was also filed by the Shepard Steamship Co. on April 19, 1948, for an operating subsidy contract on service B of Trade Route No. 1 (between United States Atlantic Coast and ports on the east coast of South America, Recife/Bahia Blanca range). A public hearing on this application was held after the end of the fiscal year.

Pursuant to an application submitted in accordance with the requirements of its operating-subsidy contract, American President Lines, Ltd., was authorized by the Commission on May 18, 1948, to operate for 1 year, without subsidy, cargo vessels on service C-2 of Trade Route No. 17 (between Atlantic ports, via Panama Canal, California, Manila, Hong Kong, Singapore, Belawan, Batavia, and Soerabaja).

Trade-ins

During May 1948, 13 companies operating on the Great Lakes filed applications to trade in from 38 to 42 old ore carrier vessels against the purchase price of 20 to 23 new ore carrier vessels proposed for construction. Due to the high trade-in allowances requested by the companies, which the Commission cannot allow under the law, and due further to the fact that the Commission's appropriation authority was

not adequate to allocate funds for this type of construction at the time the applications were filed, the possibility of new construction of this type appeared somewhat doubtful as of the close of the fiscal year, final action not having been taken on these applications at that time.

PURCHASES AND SALES

Large vessel sales

During the fiscal year the Commission approved applications for the purchase of a net total of 401 vessels under the Merchant Ship Sales Act of 1946, as amended. Of this total 242 were for American-flag operation and 159 for foreign-flag operation, representing total sales value of approximately \$570,000,000. This makes a total of 1,790 vessels, 673 for American-flag operation and 1,117 for foreign-flag operation, with an approximate sales value of \$1,720,000,000, approved by the Commission since the beginning of the program. As of the end of the fiscal year the Commission had approximately 2,267 vessels available (subject to changing requirements of the Army and the Navy) for sale under the terms of the Merchant Ship Sales Act of 1946, as amended.

During the year title to a net total of 606 vessels was transferred to purchasers, 298 for United States registry and 308 for foreign registry. At the end of the fiscal year there were pending before the Commission applications from United States citizens for the purchase of 346 vessels. It is anticipated that only a small portion of these applications will receive approval, since a large number are for vessel types which are in short supply or no longer available.

Appendix K indicates in detail the status of the sales program under the Merchant Ship Sales Act of 1946, as amended, as of June 30, 1948.

The sale of vessels to foreign nationals under the Merchant Ship Sales Act of 1946, as amended, was discontinued under Public Law 423 after February 29, 1948. Appendix L shows vessels approved for transfer to alien ownership or registry during the fiscal year. Detailed reports on activities of the Commission under the Merchant Ship Sales Act are submitted to the Congress quarterly.

Under the authority of the Merchant Marine Act of 1936, as amended, the Shipping Act of 1920, and the Surplus Property Act of 1944, a total of 705 vessels were sold during the year, 121 for self-operation and 32 for non-self-propelled operation, 1 for nonoperation, and 551 for scrapping. A summary of these transactions is shown in appendix M. In addition the Commission transferred to other governmental agencies a total of 3 vessels and approved abandonment of a total of 7 vessels. The monetary return for these sales totaled about \$25,626,018.99:

This brings to a total of 1,000 the number of vessels sold under the authority of the Merchant Marine Act of 1936, as amended, the Shipping Act of 1920, and the Surplus Property Act of 1944; 227 vessels were sold for operation, 14 for nonoperational use, 32 for non-self-propelled operation, and 727 for scrapping. The total monetary return of these sales amounts to \$48,842,504.39. In addition the Commission has received \$98,632.10 for custody charges, \$253,442 for forfeitures and \$24,283 for sale of 7 vessels to other governmental agencies, and the Commission has transferred without reimbursement 17 vessels to other governmental agencies and approved abandonment of 9 vessels.

Small vessel sales

During the fiscal year 2,737 small vessels (up to 1,500 gross tons), valued at \$469,487,150 by the agencies which declared them as surplus to the Commission, were disposed of for \$22,483,396.

At the end of the year the inventory of vessels remaining to be disposed of totaled 92, with a declared value of \$22,689,733.

The following types of vessels were disposed of: yachts, passenger vessels, ferries, tugs, barges, fishing and cargo boats, small tankers (including tank barges), landing craft, work boats, hulks and hulls, dredges, derrick barges, catamarans, drydocks, and swamp gliders.

Purchasing

During the fiscal year materials, supplies, and services were procured for the Commission's reserve fleets, terminals, Commission-owned shipyard facilities, maintenance and repair of Government-owned vessels, vessels under general agency agreements, training schools, and other Commission activities.

Vessels sold or chartered by the Commission and 50 T-2 tankers transferred to the Navy were outfitted whenever possible with materials and equipment withdrawn from existing stocks.

Through its home office in Washington and its six field offices, the Commission placed 15,699 purchase orders totaling approximately \$5,318,638, processed 20,792 requisitions, of which 4,092 were issued on Commission warehouses, and processed 17,386 vouchers.

Approximately 5,000 transportation vouchers totaling over \$1,000,000 were processed. During the same period about 2,000 Government bills of lading were issued, and over \$70,000 was recovered from 473 claims against railroads for damages and losses.

Surplus property

During the year surplus marine personal property with a reported cost value of \$13,300,000 was declared to the War Assets Administration for disposal. Total sales of material owned by the Commission

amounted to \$8,900,000 reported cost value, with \$1,800,000 recovery, or a return of 20 percent.

The Commission by action of April 7, 1948, ordered that in the interest of preparedness all usable marine equipment and materials which would be required for the construction, repair, maintenance, outfitting, or conversion of vessels in a national emergency should be retained and that all usable marine equipment not yet sold by War Assets Administration should be withdrawn from that agency.

Warehousing

During the fiscal year five warehouses were operated at a total cost of \$1,106,092. Reported cost value of stock in the warehouses at the beginning of the year amounted to \$30,300,000. During the year the reported cost of receipts and issues of materials totaled \$22,000,000 and \$21,800,000, respectively, leaving stocks totaling \$30,500,000 on hand at the end of the year.

RESERVE FLEETS

Status of the fleets

On July 1, 1947, there were 1,204 vessels in 10 reserve fleets, including 217 average vessels (adjusted from 1947 report) and 987 war-built. During the 1948 fiscal year 1,011 vessels entered the fleets, mostly redelivered from charter, and 540 vessels were removed, making a total of 1,675 vessels in the fleets at the end of the fiscal year. The 540 vessels removed from the fleets contrasted sharply with the 1,078 removed during the 1947 fiscal year. This reduction was due primarily to the reduction in sales to American operators, termination of sales foreign on March 1, 1948, and the cessation of large-scale chartering of Government-owned vessels.

Most of the 1,011 vessels delivered to the fleets during the year were returned from charter. This condition was brought about by increase in foreign competition and general softening of the freight market, especially in the bulk-cargo category. For awhile it was feared that deliveries to the fleets would reach such proportions that there would be insufficient vessels available to carry ECA cargoes in the spring of 1948. In order to prevent such an eventuality certain vessels were placed in the fleets in a "ready status" condition available for immediate return to service. At the end of the fiscal year a total of approximately 90 vessels were laid up in ready status on all three coasts.

In appendix N there is shown the number of vessels in the various fleets by months during the fiscal year.

During the 1948 fiscal year permanent fleet sites utilized were as follows: James River, Va.; Wilmington, N. C.; Mobile, Ala.; Beaumont, Tex.; Suisun Bay, Calif.; Astoria, Oreg.; and Baltimore, Md.

(1 vessel only, the S. S. *George Washington*). Temporary sites were in use at Hudson River, N. Y.; Brunswick, Ga.; and Olympia, Wash.

On April 7, 1948, the last vessel was removed from the Brunswick, Ga., fleet site, and the use of the area was terminated, as it was no longer necessary for this purpose.

During the year a survey was made to ascertain the condition and cost of repairs of all vessels in the reserve fleets. The purpose of this survey was to determine the actual condition of readiness of the National Defense Reserve Fleet and to provide means of selecting those vessels to be retained in permanent reserve in accordance with the Merchant Ship Sales Act of 1946. This survey was substantially completed for those vessels in the fleets at the end of the fiscal year.

Research and tests

Testing of many compounds for possible use in preserving ship bottoms was continued throughout the year. A total of 22 compounds or variations of compounds have been placed under test to date. It appears from test results to date that the products most probable of meeting the need will be vinyl resin type, and the indications are that such compounds may be expected to give sound protection for a period of 5 to 7 years when applied to vessel bottoms at permanent reserve fleet sites. It is not certain at this time whether antifouling coatings will be needed at James River and Suisun Bay in addition to the anticorrosive coatings that must be applied to vessel bottoms at all fleets. These tests will be continued throughout the 1949 fiscal year, and additional new-type compounds will be placed under test as they become available.

Laboratory tests to determine the salinity and corrosiveness of the waters at the fleet sites have been continued throughout the year and will be continued throughout the 1949 fiscal year.

Laboratory experiments were started during the year to develop a special fungicidal compound for use on electrical insulation. Test results to date indicate the possibility that a compound will be developed that will completely destroy existing fungi and inhibit its future growth through low-cost application by use of compressed air or self-contained "bomb type" pressure spray. The development of this fungicidal compound will be a major advance for the protection of electrical insulation for use on ships in lay-up, as well as ship electrical equipment in regular service. It is believed that this project will be completed early in the 1949 fiscal year.

New products and products not now in use have been investigated and tested for relative value in preserving vessels and vessel components. To date no compounds have been found that are of greater relative value for preservation of laid-up vessels than those now in use.

Several products which would extend the scope of preservation and maintenance activities are under test, with indications that sound results will be obtained. These tests and investigations will be continued throughout the 1949 fiscal year.

During the year approximately 175 fleet service craft have been maintained in operation, including 24 tugs and 22 patrol-fireboats. For special short-term use in connection with the vessel stripping program at the Suisun Bay fleet, four freight barges were obtained under loan from the Navy and returned to it on completion of need.

Preservation program

As of July 1, 1947, substantially all stripping of overage and badly damaged vessels had been completed, while preservation work on the war-built vessels had progressed to an average of 51 percent completion.

In addition to the backlog existing on July 1, 1947, and the increase in the work load due to arrivals during the 1948 fiscal year, the over-all potential work load was further increased by the necessity for performing certain recurring items of preservation work on 700 war-built vessels which had been in the fleets for more than a year.

During the 1948 fiscal year a total of 1,764 man-years of labor were applied to the performance of preservation work. Preliminary preservation work averaging approximately 82 man-days per vessel was performed on all 1,011 vessels received in the fleets during the period. Major items of preservation work required for extended lay-up were performed as follows:

Work item performed	On vessels in fleet June 30, 1948	On vessels withdrawn during 1948 fiscal year	Total vessels on which performed
Preservation of main propulsion machinery, auxiliary machinery and associated piping systems.....	506	176	682
Preservation of water side of boilers.....	512	170	688
Preservation of fire side of boilers.....	388	147	535
Preservation of hulls and superstructures (as originally contemplated).....	719	144	863
Preliminary preservation of electrical equipment.....	640	96	736
Sealing and spraying of hulls, decks and superstructures.....	126	-----	126

At the end of the 1948 fiscal year there remained in the fleets 1,675 vessels, of which 103 were overage vessels on which all required work had been completed and 1,572 war-built vessels on which preservation had progressed to an average of 56 percent of completion. Preservation work remaining to be performed represented 1,944 man-years of labor.

Fleet site development.

During the fiscal year, development of six permanent sites—James River, Wilmington, Mobile, Beaumont, Suisun Bay, Astoria—and

three temporary sites—Hudson River, Brunswick, and Olympia—continued. Late in the fiscal year, development of a permanent site in Cathlamet Bay was started and the temporary site at Brunswick was discontinued.

The United States Corps of Engineers administers and supervises the development of sites in the field, in accordance with plans and specifications approved by the Commission. Funds were made available by transfer of approximately \$12,042,000 to the Corps.

The status of development at the various sites at the beginning and end of fiscal year 1948, is as follows:

Site	Percent of completion June 30, 1947	Percent of completion June 30, 1948	Site	Percent of completion June 30, 1947	Percent of completion June 30, 1948
Hudson River, N. Y.....	20	10	Suisun Bay, Calif.....	10	99
Baltimore, Md.....	100	250	Astoria, Oreg.: Temporary site — Settler Point †		
James River, Va.....	50	95	Permanent site — Cathlamet Bay, John Day Point		1
Wilmington, N. C.....	70	90	Olympia, Wash.....	100	100
Brunswick, Ga.‡					
Mobile, Ala.....	75	93			
Beaumont, Tex.....	50	96			

† Proposed facilities construction abandoned.
 ‡ Additional facilities construction authorized.
 § Site discontinued as of May 15, 1948.
 ¶ Facilities installed prior to July 1, 1947.

Fleet service activities

The majority of fleet service personnel have been employed for a period of 2 years and through constant training have increased the performance of the fleet service functions to a greater degree of efficiency. This efficiency has resulted in the reduction of the number of personnel, and at the same time tugs and other small craft have been operated full time with the minimum of repairs.

Safe working conditions and observance of safety rules and regulations in reserve fleets are fostered by safety committees, group meetings, and thorough indoctrination of new employees. Time lost due to accidents has been approximately ½ man-day per 100 available man-days. Inasmuch as approximately 75 percent of all reserve fleet employees are engaged in hazardous or semihazardous work, the accident rate is considered low.

Security of the laid-up vessels and other fleet property in each reserve fleet is maintained by shore guards and patrol boats fitted with fire fighting equipment and intra-fleet radio communication devices. Nearby harbor facilities and military installations afford added fire protection to several reserve fleets in case of need. The effectiveness of this security patrol and guard service is demonstrated by the freedom from serious fires, damage to vessels, or loss of Government property by pilferage to date.

A pharmacist mate of the United States Maritime Service is assigned to each reserve fleet on a full-time basis to administer emergency first-aid and preventive medicine. These men are also charged with maintaining adequate first-aid supplies, fleet sanitation, and employee compensation reports and claims.

TRAINING

The program for training licensed officers and unlicensed personnel for service in the Merchant Marine has been adjusted to fit the present needs of the maritime industry. Upgrading and specialist training for men already in the industry have been accented in order that they may improve their skills and be advanced in their positions aboard ship. The number of new men accepted for training as officers has been made commensurate with the normal requirement for replacements, allowing ample opportunity for the upgrading of seamen already in the industry. Only a small number of seamen have been trained for unlicensed skilled positions in the deck, engine, and steward departments. Electronics, including loran and radar, have been stressed.

Cadet-midshipmen

New officers are trained in the United States Merchant Marine Cadet Corps and at the four State maritime academies. The Cadet Corps has two units. One is the United States Merchant Marine Academy at Kings Point, Long Island, N. Y., and the other is the United States Merchant Marine Cadet School at Pass Christian, Miss. The course of training covers a period of 4 years, the second year of which is spent in practical training aboard active merchant vessels. During the fiscal year an average of 1,423 cadet-midshipmen were in training at the two cadet corps units and at sea, and 495 officers were graduated. The four State maritime academies, located at Vallejo, Calif.; Castine, Maine; Hyannis, Mass.; and New York, N. Y., (Ft. Schuyler) have a 3-year course of training which includes annual training cruises on vessels supplied by the Maritime Commission. An average of 650 cadet-midshipmen were in training at the 4 academies during the year, and 301 officers were graduated.

The cadet-midshipmen, in addition to being trained for their profession as Merchant Marine officers, are also trained in naval science and tactics and upon graduation are appointed as ensigns in the Merchant Marine Reserve of the United States Naval Reserve and as ensigns in the United States Maritime Service.

The Congressional Board of Visitors made its annual inspection of the United States Merchant Marine Academy at Kings Point on May 15, 1948. On March 15, 16, and 17, 1948, the first meeting of the Academic Advisory Board, authorized by Public Law 214 of the Eightieth Congress, first session, was held at the Academy. The Board was

composed of President Frederick A. Middlebush, University of Missouri; President Homer L. Dodge, Norwich University; Dean Alva R. Davis, College of Letters and Science, University of California; Dean James K. Finch, School of Engineering, Columbia University; and Dean Fernandus Payne, Chairman, Department of Zoology, University of Indiana. The Board made a number of recommendations for the further improvement of the academic standards at the Academy, and these recommendations are being carried out.

In September 1947 the cadet school at Pass Christian was damaged by hurricane, necessitating the temporary removal of the cadet-midshipmen to the academy at Kings Point. In June 1948 the Congress authorized the restoration of this school, which reopened on September 1, 1948.

Maritime Service

The United States Maritime Service provides upgrading, refresher, and specialist courses at its training stations at Sheepshead Bay, N. Y., and Alameda, Calif. Courses of from 1 to 2 months' duration are offered to both licensed officers and unlicensed seamen in all duties aboard ship. In cooperation with the seamen's organizations and shipping companies, specialized training has been given to personnel of the steward department for service aboard the new or reconverted passenger vessels, the S. S. *President Cleveland*, the S. S. *President Wilson*, the S. S. *Argentina*, the S. S. *Uruguay*, and the S. S. *Washington*. This form of training will be continued for other new vessels now under construction or conversion. Under this special program 524 men were trained. The Maritime Service also conducts a 6 months' course of training for unlicensed seamen to fill skilled positions in the deck, engine, and steward department at its training station at St. Petersburg, Fla., and on the training vessel *American Mariner*. Another training vessel, the *American Sailor*, is held in reserve at St. Petersburg. A total of 7,758 officers and seamen were trained and upgraded by the Maritime Service during the fiscal year.

The United States Maritime Service Institute is located at Sheepshead Bay, N. Y., and conducts correspondence courses for men at sea. The institute offers a choice of 33 courses in deck, engine, basic, and radio subjects. During the year there was a course enrollment of 7,571. The institute also has charge of resident schools in New York City and Alameda, Calif., for training in the use of loran, a new aid to navigation, and radar, both of which are now being used to a large extent on merchant vessels.

Medical program

The Maritime Commission's medical program is conducted in cooperation with the United States Public Health Service. Medical

service is furnished to all trainees at training units and to the personnel of the reserve fleet, and to the personnel of the Maritime Commission. Aboard vessels in the various reserve fleets accidents have lessened and conditions have improved through careful study and attention to hazards. Seamen's health records are also maintained, and medical information is supplied to seamen and interested Government agencies. A consolidation of 65,934 medical records of seamen was effected during the year.

Seamen's awards

The Commission has jurisdiction over the distribution of medals and awards to merchant seamen which have been authorized by law. During the fiscal year a total of 39,024 medals, bars, buttons, emblems, and plaques were issued to seamen, in addition to 18,787 Presidential testimonial letters.

FINANCE

Analysis of financial statements

Under provisions of the Merchant Ship Sales Act of 1946 there was a continued increase in the number of financial and operating statements requiring analyses and reports on the financial aspects thereof. It was necessary, during the early part of the fiscal year, that the services of the greater portion of the employees qualified to make such analyses be devoted almost exclusively to processing applications received under that act, in order to expedite delivery of vessels to purchasers or charterers who were able to meet the financial requirements of the Commission. Considerable time was also given to the analysis of financial statements required to be submitted periodically by purchasers (except those purchasing for cash in full) and charterers of war-built vessels, to determine that the financial limitations of the charter or sale contracts had been observed. During the fiscal year there were also received operating and financial statements embodied in applications under the Merchant Marine Act, 1936, as amended, which likewise required review and analysis and the preparation of reports on the financial aspects thereof.

Reserve funds of subsidized operators

Audit reports covering the operation of 11 of the 12 subsidized shipping companies through December 31, 1941, were approved by the Commission prior to July 1, 1947. The report for the calendar year 1941 for the remaining company (United States Lines Co.) was completed during the fiscal year. Audit reports for the calendar year 1942 are in process for 3 of the 11 companies involved (The Oceanic Steamship Co. carried on no subsidized operations in 1942). Similar reports are being prepared for the period following resumption

of operating-differential subsidy payments and (to the extent required) for the intervening period.

At the beginning of the fiscal year, the amount on deposit in the capital reserve and special reserve funds aggregated \$128,538,055.68, comprised of \$60,808,636.20 in the capital reserve fund and \$67,729,419.48 in the special reserve fund. A reduction in the balance in the capital reserve fund is noted in appendix J; the total amount on deposit in both funds on June 30, 1948, was \$117,873,630.70, comprised of \$47,777,132.07 in the capital reserve fund and \$70,096,498.63 in the special reserve fund. The reduction of approximately \$11,000,000 in the total funds was occasioned by withdrawals made to cover payments on the purchase of new vessels, mortgage indebtedness, and reconversion costs, and adjustments made as the result of so-called closing agreements covering Federal income tax settlements between the individual subsidized operators and the Treasury Department.

Additional charter hire

Audits are required to be made of accounts of contractors chartering war-built vessels to determine finally the amount of additional charter hire due the Commission. There were 63 contractors under the WARSHIPDEMISEOUT 203 and 87 contractors under the SHIP-SALESEMISE 303 form. As of June 30, 1948, three of these audits had been completed in the field and seven were in process.

Termination of wartime program

The following audits were made in connection with the termination of wartime Government operations:

(a) Audit of voyage revenues and expenses of vessels operated under various forms of service agreements from inception of operation by the War Shipping Administration/Maritime Commission to June 30, 1948. The following tabulation reflects the status of the voyage account audit program on June 30, 1948:

	Terminated voyages	Revenue	Expense
Recorded on books of agents.....	83,687	\$5,505,192,546.83	\$4,706,974,751.52
Accounts submitted by agents.....	81,298	5,090,137,292.16	4,500,009,574.95
Accounts audited or examined by U. S. Maritime Commission.....	51,704	2,868,083,539.89	2,479,692,674.01

(b) Audit of overhead expense incurred by agents/general agents for the purpose of adjusting compensation under the provisions of various forms of service agreements, regulations, and orders. As of June 30, 1948, 89 of the remaining 146 required audits had been completed.

(c) Audit of accounts of repair contractors under the various master repair contracts. As of June 30, 1948, 23 of the remaining 30 required audits had been completed.

In addition to the audits under the master repair contracts, 510 audits of subcontractors' accounts and accounts of contractors awarded repairs under LUMPSUM contracts were pending at the beginning of the fiscal year. During the year, 36 additional audits were requested. As of June 30, 1948, 414 of the 546 required audits had been completed.

(d) Audit of accounts of stevedores under WARSHIPSTEVE form of contract. As of June 30, 1948, 314 of the remaining 695 required audits had been completed.

(e) Audit of wartime, interim, and long-range construction contracts. The following tabulation reflects the status of the construction audit program as of June 30, 1948:

	Number of contracts	Value
WARTIME CONSTRUCTION PROGRAM		
Completed audits:		
Ships.....	491	\$7,658,456,139
Facilities.....	79	501,874,038
Miscellaneous.....	124	132,507,828
Total.....	697	8,292,838,005
Incomplete audits:		
Ships.....	155	1,987,758,920
Facilities.....	9	52,023,815
Miscellaneous.....	38	18,059,230
Total.....	202	2,057,841,975
Total wartime construction program.....	899	10,350,679,980
INTERIM PROGRAM		
Completed audits: Reconversion.....	1	438,375
Incomplete audits:		
Reconversions.....	148	113,213,396
Reconversion allowances.....	27	1,539,495
Miscellaneous.....	25	8,918,799
Total.....	200	123,671,690
Total interim program.....	201	124,110,065
LONG-RANGE CONSTRUCTION PROGRAM		
Incomplete audits: Ships.....	9	28,608,940
Grand total construction program.....	1,109	10,503,398,985

Accounting

On July 1, 1947, the Maritime Commission installed a new accounting system based upon General Accounting Office general regulation No. 100. As a part of this new accounting system, an allotment ledger control system was also installed. This new accounting system, which has been formally approved by the Comptroller General, has operated satisfactorily and has materially facilitated preparation of the required information for presentation of budget estimates.

All control accounts have been maintained on a current basis, as were also those subsidiary accounts related to appropriated funds. All available personnel were required to maintain the current work load of the Commission. No appreciable progress was made on cleaning up the wartime accounting backlog, since no funds were appropriated for this purpose. However, some progress has been made in the work preliminary to bringing forward to the new books of account the balances in certain of the Asset Accounts from the old books of account of the Maritime Commission and the War Shipping Administration. Balances which have not been analyzed cannot be included in the 1948 balance sheet, which will be so qualified.

Appendix O lists appropriations, transfers, collections, and disbursements for the fiscal year. This statement differs in many respects from those submitted in prior years, due to the fact that the appropriations for the Maritime Commission are now on an annual basis. A summary statement of assets and liabilities as at June 30, 1948, is being prepared and will be submitted to Congress as a separate document.

Liquidation

On April 19, 1948, the Commission established a Bureau of Liquidation for the coordination and orderly processing of claims for and against the Maritime Commission, subject to proper review by the Claims Review Board and the Commission. This Bureau was to handle all claims except those in litigation (in which it participated with the Bureau of Law), just compensation, guarantee surveys, Price Adjustment Board cases, claims for delays, and technical aspects of changes under contract, which are handled by other bureaus in the Commission.

Up to June 30, 1948, emphasis was placed on organizational set-up and development of procedures to be followed in the processing of claims. As of June 25, 1948, the following claims were outstanding for and against the Maritime Commission:

Reporting Office	In Favor of United States		Against United States	
	Number	Amount	Number	Amount
Government Aids Division.....			3	\$207, 337
Bureau of Accounts.....	568	\$5, 326, 369	34	180, 671
Bureau of Fiscal Affairs.....	1, 942	199, 790, 526	979	189, 760, 287
Bureau of Law.....	1, 682	27, 030, 905	9, 842	565, 699, 049
Bureau of Operations.....	16, 023	54, 203, 855	9, 672	91, 479, 636
Bureau of Purchase and Sales.....	4, 377	661, 978	81	2, 103, 264
Bureau of Technical Activities.....			9	1, 064, 320
Price Adjustment Board.....	29	3, 375, 510		
Committee on Claims for Losses under Contracts pursuant to First War Powers Act, 1941.....			6	534, 630
Total.....	24, 621	200, 389, 643	20, 626	851, 088, 194

¹ The number and the amount of claims are estimated, and the amounts so estimated do not include undeterminable amounts.

NOTE.—These figures include claims in connection with contract adjustments, settlement of terminated contracts, prior sales to citizens of vessels under section 9 of the Merchant Ship Sales Act, and claims under Seamen's War Risk Policy, formerly mentioned in detail under other sections of the report.

LEGAL ACTIVITIES

Legislation

Requests from congressional committees and from the Budget Bureau for legislative reports continued in high volume, with a further increase over previous years.

Termination and liquidation of wartime activities required further extension of ship-operating authority until March 1, 1949. The authority of the Commission to charter and sell war-built vessels was also extended until March 1, 1949. Extensive data were furnished for the hearings on these extensions of authority. No change was made in the basic authority, except for the termination of authority to sell Government war-built vessels to foreign buyers.

Much additional information, material, and reports were furnished in connection with the hearings in Congress on the general subject of the Merchant Marine, shipbuilding, and shipping problems of the postwar Merchant Marine held in March, April, and May, 1948, and in connection with legislation proposed at such hearings (H. J. Res. 377, 398, 412, and 413). This legislation passed the House of Representatives, but was not acted on in the Senate before adjournment of Congress.

Budget adjustments necessitated by successive extensions of wartime activities were made by the First Deficiency Appropriation Act of 1948, and appropriations for the fiscal year 1949 were made by a supplemental Independent Offices Appropriation Act. The Supplemental Appropriation Act provided additional funds and contract

authority for the beginning of postwar ship construction under the Merchant Marine Act, 1936, and clarified certain provisions with respect to operating-differential subsidy contracts. It also materially affects the functions of the Commission with respect to disposal of Government-owned vessels surplus to the needs of other departments.

The Economic Cooperation Act of 1948 directly affected the activities of the Commission. The Commission opposed proposals to authorize the charter or transfer of vessels to foreign countries which would be recipients of aid under the act, as detrimental to the United States Merchant Marine. The Commission has cooperated in the carrying out of the congressional mandate that half the ECA cargoes be carried in American ships. The act had such incidental effects as the revival of activities under the Bland Forwarding Act.

The special statutory provisions for ocean transportation service between the United States and Alaska were revised to be in effect until March 1, 1949.

With only a few exceptions (emergency ship-operating authority and related provisions) the emergency and wartime powers of the Maritime Commission and the War Shipping Administration were terminated by the omnibus repealing enactment of July 25, 1947, effective as of that date.

In another enactment terminating several wartime tax laws, the time within which to commit construction reserve funds (sec. 511 funds) for ship construction in order to take advantage of tax deferral benefits was cut off effective September 30, 1948.

The Congress authorized the construction of a chapel and a library at the Merchant Marine Academy at Kings Point, N. Y.

A long-pending proposal to extend admiralty jurisdiction to cases of damage to land structures by vessels became law in Public Law 695.

Continuing authority, operative in time of war or national emergency, was vested in the President for the arming of American vessels.

Another enactment provides that proposed Navy Department contracts for salvage facilities which affect the interests of the Maritime Commission be submitted to the Commission for comment and recommendations.

Litigation

At the beginning of the fiscal year the Commission had a work load of 9,164 litigated and unlitigated cases involving \$388,264,110. At the end of the year the work load was 10,340 litigated and unlitigated cases involving \$528,641,000. At the end of the year the decision on the American President Lines, Ltd., case wherein the Government's title to 113,206 shares of class A stock and 2,100,000 shares of class B stock is in question, had not been handed down by the court.

Sale, reconversion, and charter^s of vessels

It was necessary to examine and give legal clearance to applications for the purchase or exchange of vessels, or for adjustments of prior sales, to execute sales agreements, to prepare promissory notes and preferred mortgages securing vessels sold on a deferred payment basis, and to prepare invitations to bid, contracts, performance and payment bonds, and other legal documents required in connection with the movement, survey, repair, and reconversion of vessels not sold on an "as is" basis. Many legal questions arising in connection with operation of vessels under general agency agreements or under charter, or in connection with liquidation of War Shipping Administration wartime operating agreements had to be settled, and changes were required in operating-differential subsidy contracts to meet changed conditions. Operating subsidies were suspended during the war but were resumed as of January 1, 1947, with respect to 10 holders of subsidy contracts and as of January 1, 1948, with respect to the other two. The amendments or extensions of each of these operating subsidy agreements are in the process of revision. Changes were also required in the charters to comply with the provisions of section 2 of Public Law 127 of the Eightieth Congress, which effected a separation in accountings of voyages in the domestic trade (coastwise and inter-coastal) from voyages in the foreign trade. It was also necessary to examine and consider the legal basis for numerous claims under the Merchant Ship Sales Act of 1946, as amended. Many more claims of this nature will be presented during the ensuing year.

Labor

Legal problems in the field of labor relations which arose as a result of the Taft-Hartley Act and the provisions of the appropriations acts prohibiting strikes against the Government, and a variety of claims which involved seamen's wages, bonuses, personal injuries, maintenance and cure, loss of personal effects, immigration and repatriation, etc., and numerous insurance claims arising under the seamen's War Risk and P. and I. policies and WSA indemnities, required the attention of the Commission. A substantial number of the claims as well as the claims of thousands of employees of cost-plus shipyard, stevedore, and terminal contractors for unpaid overtime compensation, i. e., the so-called portal-to-portal and overtime-on-overtime claims, were settled or disposed of by litigation. In the portal-to-portal cases, the defenses provided by the Portal-to-Portal Act have resulted in judgments for the defendants and dismissals of many of the complaints. The overtime-on-overtime cases, however, have increased in substantial number in order to avoid the 2-year statute of limitations provided by the Portal-to-Portal Act. More-

over, the Supreme Court decision in the Bay Ridge and Huron cases, which involved overtime-on-overtime and was adverse to the cost-plus contractors, has already occasioned the institution of many more lawsuits and raised legal questions concerning the portal-to-portal defenses, negotiation of new labor agreements and reimbursement of judgments for unpaid overtime, liquidated damages, and counsel fees. The potential liability of the Government for these overtime-on-overtime claims has been variously estimated at from \$100,000,000 to \$300,000,000, and the legal, auditing, accounting, and administrative expenses for computation of the amounts due will run into many millions of dollars.

Just compensation

All determinations of just compensation are now being made in accordance with the Comptroller General's decisions. Claims totaling approximately \$10,000,000 involving 70 vessels, both large and small, are pending for determination of just compensation for the title to or use of such vessels. In addition, 27 cases are pending involving claims for financial loss due to delay in payment.

There are now pending in the courts 131 cases in which the owners of vessels that were requisitioned for title or use are suing for just compensation. The claims in these cases total over \$65,000,000. More than 90 of the pending cases were commenced during the fiscal year. The Commission's legal staff is required to furnish data to the Department of Justice to be used in the preparation of the cases for trial and also to assist the Department in prosecuting the defense of these cases.

Tort Claims Act

Numerous claims were made under part 2 of the Federal Tort Claims Act. Of those made, only seven necessitated payment, totaling about \$1,000, out of appropriated funds.

RESEARCH

Operating-differential subsidy

Progress has been made in developing postwar subsidy rates effective as of January 1, 1947. As of June 30, 1948, operating-differential subsidy rates had been developed for eleven services of six operators involving approximately ninety-seven vessels, while the rates for the remaining subsidized services were being prepared and discussed with representatives of the operators.

Surveys were continued, by the Commission's European representative, in the maritime countries abroad to procure the most reliable information and data bearing on the operating practices of the various

foreign competitors, as well as costs involved in the items authorized for subsidy.

Several programs were being developed by which it is hoped that additional data can be produced to aid in the determination of subsidy rates.

The question of a possible operating subsidy for tramp vessels was made the basis of a survey and study in order to determine what would be involved in such a program. Specifically, the matter of a subsidy on wages of officers and crews was analyzed in this connection.

Construction-differential subsidy

The foreign shipbuilding situation was reviewed, both as to availability of facilities and costs in relation to those prevailing in the United States, for the guidance of the Commission in making construction-differential grants.

A construction research representative, with headquarters in London, has been surveying developments in the European shipbuilding situation by visits to the important shipbuilding centers and by personal consultation with officials of shipyards, shipowners, and others possessing the kind of information needed. The information so obtained has been of great help in the development of construction-differential studies and estimates.

Construction-differentials were determined on one application for subsidy aid in the construction of five combination vessels, and similar studies were in process on two other applications, one for aid in construction of two combination vessels and one for aid in reconstructing six cargo vessels.

Trade routes studies

Analysis of the extent of postwar foreign-flag competition on the essential United States foreign trade routes was carried on intensively during the fiscal year. Individual studies were required to furnish a factual basis for Commission findings in connection with (a) new applications for operating-differential subsidies and applications for resumption of existing agreements, (b) ship-construction subsidies, (c) Federal ship mortgage insurance applications, and (d) authorization for a subsidized line to operate without subsidy Atlantic-Straits C-2 service on Trade Route 17.

Economic and traffic data were prepared with respect to domestic coastwise and intercoastal general cargo operations, and the results of these studies were presented in testimony and comprehensive exhibits before the Interstate Commerce Commission in rail and water carrier rate cases. A preliminary study was undertaken relative to the composition, age, and utilization of dry cargo vessels on the Great

Lakes. Vessel traffic and commodity information was gathered for the Alaskan trade, for use in a detailed study of Alaskan shipping.

Tanker operations in domestic and United States foreign trade for calendar year 1947 were analyzed in detail with respect to the vessels employed and the movement of crude petroleum and products between the principal coastal and foreign areas.

The following summary statements were released during the year:

1. Tonnage of principal export and import commodities carried on each United States foreign-trade route, calendar year 1946.
2. Participation of United States flag vessels in dry-cargo liner traffic on each essential United States foreign trade route, January-June 1947 compared with January-December 1938.
3. Activity of United States and foreign-flag dry-cargo merchant vessels in United States foreign trade, January-June 1947 and January-June 1939.
4. Listing of steamship lines operating liner service on essential United States foreign-trade routes, April 1948.
5. United States intercoastal (Atlantic-Pacific and Gulf-Pacific) traffic, out-bound and in-bound at principal ports and port-to-port, calendar year 1946.

Vessel statistics and analysis

Each month approximately 5,000 vessel utilization and performance reports, submitted by vessel operators and covering voyages of vessels of 1,000 gross tons and over engaged in United States foreign trade, were processed and summarized.

At the commencement of the fiscal year an elaborate report concerning the employment of the United States merchant fleet as of March 31, 1947, was being prepared for the President's Advisory Committee on the Merchant Marine. Other special reports compiled during the course of the year were prepared at the request of Congress, the Secretary of Defense, the Secretary of the Interior, other Government agencies, private organizations, and for use within the Commission. These reports varied in scope and encompassed such subjects as (1) the size, age, and speed of the different merchant fleets, (2) the employment of United States flag vessels, (3) war losses, and (4) construction activities, both United States and foreign, etc. In addition to these reports, certain basic material regarding world tanker fleets was furnished the Armed Service Petroleum Board and the National Petroleum Council.

Reports issued for general public information during the year consisted of:

1. Merchant fleets of the world as of June 30, 1947.
2. Merchant fleets of the world as of September 30, 1947.

3. Merchant fleets of the world as of December 31, 1947.
4. Merchant fleets of the world—prewar and postwar.
5. United States flag merchant tank ships as of March 31, 1948.

Other reports prepared during the year, but not released, dealt with the employment of the United States flag merchant fleet in foreign and domestic trade on December 31, 1947, and March 31, 1948.

Vessel utilization

During the third quarter of the year United States Maritime Commission Forms 7036, 7037, and 7038 (which had been in use for a long period of time) were eliminated through joint action of the Bureau of the Budget, Department of Commerce, Treasury Department, Department of the Army, and the Maritime Commission. In their place revised Department of Commerce Forms 1400 and 1401 were accepted by the Commission. The use of these revised forms, which record vessel movements at United States ports, will better enable the Commission to check the industry in regard to the filing of vessel utilization and performance reports.

Foreign economics

Analyses were made during the fiscal year concerning the plans, policies, and practices of foreign maritime governments and of foreign-flag merchant fleets as well as comments on various United States shipping legislative proposals. In summary form, these analyses and comments are as follows:

1. The nature and extent of the postwar maritime aid which each of 21 foreign maritime countries has granted its merchant fleet and the postwar maritime plans and policies which each has developed. An estimate of the present and future competitive position on essential United States foreign trade routes was prepared for each of the 21 foreign-flag merchant fleets.
2. A quantitative and qualitative analysis, both prewar and postwar, of the United States and principal national foreign-flag merchant shipping positions.
3. The trend of world prices between 1933 and 1941 for used dry-cargo ships sold throughout the world for continued operation.
4. Basic statistical tables drafted which will, when completed, permit intelligent analysis of the world tankship supply and employment position, both United States and foreign flag. The information, when compiled, will be of value in determining the long-range United States tanker shipbuilding requirements.
5. Basic statistical tables presenting the prewar and postwar merchant ship inventory position of the foreign countries participating in the Economic Cooperation Administration program. The informa-

tion is given on both a quantity and quality basis to indicate the extent to which each country has need for additional carrying capacity.

6. Economic factors responsible for the sharp break in dry-cargo charter rates during 1947 and an estimate of the future short-term trend of those freight rates.

7. Comparability of United States and United Kingdom wartime policies with respect to freight rates.

8. Comments on several legislative proposals to change the Merchant Marine Act, 1936, and other shipping acts.

9. Files covering foreign maritime plans, policies, and practices maintained for use by many official and private persons interested in such information.

10. An analysis of United States merchant shipping supply and requirements under settled postwar economic conditions.

11. The Foreign Maritime Review, published monthly, containing pertinent information on current foreign maritime plans, policies, practices, and trends.

Port series reports

In cooperation with the Department of the Army, Board of Engineers for Rivers and Harbors, reports were completed during the year on the ports of New Orleans, La. (Port Series No. 20); Lake Charles, La. (No. 21); Jacksonville, Fla. (No. 15); Miami and Port Everglades, Fla. (No. 16); and Tampa, Fla. (No. 17).

Port series volumes released for public dissemination during the fiscal year included: San Diego, Calif. (No. 27); Los Angeles and Long Beach, Calif. (No. 28); Baltimore, Md. (No. 10); New Orleans, La. (No. 20); Lake Charles, La. (No. 21); and Jacksonville, Fla. (No. 15).

Port studies in various stages of completion at the close of the fiscal year included: Philadelphia, Pa., and Camden, N. J. (No. 7); Wilmington, Del. (No. 8); Ports on the Delaware River above and below Philadelphia (No. 9); Hampton Roads ports (No. 11); Mobile, Ala. (No. 18); Galveston and Texas City, Texas (No. 23); Houston, Tex. (No. 24); and Corpus Christi, Texas (No. 26).

Materials handling

During the year contact was maintained with the National Advisory Committee on Materials Handling in its studies of ways and means to improve cargo handling between ship and shore at United States ports, and thus lower port time and operating costs of vessels serving those ports.

PERSONNEL

The vacancy on the Commission resulting from the expiration of the term of Richard Parkhurst on April 16, 1948, was unfilled as of June 30, 1948.

0 REPORT OF THE UNITED STATES MARITIME COMMISSION

Heavy reductions in personnel were made during the year. As indicated by the following tabulation, all activities were affected. The net decrease was 31.7 percent, or 3,349 employees:

Fiscal year ending—	Admin- istrative	Training		Ware- houses and ship- yards	Reserve fleets and ter- minals	Total
		Nonuni- formed	Uni- formed			
June 30, 1947.....	4,783	175	1,110	911	3,585	10,564
June 30, 1948.....	2,546	141	822	712	2,994	7,215
Decrease.....	2,237	34	288	199	591	3,349

NATIONAL AND INTERNATIONAL COOPERATION

The Commission was represented at the United Nations Maritime Conference, convened by the Economic and Social Council of the United Nations, which met in Geneva from February 19 to March 6, 1948. A member of the Commission's staff, appointed by the President, served as vice chairman of the United States delegation and together with the Assistant Secretary of State signed, subject to acceptance by the Senate, the Convention on the Intergovernmental Maritime Consultative Organization (IMCO).

The principal purposes of this organization are: (a) to provide machinery for cooperation among governments in the field of governmental regulation and practices related to technical matters of all kinds affecting shipping engaged in international trade, (b) to encourage the general adoption of the highest practical standards in matters concerning maritime safety and efficiency of navigation, (c) to encourage the removal of discriminatory action and unnecessary restrictions by governments engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination, and (d) to provide for the consideration of matters concerning unfair restrictive practices by shipping concerns. This Convention has been presented to the United States Senate for approval.

At the Ninth International Conference of American States, held in Bogotá, Colombia, for the advancement of economic development throughout the Western Hemisphere, a member of the Commission staff acted as technical adviser on maritime transportation to the United States delegation. The States agreed to encourage the most effective use of their transport, to reduce the cost of transportation by improving port conditions, simplifying customs requirements, and lowering fees. It was also agreed to encourage the removal of discriminatory and restrictive practices hampering international trade.

Members of the Commission staff participated in the work of the

United States Safety of Life at Sea Committees for the revision of the international convention of 1929 and also served as delegates to the Safety of Life at Sea Conference held in London in June 1948.

Many provisions of the 1929 convention were revised upward and will, when put into effect, improve present international standards. United States sea safety standards are still the best in the world, however. Provisions of the 1948 convention were extended to cargo as well as passenger vessels, and include regulations on radio and general safety of navigation, life saving appliances, musters and drills, stability tests, fire detection and extinguishment.

Members of the Commission staff, together with members of the Department of State, met with delegates of the British Government in the preparation of a proposed Consular Convention between the United States and the United Kingdom, to provide, when adopted, a modernization of consular procedures throughout the world. Consular officers of the United States are of valuable assistance to the American Merchant Marine, as they have jurisdiction in foreign waters over United States seamen and responsibility for the relief and repatriation of stranded seamen, in addition to representing the Government in salvage matters and providing other important services needed by American shipping in foreign ports.

The Commission afforded opportunity to the American shipping and shipbuilding industries to meet with the Commission in connection with the international conferences listed above.

The Commission completed negotiations for the sale of vessels to the Turkish Government under the authority of the act to provide for assistance to Greece and Turkey, and completed negotiations for the return of certain Italian vessels seized by the United States Government during the war under Executive Order 9935. A settlement was completed of United States obligations arising under the Brazilian-American Charter Plan and final arrangements were made for the return to the United States of all vessels under Lend-Lease to the United Kingdom Government. In conjunction with the Department of State, the Commission arranged for the acceptance of seven lend-lease tankers and one dry-cargo vessel returned to the custody of the Commission in various foreign ports by the U. S. S. R. and is following progress of negotiations on lend-lease vessels still remaining under Soviet registry. Negotiations are in progress between the Commission and certain other foreign governments relative to the settlement of various shipping claims and commitments made during the war.

Recommendations of the Department of State were taken into account in the Commission's consideration of applications made by certain foreign governments and foreign nationals to purchase vessels

under the Merchant Ship Sales Act. The Commission completed negotiations for the resale of the S. S. *John Ericsson* (ex-*Kungsholm*) to the former Swedish owners, in accordance with the terms of the purchase agreement. The Commission conferred with the Department of State regarding the disposition of Government-owned vessels declared constructive total losses located in Mediterranean, European, and Far Eastern waters.

Close contact was maintained with the United States Army in connection with shipping policy and requirements under the British-American Economic Agreement for Western Germany (Bizonia).

The Maritime Commission participated in discussions in the Shipping Coordinating Committee and the Transportation Subcommittee of the President's Committee on Foreign Aid regarding the Report on Maritime Transport of the Committee of European Economic Cooperation. The Commission took the position that, while it was in full sympathy with the over-all objectives of the Marshall Plan, it did not favor the sale, charter, loan, or outright grant of any United States vessels to the participating European nations.

Through the Joint Army-Navy-Maritime Commission Plans Committee the Commission has collaborated with the Departments of the Army and Navy in determining types, numbers, and maintenance status of vessels in the Commission's laid-up fleet as well as other matters of mutual concern.

The Commission presented to the National Security Board, set up under the National Defense Act, the position of the United States Maritime Commission in the event of a national emergency. The Commission is also represented on the Joint Military Transportation Committee of the Joint Chiefs of Staff and on various committees of the Munitions Board as reorganized under the National Defense Act, in order that there may be full understanding and cooperation between the Army, Navy, and Maritime Commission on plans for industrial mobilization and merchant shipping requirements for national defense and economic security.

Following a request of the President and the Secretary of Defense that the closest working relationships be maintained between the Maritime Commission and the National Military Establishment in order that merchant ship construction might be properly integrated with the national security program, a Maritime Commission-Military and Industry Liaison Committee was established, comprising representatives of the National Military Establishment, the shipping industry, and the Maritime Commission.

In a series of conferences with State Department officials, agreement was reached on the addition of maritime attachés to the Foreign Service of the United States. Such attachés are or will be stationed

at London, Rome, New Delhi, Singapore, Manila, Shanghai, Havana, and Buenos Aires. In addition, the Maritime Commission will continue to maintain direct representation with the armed services in Japan and Germany. Through this arrangement the Commission will have representation at strategic locations abroad, which will enable it to keep in touch with all aspects of shipping throughout the world. The completion of War Shipping Administration activities in some overseas locations, carried over from the preceding fiscal year, permitted the closing of offices at Antwerp, Le Havre, Bombay, Shanghai, Havana, and Puerto Rico.

Working with and through the Department of State, the Commission has continued its efforts to secure revision or modification of practices pursued and measures adopted by some foreign governments tending to affect the competitive privileges of United States merchant vessels and/or designed to aid their own merchant marines at the expense of United States vessels and those of other nations.

The Commission, in conjunction with the State Department, has assisted in the settlement of remaining shipping matters with the Inter-Allied Reparations Agency and under the Tri-Partite Merchant Marine Commission which was created at the Potsdam Conference.

In general, the Commission has maintained close liaison with the Departments of National Defense, State, Commerce, Interior, Treasury, and other agencies of the Government. It has undertaken to exchange information and has conferred with these agencies on a great many matters of mutual concern and interest.

	379	1,041	1,576	55	160	159	310	775	1,231	14	106	106	945	1,410	30	89	84	230	738	1,142	14	119	184
Denmark.....	1	2	2	1	2								1	3	1	3	2	2	4	6			
Dominican Republic.....													2	6				2	4	4			
Ecuador.....	23	98	128	10	51	50	13	47	78				18	71	8	31	41	10	40	43			
Egypt.....													12	26	1	2	2	2	11	11	24		
Eire.....													13	30	2	3	3	4	17	17	28		
Estonia.....	94	176	274	2	3	2	92	173	272				158	302	6	10	6	146	342	535			
Finland.....	232	631	826	9	16	10	221	507	865	2	8		426	2,350	6	533	352	316	2,017	64			
France.....	555	2,678	2,998	134	1,140	736	373	1,227	1,833	48	311	459	82	3,048	56	633	322	316	1,379	2,017	64		
Germany.....	854	3,916	5,176	125	1,199	1,007	689	2,442	3,770	40	275	399	84	2,161	8	29	31	72	168	280	4		
Greece.....	436	1,697	2,791	21	50	42	407	1,615	2,639	8	32	50	218	1,244	3	33	27	199	1,115	1,742	11		
Greenland.....													1	1	1	1	1	52	268	372	2		
Honduras.....	27	82	90	14	48	43	12	26	35	1	8	11	60	308	6	25	20	1	1	1			
Hungary.....	6	23	40				6	23	40				1	1	1	1	1	1	1	1			
Iceland.....													9	19	7	3	4	5	6	15	10		
Iran.....													1	7	1	3	4	22	22	22			
Italy.....	667	3,178	3,911	151	1,096	738	48	1,037	2,300	78	395	583	317	1,995	32	378	248	221	1,193	1,791	61		
Japan.....	1,180	5,103	7,146	189	923	944	912	3,737	5,586	49	443	616	255	937	53	278	216	195	568	850	7		
Latvia.....	73	109	326				73	199	326	2			16	39	9		2	16	39	61			
Lebanon.....													2	2				2	2	9			
Lithuania.....	3	4	7	3	6	7	3	4	7	2			19	98	1	2	4	5	14	20	13		
Mexico.....	10	24	31	3	6	7	5	8	10	2	10	14	19	98	1	2	4	27	145	232	91		
Netherlands.....	537	2,670	3,424	133	895	811	299	1,249	1,873	105	526	740	468	2,513	82	580	533	275	1,456	2,132	208		
Nicaragua.....	2	3	4				2	3	4				3	4				3	4	7			
Norway.....	1,072	4,499	6,931	39	133	89	767	2,289	3,711	266	2,077	3,131	766	3,856	20	60	44	538	2,006	3,102	178		
Pakistan.....	2	4	7	2	4	7	2	4	7				5	11	1	3	8	12	15	20	2		
Panama.....	130	719	1,065	4	7	6	72	243	365	64	469	734	436	2,721	16	102	81	242	1,193	1,786	178		
Peru.....	7	26	31	2	9	8	4	14	19	1	3	8	19	76	10	14	15	15	53	88	2		
Philippines.....	33	82	106	17	32	32	15	45	66	1	5	8	22	76	103	5	14	15	53	88	2		
Poland.....	31	114	162	7	67	43	24	47	69	4	7	11	41	164	211	3	31	13	37	126	186		
Portugal.....	54	197	263	15	72	72	35	118	182	4	7	11	53	354	496	19	133	57	202	323	7		
Romania.....	25	103	129	10	48	40	12	40	66	3	15	23	9	26	19	1	2	13	21	29	1		
Siam.....	2	3	2	3	3	2	2	2	2				6	6	1	1	1	6	6	6			
Spain.....	217	750	1,052	31	141	115	172	510	841	13	60	97	266	922	1,936	34	145	209	646	932	23		
Sweden.....	464	1,312	2,035	26	121	116	438	1,022	1,660	20	169	257	512	1,718	33	197	191	441	1,180	1,878	38		
Switzerland.....													74	243	26	10	11	44	116	171	4		
Turkey.....	67	174	224	2	67	61	45	103	157	1	4	6	74	243	26	10	11	44	116	171	4		
Uruguay.....	5	14	14	3	6	6	10	62	64				10	62	64			6	31	46	2		
U. S. S. R.....	364	1,166	1,698	39	150	124	288	836	1,291	27	123	183	418	1,292	57	267	216	331	904	1,498	30		
Venezuela.....	27	70	93	4	4	4	6	9	13	24	66	80	98	134	3	4	4	7	14	18	28		
Yugoslavia.....	98	376	604	11	85	31	87	311	573				41	177	286	2	9	38	161	269	1		

Includes United States Maritime Commission-owned vessels transferred to the following foreign flags under lend-lease or other agreements and still remaining under those registries by subsequent agreement. For purposes of this table they have been excluded from these registries.

Total.....													103	603	909	1	5	5	101	591	892	1	7	12
Philippines.....													10	28	39				10	28	39			
United Kingdom.....													7	40	58				7	40	58			
U. S. S. R.....													86	555	812	1	5	5	84	523	795	1	7	12

NOTE.—Individual tonnage figures for June 30, 1948, are not additive since the detail figures have been rounded to the nearest thousand.

APPENDIX B

Deliveries of new merchant vessels—fiscal year ended June 30, 1918—sailing steam and motor vessels, 1,000 gross tons and over, by type, country in which built and for which built (excludes vessels built for operation on the Great Lakes and inland waterways and special types such as cable ships, tugs, etc.)

Country for which built	Total		Country in which built															
	Num-ber	Dead-weight tons	United States		United Kingdom		Sweden		Netherlands		Norway		Denmark		France		All others	
			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
Total.....	368	2,486,266	33	289,186	170	1,200,177	10	315,320	29	151,226	18	60,926	16	107,240	11	66,109	51	316,182
United States.....	12	131,426																
United Kingdom.....	103	781,497			102	777,317											1	1,150
Norway.....	57	348,011			18	101,810												
France.....	50	300,416			15	87,435												
Denmark.....	20	118,400	0	22,380	6	37,410						18	60,926					
Netherlands.....	32	161,001			6	24,576												
Sweden.....	28	169,945			5	11,950												
All others.....	66	475,579	14	113,330	20	164,630											1	3,900

SUMMARY—ALL VESSEL TYPES

COMBINATION PASSENGER AND CARGO

Total.....	40	309,626	2	20,878	24	202,258	2	12,590	7	28,710								5	45,160
United States.....	2	20,878																	
United Kingdom.....	15	132,168	2	20,878	15	132,168													
Norway.....	4	28,400			4	28,400													
Denmark.....	7	28,740																	
Netherlands.....	2	12,590																	
Sweden.....	10	56,760			5	11,600	2	12,590	7	28,740								5	45,160

APPENDIX C

Employment of United States flag merchant vessels—prewar and postwar—seagoing vessels 1,000 gross tons and over (excludes vessels on the inland waterways, the Great Lakes and those under the control of the United States Army and Navy and special types such as cable ships, tugs, etc.)

Summary	As of June 30, 1938												As of June 30, 1948											
	Total				Vessel type				Total				Vessel type				Total				Vessel type			
	Number	Gross tons	Dead-weight	Combination passenger and cargo	Freighters	Tankers	Number	Gross tons	Dead-weight	Combination passenger and cargo	Freighters	Tankers	Number	Gross tons	Dead-weight	Combination passenger and cargo	Freighters	Tankers	Number	Gross tons	Dead-weight	Combination passenger and cargo	Freighters	Tankers
<i>Total—all vessels</i>	1,422	8,106	11,814	167	1,320	1,108	882	4,245	6,557	373	2,631	4,149	3,490	25,815	36,774	77	776	601	2,887	29,351	28,674	526	4,688	7,199
Active vessels.....	1,060	6,177	9,019	125	913	764	592	2,843	4,436	343	2,421	3,816	1,723	13,350	19,562	48	486	383	1,221	8,064	12,424	454	4,200	6,743
United States foreign trade.....	363	2,382	3,288	71	647	559	213	1,156	1,807	76	579	922	1,107	8,420	11,926	41	410	257	906	7,002	10,009	100	978	1,570
United States domestic trade.....	694	3,785	5,719	49	262	202	379	1,657	2,629	266	1,826	2,888	477	3,749	5,785	7	46	28	198	1,263	1,822	272	2,440	3,925
Foreign to foreign.....	3	10	12	2	4	3	.....	.....	.....	1	6	9	139	1,181	1,331	.....	.....	57	369	382	32	782	1,248	
Inactive vessels.....	362	2,019	2,785	42	407	344	290	1,402	2,121	30	210	370	1,767	12,463	17,222	29	230	216	1,666	11,687	18,250	72	488	756
Temporarily inactive.....	244	1,280	1,711	35	270	247	179	750	1,134	30	210	330	175	1,290	1,781	8	103	67	118	770	1,078	49	407	636
U. S. M. C. Reserve Fleet.....	118	789	1,084	7	137	97	111	632	987	.....	.....	.....	1,392	11,185	15,441	21	187	149	1,548	10,917	15,172	23	81	120
Active vessels.....	1,060	6,177	9,019	125	913	764	592	2,843	4,436	343	2,421	3,819	1,723	13,350	19,552	48	480	385	1,221	8,064	12,424	454	4,200	6,743
United States foreign trade.....	363	2,382	3,288	71	647	559	213	1,156	1,807	76	579	922	1,107	8,420	11,926	41	410	357	966	7,002	10,009	100	978	1,570

(Tonnage in thousands)

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APPENDIX D

Vessels under charter by month, fiscal year 1948

Type	1947							1948					
	June 30	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 30	Jan. 30	Feb. 29	Mar. 31	Apr. 30	May 31	June 30
Liberty.....	1,073	1,079	1,028	954	898	822	790	759	707	636	560	472	433
Passenger.....	8	8	7	9	9	9	10	12	11	11	11	11	11
Reefer.....	21	21	20	20	20	20	20	18	18	18	17	16	15
O1-M-AV1.....	83	83	84	83	81	79	79	70	68	66	53	53	47
C1 (A & B).....	38	34	27	24	22	18	17	17	17	17	15	14	12
C2.....	4	3	4	3	1	0	0	1	1	1	1	0	0
C3.....	0	0	1	1	1	1	1	1	1	1	1	1	1
C4.....	15	15	15	13	13	13	13	12	11	11	13	14	15
VC2-S-A P2.....	162	161	151	141	135	128	118	111	103	92	78	72	60
VC2-S-A P3.....	103	98	93	93	89	92	84	82	80	74	74	65	60
N3.....	3	1	6	6	6	6	6	6	6	6	6	6	6
Total.....	^a 1,510	^b 1,503	^c 1,436	^d 1,347	^e 1,275	^f 1,188	^g 1,138	^h 1,089	ⁱ 1,023	^j 933	^k 834	724	660

^a Of which 105 were allocated but not delivered.

^b Of which 99 were allocated but not delivered.

^c Of which 47 were allocated but not delivered.

^d Of which 27 were allocated but not delivered.

^e Of which 12 were allocated but not delivered.

^f Of which 14 were allocated but not delivered.

^g Of which 10 were allocated but not delivered.

^h Of which 9 were allocated but not delivered.

ⁱ Of which 5 were allocated but not delivered.

^j Of which 5 were allocated but not delivered.

^k Of which 1 was allocated but not delivered.

1 vessel is under Interim Bareboat Charter at the present time.

APPENDIX E

Number and dead-weight tonnage of vessels delivered by United States shipyards for the Maritime Commission, private and foreign account July 1, 1947, to June 30, 1948

	Total		July 1, 1947, to Sept. 30, 1947		Oct. 1, 1947, to Dec. 31, 1947		Jan. 1, 1948, to Mar. 31, 1948		Apr. 1, 1948, to June 30, 1948	
	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight	Number	Dead-weight
<i>Maritime Commission</i>										
Major types:										
Dry cargo.....	6	40,926			2	15,451	1	5,012	3	20,463
Standard cargo.....	4	20,018			1	5,012	1	5,012	2	10,024
Combination passenger and cargo.....	2	20,878			1	10,439			1	10,439
Total Maritime Commission ¹	6	40,926			2	15,451	1	5,012	3	20,463
<i>Private and foreign account</i>										
Major types:										
Cargo.....	20	179,560	2	26,210	4	65,530	5	63,420	1	24,400
Combination passenger and cargo.....										
Tankers.....	2	39,800	3	27,000			1	12,800		
Total major types.....	22	219,360	5	53,210	8	65,530	8	76,220	1	24,400
Minor types:										
Coastal cargo.....	3	1,400			6	2,000			2	2,400
Tankers.....	2	4,500	2	4,500						
Total minor types.....	5	8,900	2	4,500	1	2,000			2	2,400
Total private and for- eign account.....	27	228,260	7	57,710	9	67,530	8	76,220	3	26,800
Grand total.....	33	269,186	7	57,710	11	82,981	9	81,232	6	47,263

¹ Tankers, military and minor types—none constructed during the fiscal year.

² Includes 3 vessels of 22,500 dead-weight constructed for operation under the Brazilian flag and 1 vessel of 3,710 dead-weight for operation under the French flag.

³ Includes 1 vessel of 27,000 dead-weight constructed for operation under the Panamanian flag.

⁴ Includes 4 vessels of 40,000 dead-weight constructed for operation under the Brazilian flag and 3 vessels of 11,130 dead weight for operation under the French flag.

⁵ Includes 4 vessels of 31,480 dead-weight constructed for operation under the Brazilian flag and 2 vessels of 7,540 dead-weight for operation under the French flag.

⁶ Includes 1 vessel of 2,000 dead-weight constructed for operation under the Swedish flag.

⁷ Includes 2 vessels of 2,400 dead-weight constructed for the Argentine Government.

APPENDIX F

Construction and restoration of shipways and other facilities as at June 30, 1948

Construction:	Total estimated cost
Long-range program.....	\$419,860,235
Emergency program.....	84,966,924
Defense-aid program.....	66,411,405
Total.....	571,238,564
Restoration:	
Long-range.....	13,154,187
Total construction and restoration.....	584,392,751

APPENDIX G

Ship construction, reconditioning, and betterment as at June 30, 1948

	Number of ships	Dead-weight	Total estimated cost
<i>Old ship construction program</i>			
Long-range program:			
Ships completed to June 30, 1948.....	4,643	48,369,725	\$10,953,315,609
Under construction as at June 30, 1948.....	11	4,600	1,555,555
	4,644	48,374,325	10,954,871,164
Emergency ship construction program: ships completed.....	200	2,157,778	402,000,000
Lend-lease program:			
Ships completed.....	361	2,268,003	561,220,947
Small craft completed.....	1,213		9,574,752
	1,574	2,268,003	570,795,699
For other Government agencies:			
Ships completed.....	532	2,529,023	1,631,133,078
Small craft completed.....	2		12,263
Conversion only on 385 ships.....			429,827,849
Special facilities (floating drydocks, etc.).....		2,529,023	11,560,524
	534	2,529,023	2,072,533,714
Total old ship construction program.....	6,952	55,329,129	14,000,200,577
<i>New ship construction, reconditioning, and betterment, fiscal year 1947-48²</i>			
Authorized by Congress under Public Law 269, 80th Congress, July 30, 1947:			
New ship construction.....			84,000,000
Reconditioning and betterment.....			3,150,000
Total.....			87,150,000
<i>New ship construction, including reconditioning and betterment, fiscal year 1949²</i>			
Authorized by Congress under Public Law 862, 80th Congress, June 30, 1948:			
Funds appropriated.....			29,000,000
Additional contract authority.....			75,000,000
Total.....			104,000,000

¹ This last vessel completed in July 1948.² The Supplemental Independent Offices Appropriation Act, 1949, approved June 30, 1948 (Public Law 862) provides, "That all authority granted to incur obligations for these purposes (new ship construction, reconditioning, and betterment) during 1948 and prior fiscal years not exercised prior to July 1, 1948, is hereby revoked except that not to exceed \$90,000,000 of the funds appropriated for 'New ship construction, reconditioning and betterment' in the Independent Offices Appropriation Act, 1948, shall continue to be available until Sept. 30, 1948."³ Of this sum, \$9,564,119 had been obligated to June 30, 1948.

APPENDIX H

Shipbuilding program—sale of ships, long-range program, fiscal year 1948

Purchaser	Type of ship	Number of ships	
<i>Ships sold at foreign cost less national defense features</i>			
None.....			
COMPLETED			
			Estimated subsidy ¹
<i>Subsidized ships privately constructed</i>			
COMPLETED			
United Fruit Steamship Corp.....	R1-S-DH1 refrigerator.....	4	\$6,222,220.00
UNDER CONSTRUCTION			
United Fruit Steamship Corp.....	R1-S-DH1 refrigerator.....	1	\$1,555,555.00

¹ Privately constructed vessels, estimated construction differential subsidy.

APPENDIX I

Vessels over 20 years of age on which an operating-differential subsidy was paid during the period July 1, 1947, to June 30, 1948, on voyages made prior to requisitioning by the Government

Name of contractor	Terminations by fiscal years	Vessel	Date 20 years of age	Total number vessels
American Mail Line, Ltd.....	1941-42.....	Capillo.....	Apr. 29, 1940	} 6
	1941-42.....	Coldbrook.....	Nov. 29, 1939	
	1940-41-42.....	Collingsworth.....	Mar. 26, 1940	
	1941-42.....	Crown City.....	Dec. 24, 1939	
	1941-42.....	Satartia.....	June 3, 1939	
	1941-42.....	West Cusseta.....	Jan. 18, 1941	
Seas Shipping Co. Inc.....	1941-42.....	Algic.....	Aug. 25, 1940	} 9
	1939-40-41-42.....	Greylock.....	Aug. 28, 1941	
	1939.....	Maine.....	Oct. 9, 1939	
	1941-42.....	Pipestone County.....	July 18, 1939	
	1940-41-42.....	Robin Adair.....	Jan. 9, 1940	
	1939-40-41-42.....	Robin Goodfellow.....	Feb. 9, 1940	
	1939-40-41-42.....	Robin Grey.....	Jan. 22, 1940	
	1939-41.....	Robin Hood.....	Jan. 6, 1940	
	1941-42.....	West Imboden.....	Mar. 14, 1939	
Total.....				} 15

APPENDIX J

Statement reflecting cash and United States Government securities on deposit in the statutory capital and special reserve funds of subsidized operators as at June 30, 1948

Operator	Capital reserve fund	Special reserve fund	Total
American Export Lines, Inc.	\$4,658,009.74	\$8,531,659.32	\$13,189,669.06
American Mail Line, Ltd.	706,172.46	2,180,410.07	2,886,582.53
American President Lines, Ltd.	11,740,467.23	8,572,315.98	20,312,783.21
Farrell Lines Incorporated	408,878.13	4,883,603.72	5,292,481.85
Grace Line, Inc.	4,303,422.81	4,876,131.22	9,179,554.03
Lykes Bros. Steamship Co., Inc.	3,818,945.08	16,979,323.80	20,798,268.88
Mississippi Shipping Co., Inc.	2,463,852.93	4,292,377.79	6,756,230.72
Moore-McCormack Lines, Inc.	3,365,000.09	9,574,056.24	12,939,056.33
New York and Cuba Mail S. S. Co.	5,530,114.63	1,651,960.85	7,182,075.48
The Oceanic Steamship Company	3,550,003.06	2,586,713.82	6,136,716.88
Seas Shipping Co., Inc.	692,846.57	2,102,137.99	2,795,004.56
United States Lines Company	6,533,819.34	3,902,847.83	10,441,667.17
Total	47,777,132.07	70,096,498.63	117,873,630.70

APPENDIX K

Status of sales under Merchant Ship Sales Act of 1946, as amended, as at June 30, 1948

	Purchase application approved			Title transferred			Available for sale ¹			Pending purchase applications United States registry
	United States registry	Foreign registry	Total	United States registry	Foreign registry	Total	Merchant vessels	Military auxiliaries	Total	
A. Major type dry cargo:										
C1A(S)	6		6	6		6	6	7	13	
C1A(M)	5	37	42	5	37	42				5
C1B(S)	9	3	12	9	3	12	22	17	39	2
C1B(M)		2	2		2	2	4	1	5	
C1S-A1		6	6		6	6		5	5	
Total C1	20	48	68	20	48	68	32	30	62	7
C2 refrigerated										
C2-S-A1	41		41	40		40		14	14	
C2-S-B1	279	4	83	64	4	68				9
C2-S-E1	4		4	4		4				
Other C2	39	4	13	3	4	7				
Total C2	133	8	141	111	8	119		14	14	9
C3										
C3-S-A2	75		75	63		63				
C3-S-A3	7		7	3		3				
Other C3	36		6	4		4				
Total C3	88		88	70		70				
C4										
Total C type	241	56	297	201	56	257	47	73	120	46
Passenger types										
EC2-S-AW1	23		23	23		23	1		1	1
EC2-S-C1	95	592	687	89	589	678	1,286	354	1,640	4
Z-EC2	1		1	1		1	34	6	40	
Z-ET1 (tanker)	50		50	42		42	5	3	8	87
Total Liberty ⁴	119	592	711	113	589	702	1,321	360	1,681	5

See footnotes at end of table.

APPENDIX K—Continued

Status of sales under Merchant Ship Sales Act of 1946, as amended, as at June 30 1948—Continued

	Purchase application approved			Title transferred			Available for sale ¹			Pending purchase applications United States registry
	United States registry	Foreign registry	Total	United States registry	Foreign registry	Total	Merchant vessels	Military auxiliaries	Total	
A. Major type dry cargo—Con.										
VC2-S-AP2	8	66	74	8	64	72	141	30	171	-----
VC2-S-AP3	18	34	52	17	34	51	74	11	85	11
VC2-S-AP4							1		1	-----
VC2-S-AP5								60	60	-----
Total Victory	26	100	126	25	98	123	216	101	317	11
Total major type dry cargo ²	386	748	1,134	339	743	1,082	1,587	540	2,127	64
B. Coastal type dry cargo:										
N3-S-A1								14	14	-----
N3-A1		32	32		32	32				-----
N3-S-A2		30	30		26	26	10	8	18	-----
C1-M-AVI	5	91	96	5	90	95	66	21	87	3
C1-M-AVI refrigerated							6	6	12	-----
C1-MT-BUI	4		4	4		4				-----
YF (cargo)	16		16	16		16				1
Total coastal type dry cargo	25	153	178	25	148	173	82	49	131	4
Total dry cargo	411	901	1,312	364	891	1,255	1,669	589	2,258	68
C. Major type tankers (including Z-ET1):										
T2-SE-A1	187	203	390	179	203	382				179
T2-SE-A2								1	1	2
T3-S-A1	5		5	5		5				-----
Special (Z-ET1—from Liberty group)	12		12	10		10				-----
	50		50	42		42	5	3	8	87
Total major type tankers (including Z-ET1)	254	203	457	236	203	439	5	4	9	268
T1-M-BT (coastal tanker)	8	13	21	4	13	17				10
Total tankers (including Z-ET1)	262	216	478	240	216	456	5	4	9	278
Grand total, all types	673	1,117	1,790	604	1,107	1,711	1,674	593	2,267	346

¹ Subject to changing requirements of the Government.

² Includes 3 vessels approved for sale, but definitive papers incomplete.

³ Includes 2 vessels approved for sale, but definitive papers incomplete.

⁴ Z-ET1—tanker—from Liberty group not included in this figure. See major type tanker group.

APPENDIX L

Statement showing type, number, gross tonnage, average age of vessels approved by U. S. Maritime Commission for transfer to alien ownership and/or registry and flag pursuant to section 9 of the Shipping Act, 1916, as amended, for the period July 1, 1947, to June 30, 1948

	Number	Total gross tonnage	Average age
<i>Privately owned</i>			
Sailing vessels, schooners.....			
Tugs and barges.....	41	22,221	19.6
Pleasure vessels, yachts, etc.....	13	2,169	14.6
Tankers.....	29	193,609	19.1
Commercial vessels under 1,000 gross tons (fishing vessels, etc.).....	224	36,238	8.9
Commercial vessels over 1,000 gross tons (cargo; combination cargo-passenger)			
(a) By subsidized lines.....			
(b) By nonsubsidized lines.....	50	191,314	27.4
Total.....	357	443,551	14
<i>Government-owned</i>			
Dry cargo vessels over 1,000 gross tons.....	236	1,414,776	6.3
Tankers over 1,000 gross tons.....	159	1,524,894	4.9
Commercial vessels under 1,000 gross tons.....	46	20,585	2.5
Total.....	441	2,960,255	5
Grand total.....	798	3,405,806	9.2

APPENDIX L—Continued

Nationality, number, and tonnage of vessels approved for transfer

Nationality	Privately owned		Government-owned		Total	
	Number of vessels	Gross tonnage	Number of vessels	Gross tonnage	Number of vessels	Gross tonnage
Argentine.....	25	24,471	27	48,885	52	73,356
Bohemian.....	1	139			1	139
Bahrein.....			1	142	1	142
Belgian.....	1	498			1	498
Brazilian.....	12	8,045	4	4,170	16	12,215
British.....	9	1,568	35	340,957	44	342,525
Canadian.....	27	24,480	26	91,094	53	115,574
Chilean.....			2	7,610	2	7,610
Chinese.....	1	137	31	171,219	32	171,356
Colombian.....	2	343			2	343
Costa Rican.....	10	3,450	2	1,032	12	4,482
Cuban.....	7	1,015	4	15,214	11	16,229
Danish.....	1	1,275			1	1,275
Dominican.....	1	596			1	596
Finnish.....	5	21,745	1	1,870	6	23,615
French.....	1	139	12	122,104	13	122,243
Greek.....	1	110	8	80,050	9	80,160
Haitian.....			1	161	1	161
Honduran.....	17	9,835	6	26,221	23	36,056
Icelandic.....	1	4,724	1	3,805	2	8,529
Indian.....	1	693	4	28,528	5	29,221
Iran.....			3	21,391	3	21,391
Italian.....	5	30,232	67	470,794	72	501,026
Mexican.....	125	13,555			125	13,555
Netherlands.....	1	38	11	65,811	12	65,849
Newfoundland.....	7	2,796			7	2,796
New Zealand.....			1	6,751	1	6,751
Nicaraguan.....	4	794	3	3,773	7	4,567
Norwegian.....	1	295	32	258,571	33	258,866
Pakistan.....			1	7,133	1	7,133
Panamanian.....	59	268,307	64	593,160	123	861,467
Paraguayan.....			4	2,560	4	2,560
Peruvian.....	2	69			2	69
Philippine.....	3	4,130	3	3,629	6	7,759
Polish.....	1		1	7,612	1	7,612
Portuguese.....	1	725	3	5,462	4	6,187
Saudi-Arabian.....			2	800	2	800
South African.....	1	26	6	49,654	7	49,680
Swedish.....	1	4,163	2	20,357	3	24,520
Turkish.....	3	4,454	10	71,559	13	76,013
Uruguayan.....	3	731	4	21,878	7	22,609
Venezuelan.....	15	7,095	2	611	17	7,706
Yugoslavian.....			1	7,607	1	7,607
Sale alone.....	354	440,673	385	2,562,175	739	3,002,848
	3	4,878	56	393,080	59	402,958
Total.....	357	445,551	441	2,960,255	798	3,405,806

APPENDIX M

*Sale of vessels under Merchant Marine Acts of 1936 and 1920
July 1, 1947 to June 30, 1948*

Vessels sold for operation under United States registry.....	101
Vessels sold for operation under foreign registry.....	20
Vessels sold for nonoperation.....	1
Vessels sold for non-self-propelled operation.....	32
Vessels sold for scrapping.....	551
Total number of vessels sold.....	705
Dead-weight tonnage sold for operation.....	544, 915
Lightweight tonnage sold for nonoperation.....	3, 000
Dead-weight tonnage sold for non-self-propelled operation.....	87, 800
Lightweight tonnage sold for scrapping.....	1, 221, 845
Amount received from sales for operation.....	\$11, 059, 668. 00
Amount received from sales for nonoperation.....	60, 000. 00
Amount received from sales for non-self-propelled operation.....	1, 276, 750. 00
Amount received from sales for scrapping.....	13, 229, 600. 99
Amount received from forfeitures.....	7, 500. 00
Amount received from custody charges, etc.....	72, 612. 86
Total amount received.....	25, 706, 131. 85
Average price received per dead-weight ton (operation).....	\$20. 30
Average price received per lightweight ton (nonoperation).....	20. 00
Average price received per dead-weight ton (non-self-propelled operation).....	14. 54
Average price received per lightweight ton (scrapping).....	10. 83

APPENDIX N

Vessels in reserve fleets by months—fiscal year 1948

Fleet	1947						1948					
	July 31	Aug. 31	Sept. 30	Oct. 31	Nov. 30	Dec. 31	Jan. 31	Feb. 29	Mar. 31	Apr. 30	May 31	June 30
Hudson River.....	42	43	45	51	50	58	61	61	57	70	93	108
James River.....	357	370	387	430	437	463	455	442	452	440	439	437
Wilmington, N. C.....	60	66	78	115	133	135	213	238	270	310	362	394
Brunswick, Ga. ¹	22	18	17	14	11	11	8	7	3			
Mobile, Ala.....	87	84	91	110	119	121	124	124	128	135	154	165
Beaumont, Tex.....	31	30	35	33	30	32	31	31	37	45	56	75
Suisun Bay, Calif.....	360	363	367	346	339	330	320	313	305	299	299	305
Astoria, Oreg.....	125	124	127	133	137	138	138	132	131	128	134	134
Olympia, Wash.....	95	94	89	83	82	79	75	69	61	58	57	56
Baltimore, Md.....	1	1	1	1	1	1	1	1	1	1	1	1
Total.....	2,180	2,193	2,127	1,316	1,339	1,418	1,432	1,418	1,445	1,486	1,595	1,675

¹ The Brunswick Reserve Fleet was abolished on Apr. 7, 1948.² These figures do not include vessels laid up at Eric, Pa.

APPENDIX C
Appropriation, transfers, collections, and disbursements, fiscal year 1948

Symbol	Title	Balance July 1, 1947	Appropriation		Receipts	Disbursements	Balance June 30, 1948	Schedule
			Increase	Decrease				
69X0115	Federal ship mortgage insurance fund, U. S. Maritime Commission	\$386,807.73			\$50.00		\$386,857.73	
69X0200	Construction fund, U. S. Maritime Commission, act June 29, 1936, revolving fund.	295,617,437.94		\$333,777,835.37	61,638,648.01	\$18,515,187.00	2,964,662.68	L-1
69X0201	Emergency ship construction fund, U. S. Maritime Commission.	395.09			115,356.44	29.63	115,722.50	
69X0210	Appointments, United States courts, U. S. Maritime Commission.	10,164.74	\$129,199.77		0	125,080.44	14,284.07	
69X0211	Judgments, Court of Claims, U. S. Maritime Commission.	50,000.00	371,250.32		0	345,549.77	75,670.55	
69X0215	Claim for Damages Act, Dec. 28, 1922, U. S. Maritime Commission	110.00			0	0	110.00	
6980300	Construction fund, U. S. Maritime Commission, 1918.	0	208,206,774.06		2,624,779.65	127,036,107.84	83,795,445.81	L-2
69-1164600	Expenses, disposal agencies, War Assets Administration (allotment to U. S. Maritime Commission), 1946	1,328.40		1,338.10	0	0	0	
11X0521	Marine and war-risk insurance fund, revolving fund, War Shipping Administration.	1,123,924.33		\$1,123,924.23	0	0	0	
69X0521	Marine and war-risk insurance fund, revolving fund, War Shipping Administration functions, U. S. Maritime Commission.	57,006,881.92		\$6,637,450.59	599,594.26	978,515.59	470.00	L-3
11X4000	War Shipping Administration revolving fund.	56,738,116.60		\$6,738,116.60	0	0	0	
69X4000	War Shipping Administration functions revolving fund, U. S. Maritime Commission, Dec 31, 1945	428,920,618.95		\$489,509,333.14	41,667,533.86	8,489,790.09	2,589,029.58	L-4
69786034	Operations of functions of War Shipping Administration, U. S. Maritime Commission, Sept. 1, 1946 to Feb. 29, 1948.	75,012,066.58	35,162,058.26		9,954,776.37	108,853,280.84	14,305,620.37	L-5
6986038	Salaries and general administrative expenses, liquidation of functions of War Shipping Administration, U. S. Maritime Commission, 1948.	0	4,650,000.00		24,659.16	4,124,826.12	349,833.04	
6986049	Vessel operating functions of War Shipping Administration, U. S. Maritime Commission, Apr. 1, 1948	0	5,000,000.00		0	2,625,997.76	2,374,002.24	
69-1176671	Salaries and expenses, War Assets Administration special fund (allotment to U. S. Maritime Commission), 1947.	3,200.00		2,784.34	0	415.66	0	
69-9061000(40)	Foreign Service pay adjustment, appreciation of foreign currencies (U. S. Maritime Commission, War Shipping Administration functions), 1946.	47,500.00			0	0	47,500.00	

See footnotes at end of table.

APPENDIX C—Continued
Appropriation, transfers, collections, and disbursements, fiscal year 1948—Continued

Symbol	Title	Balance		Appropriation		Receipts	Disbursements	Balance June 30, 1948	Sched-ule
		July 1, 1947	0	Increase	Decrease				
6980235	State marine schools, U. S. Maritime Commission, 1948	0		\$150,000.00		0	\$278,556.26	\$171,443.74	L-6
11X0523	Maritime training fund, War Shipping Administration	\$891.13			\$891.13	0	0	0	
69X0523	Maritime training fund, War Shipping Administration, U. S. Maritime Commission, Dec. 31, 1946	7.11			18.00		10.89	0	
6980234	Maritime training fund, U. S. Maritime Commission, 1948	0		7,320,000.00	82,900.00	\$242,400.88	6,513,770.73	965,730.15	L-7
6964001	State marine schools, War Shipping Administration functions, U. S. Maritime Commission, 1946	28,307.47				0	0	28,307.47	
6974001	State marine schools, War Shipping Administration functions, U. S. Maritime Commission, 1947	185,523.30				0	17,783.59	167,737.71	L-8
6954002	Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1945	99,848.71		72,176.86		64.75	81,621.66	90,468.66	L-9
1164002	Maritime training fund, War Shipping Administration, 1946	73,654.27			73,664.27	0	0	0	
6964002	Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1946	4,941,007.55		475,300.56		38,204.15	423,402.79	4,629,711.49	L-10
1174002	Maritime training fund, War Shipping Administration, 1947—Aug 31, 1946	46,038.86			46,038.90	0	0	0	
6974002	Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1947	4,564,036.39		46,038.96		83,897.13	1,383,137.22	3,310,835.16	L-11
11X5905	Working fund, Executive, emergency management	168.74			168.74	0	0	0	
69X5900	Working fund, U. S. Maritime Commission	41,398,870.68			10,613,353.00	14,517,072.57	6,493,950.07	38,808,640.18	L-12
69265900	Working fund, U. S. Maritime Commission, 1942-46	365,120.13				11,245.09	0	376,365.22	L-13
69565900	Working fund, U. S. Maritime Commission, 1945-46	919,225.49				2,426.00	318,304.89	603,346.60	L-14
6975900	Working fund, U. S. Maritime Commission, 1947	0				275,607.00	139,325.70	139,325.70	L-15
69X5940	Working fund, U. S. Maritime Commission, War Shipping Administration functions	915,099.64		168.74		186.69	0	915,455.07	L-16
69565940	Working fund, U. S. Maritime Commission, War Shipping Administration functions, 1945-46	890.16			890.16	0	0	0	
6965940	Working fund, U. S. Maritime Commission, War Shipping Administration functions, 1946	936,000.00				0	340,661.02	595,338.98	L-17
69-11470069	United Nations Relief and Rehabilitation Administration (allotment to U. S. Maritime Commission and liquidation of War Shipping Administration functions), 1944-47	25,618,253.74		3,300,000.00		485,675.35	25,132,415.62	4,221,513.47	

69-111/60023	Defense aid, vessels and other waterfront allotment to U. S. Maritime Commission, 1911-44.	0	1,149.30	0	1,149.30
69-111/60023	Defense aid, vessels and other waterfront allotment to U. S. Maritime Commission, 1941-46.	5,561,741.11	278,406.39	593,670.39	5,246,567.11
69-111/60025	Defense aid, facilities and equipment allotment to U. S. Maritime Commission, 1941-46.	39,692.56	71.69	.14	39,674.11
69-111/60026	Defense aid, agricultural, industrial, and other commodities allotment to U. S. Maritime Commission, 1941-46.	13,586.15	0	2,111.96	11,474.19
69-111/60027	Defense aid, rest line, reconditioning, etc., of defense articles (allotment to U. S. Maritime Commission), 1941-46.	391,033.55	533.12	1,021.59	390,545.05
69-111/60028	Defense aid, services and expenses (allotment to U. S. Maritime Commission), 1911-46.	0	1,867.05	0	1,987.66
69-111/60029	Defense aid, administrative expenses (allotment to U. S. Maritime Commission), 1911-46.	509.74	0	0	509.74
111/60028(40)	Defense aid, vessels and other waterfront allotment to War Shipping Administration, 1941-46.	757,726.20	0	0	0
69-111/60028(40)	Defense aid, vessels and other waterfront allotment to U. S. Maritime Commission, War Shipping Administration, 1941-46.	151,091,417.16	170,314.16	73,015,337.35	68,974,159.17
69-111/60026(40)	Defense aid, agricultural, industrial, other commodities (allotment to U. S. Maritime Commission), 1941-46.	331,229.30	0	0	0
111/60027(40)	Defense aid, rest line, reconditioning, etc., of defense articles (allotment to U. S. Maritime Commission), 1941-46.	1,286,126.23	0	0	0
69-111/60027(40)	Defense aid, rest line, reconditioning, etc., of defense articles (allotment to U. S. Maritime Commission), 1941-46.	9,487,259.15	31,370.87	1,655,535.45	2,768,558.62
111/60028(40)	Defense aid, services and expenses (allotment to War Shipping Administration), 1941-46.	727,102.17	0	0	0
69-111/60028(40)	Defense aid, services and expenses (allotment to U. S. Maritime Commission, War Shipping Administration), 1941-46.	2,356,389.20	59,219.80	233,704.47	2,819,547.56
69-111/60029(40)	Defense aid, administrative expenses (allotment to U. S. Maritime Commission), 1941-46.	44,322.48	0	0	0
69-197/01091	Salaries and expenses, Philippine Rehabilitation Commission, 1947-50.	110,354.31	57,483.00	105,179.42	62,657.80
69-198/01091	Salaries and expenses, Philippine Rehabilitation Commission, 1948-50.	0	73,379.00	0	73,379.00
69X/600(40)	Defense aid special fund (allotment to U. S. Maritime Commission, Dec. 31, 1946).	3,420,691.00	0	1,028,337.32	756,905.48
6983690	Payments from proceeds of sales, motor-propelled vehicles, etc., U. S. Maritime Commission, 1945.	1,435.53	0	1,435.53	0
69X/8887	Unearned moneys, vessel operation functions of War Shipping Administration, U. S. Maritime Commission.	0	500,000.00	0	500,000.00

See footnotes at end of table.

APPENDIX O—Continued
Appropriation, transfers, collections, and disbursements, fiscal year 1948—Continued

Symbol	Title	Balance July 1, 1947	Appropriation		Receipts	Disburse- ments	Balance June 30, 1948	Sched- ule
			Increase	Decrease				
69XS8869	Unearned moneys, merchant ship sales, war-built vessels, U. S. Maritime Commission	\$766,514.65	\$10,000,000.00		0	\$4,127,739.90	\$6,683,774.75	
69XS8900	Unclaimed moneys due to contractors with the United States under cost-plus-fee contracts, U. S. Maritime Commission	1,339.57	1,413,561.44		0	8,914.25	1,405,966.76	
696034	Receipts from operations of functions of War Shipping Administration, Title II, Public Law 492, July 8, 1946	21,698.88		\$44,812,058.26	\$59,159,240.96	1,046,800.91	13,322,080.62	
696049	Receipts from vessel operating functions of War Shipping Administration, Public Law 519, May 10, 1948	0	5,000,000.00	5,000,000.00	0	0	0	
698540	Proceeds from wages and effects of American seamen	0			369.15		369.15	
698587	Deposits, unearned moneys, vessel operations of War Shipping Administration, U. S. Maritime Commission	0			500,000.00	500,000.00	0	
698589	Deposits, unearned moneys, merchant-ship sales, war-built vessels, U. S. Maritime Commission	70,197,704.76			711,216,119.21	650,000,000.00	91,415,823.97	L-19
698590	Wages due American seamen, War Shipping Administration functions, U. S. Maritime Commission	0			58,787.43	0	58,787.43	
698573	Deposits, miscellaneous and excess collections, U. S. Maritime Commission	3.25			0	3.25	0	
698581	Unclaimed moneys of individuals whose whereabouts are unknown	1,005.62			36.10	0	1,041.72	
698590	Deposits, unclaimed moneys due creditors of contractors with the United States under cost-plus-a-fee contracts	742,354.46		\$1,413,561.44	1,455,291.86	0	784,054.88	
69F5706	Deposits, operations of functions of War Shipping Administration prior to Sept. 1, 1946, U. S. Maritime Commission	0			8,632,000.30	0	8,632,000.30	
69F5780	Special deposits, proceeds from reparations, property of country, United States War Savings Bonds, Executive Office of the President	1,932,700.00			145,633.00	1,932,700.00	115,633.00	
11F5350	Special deposits, employees pay-roll allotment account, United States War Savings Bonds, Executive Office of the President	74.90			0	0	74.90	
69F5830	Special deposits, employees pay-roll allotment account, United States War Savings Bonds, U. S. Maritime Commission	72,805.10			444,411.48	487,665.49	29,051.09	
69F5850 training	Special deposits, employees pay-roll allotment account, United States War Savings Bonds, maritime training organization (WSA)	11,003.81			0	72.49	10,930.82	

11F5859	Special deposits, employees Victory tax, War Shipping Administration	484.36	0	6.12	478.24
11F5859 training	Special deposits, employees Victory tax, training division	787.80	0	0	787.80
11F5867	Special deposits, Federal tax withheld from salaries of Federal employees, Executive Office of the President	2,412.82	0	0	2,412.82
69F5867	Special deposits, Federal tax withheld from salaries of Federal employees, U. S. Maritime Commission	901,111.90	2,543,289.81	2,784,154.82	750,216.98
69F5867 training	Special deposits, Federal tax withheld from salaries of Federal employees, training, War Shipping Administration	65,680.82	0	145.02	65,435.50
69F5868	Special deposits, compensation on merchant vessels, act March 21, 1945, War Shipping Administration, U. S. Maritime Commission	5,702,799.19	92,323.75	1,475,899.24	4,319,223.70
11F5875	Special deposits, suspense, War Shipping Administration	0	0	.10	.10
69F5875	Special deposits, suspense, U. S. Maritime Commission	48,340,418.62	31,195,309.41	27,773,798.00	51,770,930.05
69F5875 training	Special deposits, suspense, War Shipping Administration, functions, U. S. Maritime Commission	827.28	0	0	827.28
11F5878	Alien withholding tax, War Shipping Administration, U. S. Maritime Commission	28.05	0	0	28.08
69F5884	Special deposits, proceeds from return of vessels, net Apr. 29, 1943 as amended; War Shipping Administration, functions, U. S. Maritime Commission, Dec. 31, 1946	15,122,340.66	1,793,185.82	333,364.75	16,882,161.73
69F5885	Special deposits, proceeds of sale of surplus property, U. S. Maritime Commission	75,030,722.59	80,807,694.18	1,107,312,119.30	19,826,237.47
69F5887	Special deposits, refunds from sale of surplus property, U. S. Maritime Commission	257,042.25	488,699.70	564,455.32	181,196.63
69F5859	Special deposits, Victory tax withheld from salaries of Federal employees, U. S. Maritime Commission	0	6.12	6.12	0
690955	Rent, all other				
690956	Business concessions		7,699.09	0	7,699.09
690990	Interest on deferred collections or payments, U. S. Maritime Commission		1,579.84	0	1,579.84
691100	Gain by exchange		9,038,000.45	0	9,038,000.45
691400	Fines and penalties, all other		130.93	0	130.93
692550	Registration fees, correspondence courses		1,330.00	0	1,330.00
693020	Commissions on telephone pay stations in Federal buildings outside of Washington, D. C.		9,688.95	0	9,688.95
693230	Unexplained balances in cash accounts		4,687.00	0	4,687.00
693990	Portofutures, all other than bonds		6.12	0	6.12
694238	Refund of royalties		500.00	0	500.00
694290	Refund on empty containers		29,260.80	0	29,260.80
694370	Refund of enlistment allowances and clothing bonuses		51.10	0	51.10
			177.72	0	177.72

See footnotes at end of table.

APPENDIX O—Continued
Appropriation, transfers, collections, and disbursements, fiscal year 1948—Continued

Symbol	Title	Balance July 1, 1947	Appropriation		Receipts	Disburse- ments	Balance June 30, 1948	Sched- ule
			Increase	Decrease				
694276	Reimbursement, excessive profits, on renegotiated contracts.				\$8,497,642.19	\$4,058.71	\$8,493,582.48	
694276(01)	Reimbursement, excessive profits, on renegotiated contracts (War Shipping Administration).				200,872.17	0	200,872.17	
694327	Refund of terminal leave compensation.				2,364.40	0	2,364.40	
694330	Reimbursement, Government property lost or damaged.				4,027.76	0	4,027.76	
694400	Cost of handling penalty mail.				25,417.49	0	25,417.49	
694710	Reimbursement, settlement of claims against (name of depositor).				177.00	0	177.00	
694712	Reimbursement for jury service.				308.85		308.85	
694735	Reimbursement—all other.				238.74		238.74	
694870	Moneys received from persons known.				163.04		163.04	
694880	Moneys received from persons unknown.				7.00		7.00	
694950	Sale of electric current.				1,807.99		1,807.99	
694976	Sale of heat, light, and water.				17,632.14		17,632.14	
695110	Sale of waste paper.				28.00		28.00	
695140	Sale of refuse, garbage, manure, etc.				1,421.03		1,421.03	
695160	Sale of scrap and salvaged material.				1,363.24		1,363.24	
695171	Sale of steam.				6,756.84		6,756.84	
695190	Sale of stores.				26,047.05		26,047.05	
695191	Sale of subsistence.				101,729.52		101,729.52	
695194	Sale of Government property, all other.				6,905.62		6,905.62	
695255	Quarters.				492.00		492.00	
695275	Telephone and telegraph service.				25.87		25.87	
695514	Receipts from operations, U. S. Maritime Commission.				52,978,547.69	37,299.52	52,941,248.17	
695520	Repayments lapsed appropriations.				19,441.41	34.65	19,406.76	
695523	War Shipping Administration revolving fund.				136,681,464.77	1,383.83	136,682,848.60	

695529	Proceeds from surplus vessels				680,200,634.02		680,200,634.02
695465-2	Proceeds from reparations property (Germany)				1,932,513.34		1,932,513.34
698135-2	Contributions, civil service retirement and disability fund				231,324.86	90,382.46	190,942.40
694730	Reimbursements for transportation				76.97		76.97
	Totals	1,391,131,892.70	282,465,012.88	990,952,920.96	1,391,392,112.52	1,224,359,247.00	1,349,677,250.14

^a Transferred to surplus funds of the Treasury in accordance with Public Law 269, 80th Cong. (includes A. W. No. 888, dated Oct. 6, 1947, \$68,939,033.01).

^b Transferred to surplus funds of the Treasury in accordance with Public Law 289, 80th Cong.

^c Allotted to F. S. A. (Public Health Service).

^d Represents consolidation of Maritime Commission and War Shipping Administration accounts.

^e Transfer made in accordance with letter from commissioner of accounts, Bureau of Accounts, Fiscal Service, Treasury Department, Jan. 30, 1948.

^f Transfer made in accordance with letter from commissioner of accounts, Bureau of Accounts, Fiscal Service, Treasury Department, Jan. 16, 1948.

^g See note (d) for \$727,102.17 and note (i) for \$89,459.12 (transfer appropriation warrants Nos. 1980 and 1976).

^h Returned to Navy Department.

ⁱ Includes \$373,488.00 allotment to U. S. Maritime Commission and revocations of \$2,008,234.20.

^j Transfer to (6986038) \$4,650,000; transfer to (6986049) \$5,000,000; transfer to (69786034) \$35,162,068.26.

^k Transferred to appropriation symbol for payment of approved claims.

^l \$80,000,000 to special fund receipt account (6671) of War Assets Administration in accordance with Accounts and Procedures Letter No. 9983, Jan. 30, 1946, from the General Accounting Office.

Note.—At the time the closing balances at June 30, 1947, were reported in the 1947 annual report the books of the U. S. Maritime Commission were not currently posted. Balances shown herein at July 1, 1947, include adjustments for unrecorded items. War Shipping Administration functions included in this report.

APPENDIX O—Continued
Schedule L-1.—69X0200

Construction fund, U. S. Maritime Commission act of June 29, 1938—revolving fund

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
All other.....	\$42,715,759.91	\$11,314,384.87	\$54,030,144.78	\$11,054,455.15	\$90,604.16	\$11,145,179.31
Administrative.....	2,979.16	52,745.65	55,724.81	34,172.30	4,185.21	38,357.51
Travel.....	47.70	44,116.80	44,164.59	44,116.80	—	44,116.80
Personal services.....	323.76	220,283.39	220,607.15	193,182.00	—	193,182.00
Periodicals and newspapers.....	21.55	47.19	68.74	47.19	—	47.19
Maintenance of shipyard facilities.....	5.18	52,297.89	52,303.07	15,215.84	—	15,215.84
Operation of warehouses.....	7.84	67,507.36	67,514.70	46,056.84	—	46,056.84
Reserve Fleet expenses.....	117.64	618,943.31	619,060.95	488,568.20	17.02	488,615.22
Contract employment.....	—	400.76	400.76	400.76	—	400.76
Reconversion of vessels.....	—	6,498,386.60	6,498,386.60	6,491,731.48	—	6,491,731.48
Restoration of shipyard facilities.....	—	53.68	53.68	53.68	—	53.68
Miscellaneous.....	—	50,006.20	50,006.20	50,006.20	—	50,006.20
Printing expenses, field.....	—	202.00	202.00	202.00	—	202.00
Totals.....	42,719,262.24	18,919,385.77	61,638,648.01	18,418,291.51	94,806.39	18,513,187.90

^a Represents adjustments for disbursements made from Appropriation 69X0200 and which were properly payable from other appropriations in accordance with Public Law 260, 80th Cong.

^b Represents disbursements made subsequent to July 1, 1947, and which were subsequently adjusted to the proper appropriation (6980300) as shown under (a).

Schedule I-2.—6980300

Construction fund, U. S. Maritime Commission, 1948

Purpose	Disbursing officer receipts	Appropriation receipts	Adjustment receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Adjustment disbursements	Total disbursements
All other, including 1947 and prior years' obligations	\$466,510.07	\$70,650.03	\$358,038.07	\$834,198.17	\$88,203,834.24	\$18,714,541.02	\$361,913.29	\$107,280,418.55
All other administration expenses, other than personal services	.....	3,974.76	110.82	4,085.58	293,059.09	11,819.78	544.84	305,393.71
Newspapers and periodicals	.....	27,092.76	1,344.10	29,036.20	297,786.29	.....	.....	297,786.29
Purchase of 1 passenger motor vehicle	.....	.....	.....	.....	54.32	1,265.24	.....	1,319.60
Travel expenses	781.51	25.40	482.89	1,289.83	111,277.96	1,288.30	2,089.96	114,346.23
Authorized field printing, general	.....	.....	.....	.....	12.00	.....	.....	12.00
Personal services	3,063.97	65.32	9,833.83	13,081.77	6,996,272.85	60,657.34	316,820.83	7,392,761.02
New ship construction	.....	.....	52.69	52.69	455.66	126.00	.....	581.66
Reconventioning and retrofit of ships	.....	.....	.....	.....	66.06	.....	282,036.00	282,102.06
Reconversion of vessels	.....	5,444.48	343.33	5,792.81	74,051.65	.....	.....	74,051.65
Maintenance of shipyard facilities	58,630.90	.....	223,604.56	282,264.45	1,032,212.86	251.68	33,489.01	1,065,953.55
Operation of warehouses	169,936.76	45,353.81	65,837.70	281,223.27	1,079,318.75	436.85	78,892.67	1,158,619.27
Reserve fleet expenses	1,268.77	.....	17,057.05	18,325.82	6,545,239.66	52,159.03	831,103.10	6,928,301.79
Maintenance and operation of terminals	2,889.96	.....	.....	2,889.96	414,872.22	1,516.30	23,740.81	440,129.33
Miscellaneous expenses	.....	.....	.....	.....	117,536.09	.....	63.00	117,599.09
Penalty mail costs	.....	.....	.....	.....	.....	23,417.49	.....	23,417.49
Services authorized by sec 15 of the act of Aug. 2, 1946	.....	.....	.....	.....	5,119.27	.....	315.69	5,434.96
Additional temporary personal services from May 1, 1948, to June 30, 1948	.....	.....	.....	.....	27,409.11	.....	.....	27,409.11
Unallocated	\$173,971.31	.....	925,862.69	1,102,634.04	81,384,908.42	.....	173,663.07	1,385,171.49
Totals	\$77,001.12	112,205.76	\$1,605,572.27	2,624,779.65	106,555,306.50	18,877,228.07	\$1,605,572.27	127,036,107.84

a Of this figure \$263,156.81 represents personal services; an adjustment is in progress.
 b Receipts and disbursements made prior to receipt of accounts and procedures letter from General Accounting Office indicating limitations under this appropriation.
 c Represents adjustments of receipts, and disbursements made under note (b), and between other limitations of this appropriation.

APPENDIX O—Continued
Schedule L-3.—(69X)0521

Marine and war-risk insurance fund, revolving fund War Shipping Administration functions, U. S. Maritime Commission, Dec. 31, 1946

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
All other expenditures, including expenses incurred in the temporary employment of experts in marine insurance, including attorneys, and the employment by contract, without regard to U. S. 3709 of persons, firms, and corporations for the investigation and settlement of insurance claims	\$52,323.35	\$547,270.91	\$599,594.26	\$640,532.25 337,945.74	\$37.60	\$640,569.85 337,945.74
Totals..	52,323.35	547,270.91	599,594.26	978,477.99	37.60	978,515.59

Schedule L-4.—(69X)4000

War Shipping Administration functions, revolving fund, U. S. Maritime Commission, Dec. 31, 1946

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Personal services, 1947.....		\$1,747.90	\$1,747.90	\$17,801.37	\$1,172.15	\$18,973.52
Administrative expenses, other than personal services, 1947.....	\$709.14	3,610.09	4,319.23	2,257.46	666.41	2,923.87
Charter hire, 1947.....				42,146.54		42,146.54
Agency costs and compensation, 1947.....				152,350.95		152,350.95
Vessel and voyage expenses, 1947.....				207,927.61		207,927.61
Repairs to vessels, 1947.....				748,277.63		748,277.63
Miscellaneous expenses, 1947.....				3,886.92		3,886.92
Reconversion of chartered vessels, 1947.....				7,380.04		7,380.04
All other expenditures.....	30,927,724.19	1,733,742.84	41,661,466.73	5,910,747.62	1,398,158.81	7,308,906.44
Totals..	30,928,433.33	1,739,490.83	41,667,924.16	7,093,770.11	1,398,196.27	8,491,966.38

* Represents adjustment to disbursement.

APPENDIX O Continued
Schedule I-7.-6980524

Maritime training fund, U. S. Maritime Commission, 1948

Purpose	Disbursing officer receipts	Appropriation receipts	Adjustment receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Adjustment disbursements	Total disbursements
All other Administrative expenses.	\$80,826 71	\$43.68		\$80,870 39	\$5,716,077.02	\$25,101.27	\$142,185.44	\$5,883,363.73
For contingencies of the superintendent, United States Merchant Marine Academy, to be expended in his discretion.					250,557.60	451.04	19,345.05	270,353.69
Transfer to applicable appropriations of the Public Health Service for services rendered the Commission. ¹					2,500.00			2,500.00
Travel expenses.			161,530 49	161,530 49	5,624 04			5,624 04
Unallocated.			\$161,530 49	161,530 49	351,929 27			351,929 27
Totals	80,826 71	43 68	\$161,530 49	242,400 88	6,326,687.93	25,552 31	161,530 49	6,513,770.73

¹ See note (c), appendix O.

^a Disbursements made prior to receipt of accounts and procedures left in from General Accounting Office, indicating limitations under this appropriation

^b Represents adjustment of disbursements made under note (a).

Schedule I-8. 6974001

State marine schools, War Shipping Administration functions, U. S. Maritime Commission, 1947 to Dec. 31, 1946

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
New York (State) Maintenance and repair of vessels loaned by the United States to the States for use in connection with State marine schools.				\$1,894.54		\$1,894.54
Maine (State).				8,630.74		8,630.74
Unallocated.				2,053.59		2,053.59
Totals				5,177.82		5,177.82
				17,785.59		17,785.59

Schedule I-5.—697/86034

Operation of functions of War Shipping Administration, U. S. Maritime Commission, Sept. 1, 1946, to Mar. 1, 1948

Purpose	Disbursing officer receipts	Appropriation receipts	Adjustment receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Adjustment disbursements	Total disbursements
Vessels and voyage operations.....	\$76.00	\$1,916,424.41	\$215,515.29	\$5,102,516.30	\$46,885,974.95	\$70,603.61	\$1,612,185.86	\$48,568,761.12
Maintenance and repairs.....		31,338.00	2,275,498.55	2,326,836.55	6,065,142.74		308,222.61	6,373,365.35
Charter hire.....				698,373.59				698,373.59
Insurance.....					412.90			412.90
Cost of placing vessels into Reserve Fleet.....					408,753.37		19,949.14	428,702.51
Delivery expenses on vessels withdrawn from Reserve Fleet for sale.....					1,585.40		3,396.86	4,982.26
Miscellaneous expenses.....	960.58	16.38	633.37	1,609.83	2,180,576.87	450.00	105.01	2,181,132.78
Unliquidated obligations as at June 30, 1947.....	2,101.90	1,001.25	6,320.16	13,029.31	13,807,054.84	22,670.03	2,971,879.54	16,804,004.16
Reserve for contingencies, including claims arising from operations during the period Jan. 1, 1947, to Mar. 31, 1948.....					412,123.36			412,123.36
Unallocated.....	^a 21,807.00	8,809.97	2,417,116.35	2,450,733.38	^a 28,493,705.11	1,225,053.90		29,718,759.21
Totals.....	28,446.11	5,010,590.01	b 1,915,740.22	9,954,776.37	99,018,703.13	1,318,777.49	b 4,915,740.22	105,834,291.51

^a Receipts and disbursements made prior to receipt of accounts and procedures letter from General Accounting Office, indicating limitations under the appropriation.
^b Represents adjustments of receipts and disbursements made under Note (a), and between other limitations of the appropriation.

Schedule I-6.—6980225

State marine schools U. S. Maritime Commission, 1948

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
State of California.....				\$25,000.00		\$25,000.00
State of Massachusetts.....				30,902.30		30,902.30
State of New York.....				20,834.50		20,834.50
Maintenance and repair of vessels loaned by the United States for use in connection with such State marine schools.....				154,375.46		154,375.46
State of Maine.....				47,381.00		47,381.00
Totals.....			278,556.26	278,556.26		278,556.26

Schedule L-9.—6954002

Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1945

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
All other expenditures.....		\$62.38	\$62.38		\$72,188.88	\$72,188.88
Administrative expenses.....		2.37	2.37		9,432.78	9,432.78
Totals.....		64.75	64.75		81,621.66	81,621.66

Schedule L-10.—6964002

Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1946

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
All other expenditures.....	\$27,623.07	\$10,106.44	\$37,729.51	\$334,105.44	\$700.00	\$334,806.43
Administrative expenses.....	79.16	395.48	474.64	23,576.31	17,026.86	40,603.36
Totals.....	27,702.23	10,501.92	38,204.15	407,681.95	17,727.84	425,409.79

Schedule L-11.—6974002

Maritime training fund, War Shipping Administration functions, U. S. Maritime Commission, 1947

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
All other expenditures.....	\$82,236.20	\$1,562.11	\$83,798.40	\$1,338,251.71	\$9,101.44	\$1,347,353.13
For contingencies for the superintendent, United States Merchant Marine Academy, to be expended in his discretion.....	24.69	64.41	89.10	35,752.27	1.80	35,754.07
Unallocated.....	9.63		9.63			
Totals.....	82,270.61	1,626.52	83,897.13	1,374,033.98	9,103.24	1,383,137.22

APPENDIX O—Continued
Schedule L-12.—69X5900

Working fund, United States Maritime Commission

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover purchase price of vessels on behalf of the Navy Department, \$9,080,000.				\$156,955.98		\$156,955.98
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," for construction of certain vessels and conversion to designated use on behalf of the Navy Department, contracts MCc-1070 to 1073, inclusive, \$28,000,000.				857,674.04		857,674.04
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," for construction of certain tankers on behalf of the Navy Department, contract MCc-2477, \$9,439,088.	\$104,831.69		\$104,831.69			
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost of 16 vessels (MC hulls 199, 203 to 207), \$24,043,554.				Cr.	Cr.	30.26
Advance from "17X0607, Increase and Replacement of Naval Vessels, Emergency Construction," to cover the estimated construction cost of 100 corvettes (MC hulls 1421 to 1485, 1684 to 1974, and 1969 to 1974), \$55,000,000.	8,347.77		8,347.77	443,756.42	\$88.31	443,794.73
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost of 24 "A.P." oiler and transporters (in voice G-3-959), \$10,294,246.	7,223.00		7,223.00			
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated cost to the Maritime Commission, including in part, of 62 barges (MC hulls 307, 308, 340, and 1253, and 1257), \$29,084,000.				1,968.48		1,968.48
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost to the Maritime Commission on 6 concrete barges (MC hulls 635 to 638, 1220 and 1221), \$8,425,680.	220,562.00		220,562.00			
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost to the Maritime Commission on 6 concrete barges (MC hulls 1222 to 1227), \$7,508,900.	220,554.00		220,554.00			
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost to the Maritime Commission on 9 concrete barges (MC hulls 1228 to 1236), \$11,700,000.	330,826.00		330,826.00			
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated cost to the Maritime Commission for conversion of 17 vessels (MC hulls 657, 672, and 702 to 706), \$9,400,000.				47,305.00		47,305.00
Advance from "17X0603, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover the estimated construction and conversion cost						

to the Maritime Commission on MC hull 634, \$1,374,328.50. Advance from "TX0602, Increase and Replacement of Naval Vessels, Construction and Machinery," to cover financing of repair of 24 tankers by the Maritime Commission, for use by the Navy Department. Unallocated.....	36,475 00	36,475 00				
Totals.....	13,000,000 00 588,283 11	13,000,000 00 588,233 11	40,113 98 37 44	4,946,130 68	40,113 98 4,946,163 12	
	14,517,072 57	14,517,072 57	1,547,781 08	4,946,168 99	6,493,960 07	

Schedule L-13.—692/65900
Working fund, U. S. Maritime Commission, 1942-46

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "212/60602, Quartermaster Service, Army, 1942-46" (formerly "2120525, Army Transportation, 1942"), in connection with construction of 2 C3 design vessels (hulls MC-167 and 168, contracts MC-1062 and 1063 of Sept. 30, 1940, Seattle-Tacoma Shipbuilding Corp.) and conversion to Army transports. Advance from "212/60602, Quartermaster Service, Army, 1942-46" (formerly "212/40802, Supplies and Transportation, Army, 1942-44"), to cover purchase price of vessels on behalf of the War Department, \$745,227.19.....	\$85.44	\$11.28	\$96.72			
Totals.....	11,148 37 11,293 81	11 28	11,148 37 11,245 09			

Schedule L-14.—695/65900
Working fund, U. S. Maritime Commission, 1945

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "2152409, Transportation Service, Army, 1945," to cover estimated construction, transfer, and delivery costs of 2 floating maintenance shops, MC hulls 2695 and 2696, under construction at Concrete Ship Constructors, National City, Calif., \$3,033,750.....	\$2,426		\$2,426		\$318,304 89	\$318,304 89
Totals.....	2,426		2,426		318,304 89	318,304 89

APPENDIX O—Continued
Schedule L-15.—6975900

Working Fund, U. S. Maritime Commission, 1947

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "2170905, Engineer Service, Army, 1947," to cover costs incurred in connection with the restoration of the Norfolk Army Base Terminal, Norfolk, Va., \$275,607.	\$275,607		\$275,607	\$133,050.11 3,231.19		\$133,050.11 3,231.19
Totals.....	275,607		275,607	136,281.30		136,281.30

Schedule L-16.—69X5940

Working fund, U. S. Maritime Commission, War Shipping Administration functions, Dec. 31, 1946

Purpose	Disbursing of- ficer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "17X0606, Defense installations on Merchant Vessels, Navy," to cover degaussing and defense installations on merchant vessels afloat.	\$186.69		\$186.69			
Totals.....	186.69		186.69			

Schedule L-17.—6965940

Working fund, U. S. Maritime Commission, War Shipping Administration functions, 1946

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Advance from "1690552-001, Emergencies Arising in the Diplomatic and Consular Service, 1946," to cover transportation facilities in connection with deportation from Latin American countries and Spain of certain enemy aliens				\$339,286.42 1,374.60		\$339,286.42 1,374.60
Totals.....				340,661.02		340,661.02

Schedule L-18.—69-197/01091

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

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
For use in carrying out the provisions of Sec. 306 (b) of Title III of the Philippine Rehabilitation Act of 1946, \$111,432				\$70,396.85 34,782.57		\$70,396.85 34,782.57
Unallocated				105,179.42		105,179.42
Totals.....				105,179.42		105,179.42

APPENDIX O—Continued

Schedule L-19.—698869

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

Purpose	Disbursing officer receipts	Appropriation receipts	Total receipts	Disbursing officer disbursements	Appropriation disbursements	Total disbursements
Sale	-----	-----	-----	-----	-----	-----
Basic charter-bire	\$544,977,532.67	-----	\$544,977,532.67	-----	-----	-----
Additional charter-bire	126,164,737.36	-----	126,164,737.36	-----	-----	-----
Miscellaneous inventories	36,914,579.16	-----	36,914,579.16	-----	-----	-----
Transfers to general fund receipt account (695529)	3,161,270.02	-----	3,161,270.02	-----	-----	-----
Transfer to appropriation account (69X-8669) for necessary refunds	-----	-----	-----	-----	\$680,000,000.00	\$680,000,000.00
Totals	711,218,119.21	-----	711,218,119.21	-----	680,000,000.00	690,000,000.00

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