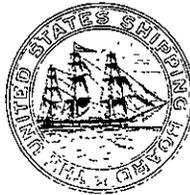


Fourteenth Annual Report
OF THE
**UNITED STATES
SHIPPING BOARD**



Fiscal Year Ended
June 30
1930



UNITED STATES
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WASHINGTON : 1930

THE UNITED STATES SHIPPING BOARD

T. V. O'CONNOR, *Chairman.*

EDWARD C. PLUMMER, *Vice Chairman.*

H. I. CONE, *Commissioner.*

ALBERT H. DENTON, *Commissioner.*

JEFFERSON MYERS, *Commissioner.*

S. S. SANDBERG, *Commissioner.*

ROLAND K. SMITH, *Commissioner.*

SAMUEL GOODACRE, *Secretary.*

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LETTER OF TRANSMITTAL

UNITED STATES SHIPPING BOARD,
Washington, D. C., December 1, 1930.

To the Congress:

In compliance with section 12 of the shipping act, 1916, we have the honor to transmit herewith the fourteenth annual report of the United States Shipping Board and the United States Shipping Board Merchant Fleet Corporation covering the fiscal year ended June 30, 1930.

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

PART I

UNITED STATES SHIPPING BOARD



THE UNITED STATES SHIPPING BOARD

ORGANIZATION

On July 1, 1929, the United States Shipping Board was composed of the following members: T. V. O'Connor, chairman; E. C. Plummer, vice chairman; and Commissioners Jefferson Myers, R. K. Smith, Albert H. Denton, H. I. Cone, and S. S. Sandberg.

T. V. O'Connor (chairman), Great Lakes, was appointed a member June 9, 1921, term five years; reappointed June 15, 1926, for a term of six years from June 9, 1926; term expires June 8, 1932. E. C. Plummer (vice chairman), Atlantic coast, was appointed June 9, 1921, term three years; reappointed May 23, 1924, term six years from June 9, 1924; reappointed June 12, 1930, term six years from June 9, 1930; term expires June 8, 1936. Jefferson Myers, Pacific coast, was appointed June 15, 1926, succeeding B. E. Haney, resigned; term expires June 8, 1931. R. K. Smith, Gulf coast, was appointed October 14, 1926, under a recess appointment, to succeed J. H. Walsh, resigned; recommissioned December 17, 1926; term expired June 8, 1929; reappointed May 28, 1929, for a term of six years from June 9, 1929; term expires June 8, 1935. Albert H. Denton, interior, was appointed January 4, 1928, to serve unexpired term of six years from June 9, 1927, succeeding W. S. Hill, resigned; term expires June 8, 1933. Admiral H. I. Cone, Atlantic coast, was appointed for a term of six years from June 9, 1928, succeeding W. S. Benson, retired; term expires June 8, 1934. S. S. Sandberg, Pacific coast, was appointed for a term of six years from June 9, 1928, succeeding P. S. Teller, retired; term expires June 8, 1934.

There having been no change in the personnel of the Shipping Board during the fiscal year 1930, on June 30, 1930, the membership was the same as on July 1, 1929, namely, T. V. O'Connor, chairman; E. C. Plummer, vice chairman; and Commissioners Jefferson Myers, R. K. Smith, Albert H. Denton, H. I. Cone, and S. S. Sandberg.

During the year the board held 83 meetings, in addition to which there were held many special hearings conducted either by the board or by committees thereof.

GENERAL STATEMENT

During the fiscal year ended June 30, 1930, as in the previous fiscal year, the work of the United States Shipping Board has been performed in seven bureaus, as follows: Bureau of Traffic, Bureau of

Regulation, Bureau of Operations, Bureau of Construction, Bureau of Law, Bureau of Finance, and Bureau of Research. Each bureau is under the supervision of a member of the board, as shown in the accompanying organization chart.

Outstanding facts in the history of the Shipping Board have been given in previous annual reports, beginning with the initial report issued December 1, 1917. The situation as it exists to-day (June 30, 1930) will be better understood if some of these facts are again briefly outlined.

The Shipping Board, established by the provisions of the shipping act of September 7, 1916, has had a two-fold function almost from the beginning of its existence. As an integral part of the executive branch of the Government, it is charged by law with promoting the development of the American merchant marine and with the regulation of ocean carriers in the foreign and interstate commerce of the United States. In addition to this primary function, its organic act clothed it with certain extraordinary powers designed to enable it, during the war period and subsequently, to build and operate an emergency fleet of merchant ships.

The Shipping Board's war-time shipbuilding program was so vast, and its postwar operating activities have been so extensive, that these extraordinary duties, performed in connection with the emergency fleet, have to a great extent obscured its primary function of promoting and regulating a permanent merchant marine under private American ownership. The board has, however, managed to carry on the two lines of work simultaneously, its policy having been to use the emergency fleet as a nucleus around which to build up the privately owned merchant marine.

In furtherance of this policy, the Shipping Board established a number of steamship lines on routes deemed essential to American trade. After developing these services to the point where they gave promise of returning a reasonable financial profit, the board succeeded in disposing of the greater number to private American interests. At the close of the fiscal year covered by this report 17 lines still remained in the board's possession. The prospects are that within the next fiscal year this number will be further reduced, by sales and consolidations, to five lines.

Active ship operations have been carried on by the board through its Merchant Fleet Corporation, a subsidiary organization formed in 1917 "for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States." With the gradual sale of ships and lines, the activities of the Merchant Fleet Corporation have become more and more restricted, and, as a result, marked reductions in personnel and operating expenses have been rendered possible. The fiscal year 1931

will see still further sales of lines, with a corresponding reduction in expenses.

Retrenchment in Operating Expenses.

An index to the dwindling activities of the Merchant Fleet Corporation is the annual budget, which has decreased from \$17,000,000 for the fiscal year 1928 to \$13,400,000 for 1929 and \$11,134,250 for the fiscal year ended June 30, 1930. For the next fiscal year it will be \$5,950,000, a reduction of \$11,050,000 since 1928 and of \$44,050,000 since 1924.

During the fiscal year covered by this report the pay roll of the Merchant Fleet Corporation showed a reduction of 711 employees, with annual salaries and wages totaling \$870,872, as compared with the fiscal year 1929.

The total operating loss of the Merchant Fleet Corporation for the fiscal year, exclusive of the cost of reconditioning and operating vessels in the coal trade, was \$10,293,881.91, as against approximately \$13,665,000 for the fiscal year 1929.

Lump-Sum Operating Agreement.

The lump-sum operating agreement, described at some length in the Thirteenth Annual Report of the Shipping Board, was placed in effect for the first time in August, 1929, on the American Hampton Roads Line, a service operating between North Atlantic and United Kingdom ports. The results achieved, despite unfavorable shipping and trade conditions, were so satisfactory that prior to the close of the fiscal year negotiations had been entered into with the operators of all other Shipping Board lines, excepting those in process of sale, and these negotiations are expected to bring the lines under the lump-sum agreement at an early date.

Under the lump-sum plan the operator assumes complete physical and financial responsibility for the operation of his line. For his services and to compensate him for the costs and risks which he assumes in undertaking to operate for private account a line which in most cases has not yet made a favorable financial showing, the operator is paid a lump sum by the Merchant Fleet Corporation, the amount in each case being determined by analysis of past operating results and an estimate of future prospects. By thus placing the operator on his own initiative an incentive is provided which is expected to result in lowered cost of operation and eventually in the transfer of the line to private ownership.

Another advantage of the lump-sum plan is that, in placing financial responsibility on the operator, the Merchant Fleet Corporation is relieved of the necessity of maintaining detailed supervision over the management of the line. General adoption of the plan will permit a large reduction in the overhead costs of the Merchant Fleet Corporation during the coming fiscal year.

Sale of Ships.

Continued sale of the board's lines and individual ships brings nearer the day when all merchant tonnage flying the American flag will be owned and operated by private American interests. Already a preponderance of American tonnage is in private hands, the records showing that of the 1,797 American ships of 1,000 gross tons or over registered on June 30, 1930, a total of 1,329 ships, aggregating 6,997,000 gross tons, was privately owned, while 466, aggregating 2,660,000 gross tons, were still in the hands of the Government. These figures show that at the close of the fiscal year 74 per cent of the ships and 72 per cent of the tonnage was owned by private American interests. Of the number of ships remaining in the possession of the Shipping Board, only 184 are in active operation, and the question of disposing of the others, by sale, scrapping, or otherwise, is constantly before the board. Although the Jones-White Act, with its construction loan and mail-pay provisions, has tended strongly to accelerate the sale of the board's remaining lines to private American interests, sales have recently lagged pending further clarification and interpretation of the law.

Up to and including June 30, 1930, sales of vessel property have reduced the Shipping Board's fleet to 461 cargo carriers of which number 184 are in active operation and 277 in lay-up. During the fiscal year covered by this report a total of 100 ships was sold for approximately \$4,269,718. The vessels disposed of comprised 97 cargo ships, 1 tanker, 1 tug, and 1 launch. Of the total number sold, 43 were sold for scrap.

Among the sales made during the fiscal year was one established cargo service, the Gulf West Mediterranean Line, consisting of eight vessels, disposed of for guaranteed operation. One of the other cargo ships sold was acquired by a line previously owned by the Shipping Board and now in the hands of private American interests.

Sale of Other Property.

On May 29, 1930, the Shipping Board sold its Hog Island property to the city of Philadelphia for the sum of \$3,000,000, of which amount 15 per cent was to be paid down in cash. The property is to be improved and used as a modern air, rail, and marine terminal, but a provision in the sales contract provides that should the premises or any part thereof cease to be used for the purpose mentioned or be devoted to other uses, title shall revert to the United States.

Toward the close of the fiscal year the Shipping Board set a date for receiving bids for the purchase of the Government-owned terminals at Hoboken, N. J., the sale of which had previously been authorized by act of Congress. At the same time a date was also set for receiving bids for the purchase of the board's office building at 45 Broadway, New York City. Notwithstanding lethargic conditions in the real

estate market, it is hoped to dispose of both these properties during the calendar year 1931.

Construction Loans.

During the fiscal year covered by this report the American merchant marine continued to feel the stimulating effect of the Jones-White Act of 1928, especially the benefits springing from the provisions relating to construction loans and ocean mail contracts.

Advances made on construction loans during the year totaled \$20,384,100, as contrasted with \$6,728,790 for the fiscal year 1929. On June 30, 1930, there were pending 11 applications for loans which had not yet been acted upon by the Shipping Board.

From the inception of the construction loan fund loans have been authorized totaling \$114,564,715, of which amount \$43,050,890 had actually been advanced up to and including June 30, 1930. Further details concerning these transactions will be found in the report of the Bureau of Construction.

Mail Contracts.

The general character and purpose of Title IV of the merchant marine act, 1928, providing for ocean mail contracts, have been fully outlined in the Twelfth and Thirteenth Annual Reports of the Shipping Board. As stated in the Thirteenth Annual Report, by the end of the fiscal year ended June 30, 1929, 25 mail contracts had been entered into with American-flag lines, providing, among other things, for the substitution of 42 vessels faster and larger than those with which the services were started. Of the vessels to be substituted, 17 were to be of new construction.

During the fiscal year ended June 30, 1930, contracts were signed by the Postmaster General covering 14 additional routes, and there were also authorized 2 extensions of service on routes for which contracts had previously been made. By the terms of the 14 new contracts and of the 2 amendments to contracts previously entered into, the companies receiving mail compensation under these agreements are required to construct a total of 40 new (including 5 rebuilt) vessels, of a total estimated value of \$175,000,000.

Contracts in process of award at the end of the fiscal year will require the construction of 11 additional ships, making a grand total of 68 new ships whose construction is required under contracts signed or in process of awarding under the merchant marine act of 1928. These 68 new vessels will total approximately 700,000 gross tons and will cost about \$281,000,000.

In the last annual report attention was called to an uncertainty that had developed as to whether lines sold by the Shipping Board for guaranteed operation would receive the mail contracts advertised for the routes, or whether, due to the requirement that there be com-

petitive bidding, the contracts might be awarded to companies operating in competition. During the second session of the present Congress the House of Representatives passed a bill (H. R. 9592) authorizing the Postmaster General, upon certification from the Shipping Board that such action would be in the public interest, to award without advertisement mail contracts to purchasers of Shipping Board lines. This bill and a similar measure introduced in the Senate (S. 3692) were pending before the Senate at the close of the session.

To settle the issue that had arisen about the awarding of a mail contract for the Gulf-Brazil-River Plate route, Congress, by a joint resolution approved June 21, 1930, authorized the Postmaster General to accept the bid of the Mississippi Shipping Co., the purchaser of the line from the Shipping Board, notwithstanding that the provisions of section 407 of the merchant marine act require the awarding of mail contracts to the lowest bidder. The contract with the Mississippi Shipping Co. was not signed, however, until after the close of the fiscal year.

The Shipping Board has indorsed the principle embodied in H. R. 9592, and also exemplified by the joint resolution applying to the Mississippi Shipping Co., and recommends the completion of legislation definitely and finally disposing of the matter of awarding ocean mail contracts to purchasers of Shipping Board services.

The Shipping Board also expressed its approval during the year of the principle embodied in H. R. 8361 and S. 3706, both under consideration before the Senate Committee on Commerce at the close of the session. The purpose of both measures is to guarantee that companies receiving ocean mail aid under the provisions of the merchant marine act, 1928, will operate wholly under the American flag in all trades where they are in competition with American-flag vessels.

By an act approved April 17, 1930, Congress removed a discrimination in the mail compensation against ports in the Dominion of Canada (other than Nova Scotia). Prior to this action American lines to Canadian ports had been ineligible under the law to receive mail contracts.

Insurance Fund.

Section 501 of the merchant marine act, 1928, by amending the act of 1920, considerably enlarged the scope of the board's insurance functions. The purpose of the section is in line with the general policy of the whole act to encourage the development of American shipping. While heretofore the board's insurance reserve was devoted to ships of its own fleet, it now, by virtue of the new act, may insure the legal or equitable interest of the United States in any vessel constructed or in process of construction, and in any

plants or property in the possession or under the authority of the Board. After considerable study the policy established has been to confine the proportion insured in the board's fund on ships sold for unrestricted service to the amount of mortgage, and on restricted services to the amount of Government's equitable interest therein, with a graduated scale, reducing amount in fund each year so as to encourage the use of the private American insurance market for the balance of the required insurance.

Load-Line Developments.

On May 20, 1930, representatives of 30 maritime nations assembled in London for the purpose of framing an international agreement to govern the loading of merchant vessels. The United States was officially represented at the conference by a delegation of experts. While no convention was signed during the fiscal year 1930, the indications were that an agreement would eventually be reached on all the chief points in controversy.

The object of an international load-line convention is to provide increased standards of safety for merchant ships and thus to supplement the Safety of Life at Sea Convention signed in London on May 31, 1929. The convention is expected to furnish a simplified method of calculating freeboard and to outline a system of zoning of the oceans so as to define seasonal load lines. The advantages to shipping and trade of an international agreement on this important subject are self-evident.

The load line act of March 2, 1929, becomes effective September 2, 1930, for all merchant vessels of United States registry of 250 gross tons or over when engaged in foreign voyages by sea. Regulations will be promulgated by the Secretary of Commerce for the establishment of these load lines and are expected to conform closely to any international convention that may be signed by the members of the United States delegation to the London conference.

Third National Conference on the Merchant Marine.

The Third National Conference on the Merchant Marine, held in Washington on April 23 and 24, 1930, under Shipping Board auspices, brought together many of the country's leading shipowners, operators, and builders, representatives of trade and marine labor organizations, and delegates from numerous industries interested directly or indirectly in the growth of the American merchant marine.

Among the subjects discussed at the conference were the following:

Reduction of differential between shipbuilding costs here and abroad.

Methods of increasing patronage for American ships.

Marine insurance.

Mail contracts.

Government aid to American ships not benefited by mail contracts.

Construction program under the Jones-White Act.

Cooperation between shippers and ship operators in the use of American ships.

What the Government is doing abroad to aid American shipping.

Marine engineering development and research.

Work of American Marine Standards Committee.

American port development.

Efficiency in cargo handling.

Training of merchant marine officers.

Safety of life at sea and load line regulations.

Safety of marine workers.

Great Lakes-Atlantic Waterway.

These annual conferences furnish a common meeting ground for the many interests that collectively make up the American shipping industry. With the growth of the merchant marine they are destined to prove more and more helpful in dealing with problems related to ocean transportation and foreign trade.

Recommendations.

Section 12 of the shipping act of 1916 provides that the Shipping Board's annual report shall include the board's recommendations looking to the further development of the American merchant marine. The following recommendations, some of which have been made before, are submitted to Congress for its consideration in connection with other measures which may be taken to strengthen our commercial position at sea:

Legislation should be enacted providing for the award of ocean mail contracts to purchasers of Shipping Board services, substantially along the lines of H. R. 9592, Seventy-first Congress.

Legislation should be enacted providing that ocean mail contracts shall not be awarded to American lines operating foreign-flag ships in competition with American-flag ships, substantially as provided in H. R. 8361, Seventy-first Congress.

Section 409 (b) of the merchant marine act of 1928 should be amended so as to authorize higher rates of pay than now provided for mail-carrying vessels whose speed is in excess of 24 knots. Mail pay for this class of ships should be commensurate with the increased differential in cost of operating vessels of the higher speeds.

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

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

Funds should be appropriated to carry into effect the act of Congress approved February 23, 1925, providing for the creation of a naval reserve.

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

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

The method of determining the rate of interest on construction loans should be fixed more definitely in order to secure uniformity in rate to borrowers of these long-term loans. The matter is now before Congress and it is hoped that favorable action may be taken at the next session.

It is recommended that the limitation of \$150,000,000 on the amount of construction loans as prescribed in the second deficiency act, fiscal year 1928, page 7, be removed, and that the Shipping Board be authorized to enter into contracts to make loans up to the ultimate amount of the fund, namely, \$250,000,000, the board, however, not to obligate itself to make actual disbursements of money in excess of the available cash balance standing at the time to the credit of said fund.

It is recommended that section 11 (a), merchant marine act, 1920, be further amended to provide that the contributions to the construction loan fund by the United States Shipping Board be permitted to continue until such sums, plus appropriations by Congress, reach the maximum of \$250,000,000 provided by section 302 (b), merchant marine act of 1928.

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

Recommendation is made that legislation looking to the adoption of The Hague Rules, substantially as provided in H. R. 3830, Seventy-first Congress, should be enacted at an early date.

The International Convention for Safety of Life at Sea, signed in London on May 31, 1929, by delegates from 18 governments, including the Government of the United States, should be ratified and given full effect by Congress.

The year has been one of marked depression in the realm of world shipping, due to subnormal conditions in international trade, and the American merchant marine, in common with its chief foreign competitors, has not escaped the general slump in cargo offerings and freight rates. Undeterred by the depression, however, and going forward with the expansion program made possible by the merchant marine act of 1928, American shipowners are augmenting their fleets in order to be in a strategic competitive position when normal conditions again prevail.

Coincident with these plans for the future on the part of American owners, the liquidation of Government tonnage is proceeding as rapidly as conditions warrant. It is a matter of deep satisfaction to the board that the end of the Government's activities as an operator

of merchant ships is already in sight. Within a year only a negligible number of lines will remain unsold; these, operating under the new lump-sum plan which places the managing agent on his own initiative in a manner closely approximating private ownership, will be operated for a while longer, until the method of their disposal, whether by sale or otherwise, can finally be determined.

As the liquidation of Government tonnage proceeds, the Shipping Board, relieved in increasing measure of its extraordinary duties in connection with the emergency fleet, finds itself more and more free to devote its time and energy to the manifold responsibilities, imposed upon it by Congress, to the privately owned American merchant marine. These responsibilities cover a wide range, including as they do everything under the broad heads of promotion, maintenance, and regulation of that portion of our privately owned shipping which is engaged in foreign and interstate commerce.

In the following pages will be found detailed reports, covering the fiscal year 1930, of the seven bureaus constituting the Shipping Board, and also the report of the United States Shipping Board Merchant Fleet Corporation.

BUREAU OF TRAFFIC

The work of the Bureau of Traffic of the board has to do primarily with matters affecting the development of a privately owned and privately operated American merchant marine. While its activities in this regard are varied, for the most part they are pursuant to express provisions of law, to wit: Section 26 of the shipping act, 1916, and section 19 of the merchant marine act, 1920, in so far as they relate to the investigation of discriminations by foreign governments against American vessels and unfair foreign competition; sections 21 and 27 of the merchant marine act, 1920, involving the extension of the coastwise laws to the Virgin Islands and the Philippine Islands (sec. 21), and violation of our coastwise laws by foreign vessels (sec. 27); section 7 of the merchant marine act, 1920, involving the study of trade routes and related matters; section 8 of the merchant marine act, 1920, with special reference to the economic factors involved in the competitive relations of ports, including a study of the movement of commerce to the end that exports and imports should move through ports naturally entitled thereto. This involves also a study of pertinent proceedings before the Interstate Commerce Commission and in some instances active participation therein. A more detailed statement of the activities of the bureau during the fiscal year is set forth as follows:

International Items.

Various items have been investigated involving conditions unfavorable to our shipping in the foreign trade, and in those cases involving

contacts with foreign governments we have had the uniform cooperation of the Department of State. The following are reported, some as new matters, and others involving further action on matters included in our last annual report.

Italian items.—In the last annual report (p. 13) we referred to negotiations pending between Italy and the United States for the mutual recognition of the inspection laws of the two countries. We understand from the Department of State that although these negotiations have not been suspended, the question of whether they should await action on the International Convention for Safety of Life at Sea, is under consideration.

French items.—(a) In the last annual report (p. 13) reference was made to the negotiations pending between France and the United States for mutual recognition of vessel-inspection laws. We understand from the Department of State that these negotiations have been temporarily suspended pending action looking to the ratification of the International Convention for Safety of Life at Sea.

(b) Complaint was recently received from the American Bureau of Shipping to the effect that the French inspectors at Marseilles when inspecting an American vessel had made certain requirements concerning safety-valve handles on boilers and directed that the necessary changes be made before the vessel calls again at Marseilles. As neither the American Bureau of Shipping nor the United States Steamboat Inspection Service makes the requirements in question, we requested the State Department to present the matter to the French Government with a view to having proper instructions sent to the authorities of the port of Marseilles in order that the vessel may experience no difficulty when it makes its next call at that port. We have been advised by the Department of State that telegraphic instructions have gone forward to the American Embassy at Paris. In connection with a previous instance of this nature, the French foreign office had stated that no difficulty would be experienced by American ships calling at French ports "until an agreement concerning the equivalence of navigation certificates is concluded between the French and American Governments."

Spanish items.—In the last annual report (p. 14) reference was made to an investigation of the refusal of Spanish officials to recognize classification certificates issued to American vessels by the American Bureau of Shipping. This matter was handled through the Department of State, and as a result of diplomatic negotiations, the Spanish Government has consented to give unqualified recognition to certificates issued by the American Bureau of Shipping to non-Spanish vessels.

Danish items.—Reference was made in the last annual report (p. 16) to a bill introduced in the Danish legislature extending the monopoly

of the Scandinavian-American Line in the transportation of emigrants from Danish ports, and omitting an exception contained in the existing law under which the American Scantic Line, organized and developed by the Shipping Board and sold to the present owners in 1927, has been transporting emigrants "so long as the number of passengers carried does not exceed 25." This matter has been handled with the State Department and representations have been made to the Danish foreign office based on the principle of equality of treatment between American and Danish shipping concerns. No information has been received that the bill has been enacted into law.

Portuguese items.—On page 16 of the last annual report we referred to the investigation of an item involving the effect on American vessels when in Portuguese ports, resulting from an enactment of that Government known as Decree No. 15658, dated June 29, 1928, which refers to the Portuguese harbor master supervision, control, and clearance of any vessel which has sustained damage, and intrusts to him any survey of the vessel seeming to him to be necessary. As vessels classified by duly authorized societies would thus be prejudiced and the authority of our consular officers in the survey of American ships made subordinate to Portuguese officials, protest was duly filed by the Department of State. The British Government had previously filed a similar protest. An unsatisfactory reply from the Portuguese foreign office was recently received from the State Department, and the matter will receive further attention with a view to obtaining some modification of the objectionable regulations referred to.

Competitive Discrimination.

(a) *Australian tariff regulations.*—Reference is made to previous annual reports for a detailed explanation of the discrimination here involved. In brief, the condition complained of is caused by an artificial rule prescribed by Australia for assessing duty on imports into that country by reason of which American railroads and American ports are prejudiced with respect to the transportation of American exports, with corresponding advantage to Canadian rails, Canadian ports, and British vessels. The diversion of a large part of our exports through Canadian ports which results from this Australian customs regulation, is one of the items specially mentioned in Senate Resolution 220 and in the separate report of the Shipping Board in response thereto sent January 29, 1929. As all efforts to eliminate this discrimination through the intervention of the Department of State have been unsuccessful, appropriate legislation is necessary, and it is expected that based on the data submitted to Congress pursuant to Senate Resolution 220, the item will receive attention during the session commencing in December.

(b) *Canadian preferential tariff*.—This item has also been covered in previous annual reports but it is referred to herein as a matter in which the bureau has continued its investigations in line with the conclusions set forth in the separate report of the board to Congress in response to Senate Resolution 220. The Canadian preferential tariff is applied only when the commodities entitled to the benefits thereof are imported through Canadian sea or river ports, with the result that if imported via a United States port and thence shipped by rail into Canada, the imports, though otherwise entitled to the benefit of the preferential rate, would not receive it. This has resulted in quite a reduction in the quantity of imports into Canada via United States ports. As an illustration of the adverse effect of this Canadian preferential tariff, reference is made to the fact that the importation of bananas into Canada through the port of Boston has been considerably diminished, because when imported direct through a Canadian port the merchant saves a tariff charge of 50 cents per bunch.

Recognizing the serious effect of the application of this discriminatory tariff, as set forth in the Shipping Board report above referred to, the chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives, under date of February 20, 1930, introduced a bill (H. R. 10128) entitled "A bill to prevent discriminations against American ships and ports, and for other purposes," which provides for a special tax or duty of 10 per cent of the value of articles imported into the United States through a contiguous country, with further provision for suspension of the tax, upon proclamation by the President, in the case of any contiguous country which extends reciprocal privileges in the matter of imports into that country through the United States. The bill mentioned was referred to the Committee on Ways and Means of the House, but no hearings on the bill have as yet been held by that committee. It is expected that the item will receive attention during the session of Congress commencing in December.

Unfair Foreign Competition.

(a) *Apple exports to South America*.—A certain American fruit exporter has made complaint to the board in regard to the practice of foreign steamship companies which come to our ports and solicit freight as common carriers while at the same time buying and shipping merchandise for their own account, with particular reference to apple exports to South America. The complainant in this case has requested the board to recommend to Congress the adoption of legislation in the nature of a commodity clause as an amendment to the shipping act, which would prohibit the practices complained of. The board has referred this question to its committee on legislation for consideration and recommendation. Under date of May 23, 1930, a

bill (S. 4571) was introduced in the Senate entitled "A bill to amend section 14 of the shipping act, 1916, as amended." This bill would prohibit common carriers by water transporting from the United States to any foreign country any perishable agricultural commodity produced by it or under its authority, or which it may own in whole or in part, or in which it may have any interest direct or indirect, except such commodities as may be necessary and intended for its use in the conduct of its business as a common carrier. The bill was referred to the Committee on Commerce, but no hearings have as yet been held by that committee. The board has been requested by the Committee on Commerce to submit a report with such suggestions as it may deem proper touching the merits of the bill and the propriety of its passage. The board has also received from the acting chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives a request that it make a thorough investigation to ascertain whether unfair practices in the respects complained of are carried on, by whom, and to what extent, and what remedies in the circumstances are practicable and feasible, and report to the committee at the beginning of the next session of Congress in December. The necessary investigation is being made so that the report may be submitted as requested. The report on Senate bill No. 4571 will be made at the same time.

(b) *Temporary operation of foreign vessels in trade between United States and Cuba.*—Reference was made in the last annual report to the unusual competition in the passenger-carrying trade between the United States and Cuba caused by the Cunard Co. placing in that service one of its large vessels withdrawn from its usual service in the North Atlantic. This was done during the profitable winter season in the Cuban passenger trade, and it is understood that the Cunard Co. expects to withdraw other vessels from their usual service in the North Atlantic and place them in the Cuban service during the forthcoming winter season. This action of the Cunard Line in entering the trade between the United States and Cuba, which as to the Cunard Line is indirect trade, particularly with a view to participation in the profitable tourist business of the winter months without assuming the burden of a year-around service, may be designed to cripple and destroy the American service in which our Government is directly interested. Such competition is considered as most unfair and unfriendly in its character.

Recognizing the seriousness of this unfair competition, the chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives, under date of February 20, 1930, introduced a bill (H. R. 10129) entitled "A bill to amend section 14 of the shipping act, 1916, as amended by section 20 of the merchant marine act, 1920," which is designed to extend the definition of "fighting

ship" to cover the operations of the Cunard Line or any other foreign company which attempts to operate its vessels for a few months each year in competition with regularly established American lines plying between United States and near-by foreign ports, with the object of taking away a share of the year's profitable business and leaving such ports to be served by the regularly established American lines during that portion of the year when business is poor and necessarily unprofitable. The bill in question was referred to the Committee on the Merchant Marine and Fisheries of the House, but no hearings have as yet been held by that committee. It is expected that the item will receive attention during the session of Congress beginning in December.

In connection with both items (a) and (b) next above referred to, a further bill (H. R. 10127) was introduced in the House on February 20, 1930, by the chairman of the Committee on the Merchant Marine and Fisheries, entitled "A bill to amend sections 212 and 231 of the revenue act of 1928." The purpose of this bill is to impose a tax on the income of nonresident aliens derived from the operation of foreign ships in what is to such ships indirect trade between ports of the United States and ports of foreign countries. Numerous instances have arisen, particularly in the Cuban trade, which clearly evidence the deterrent effect on the upbuilding of our American merchant marine, caused by the operation of foreign vessels in the indirect trade between United States ports and ports of foreign countries. It is generally recognized that commerce between two countries is the legitimate field for the shipping services of both, but when shipping interests of another country enter this field, the question becomes an important one from the standpoint of the development of the commerce and merchant marines of the two countries to which this trade legitimately belongs.

Coastwise Laws.

The duties of the board in regard to the coastwise laws of the United States arise under sections 21 and 27 of the merchant marine Act, 1920. Under section 27 this work extends generally to the protection of American shipping against violations of coastwise laws by foreign vessels. One instance of this nature was made the subject of investigation by the bureau during the year. The State Department referred to the board copy of a despatch from the American consul at Prince Rupert, B. C., suggesting possible violations of the coastwise laws in connection with the transportation to the United States of fish originating in Alaskan waters. It seems that shipments of fish caught in Alaskan waters are landed at Prince Rupert by American fishing vessels and sold to a Canadian company, which in turn makes numerous shipments of fish, in bond, by vessels of Cana-

dian registry, to its parent company in Vancouver, where it is put in bonded cold storage warehouse. These shipments, or a portion thereof, are thereafter exported to the United States and admitted free of duty as the product of American fisheries. The question presented is whether the shipment from Prince Rupert to Vancouver in Canadian vessels constitutes a violation of the coastwise laws. The decision of this question depends to some extent on several aspects of the case, the most important of which are: (1) Whether the shipments of fish in question are in fact through shipments intended in the first instance to be exported to the United States; and (2) whether the sale of the fish in the first instance to the Canadian fishing company at Prince Rupert would have any effect on the determination of the first question above set forth.

The State Department also communicated with the Department of Commerce in regard to the matter, and we have been in touch with the latter department to ascertain its views. The subject matter is still under consideration.

Under section 21 of the merchant marine act, 1920, attention is given to the necessity for periodic extensions excluding the Virgin Islands from the coastwise laws and also, on the other hand, the preparation of data relative to the extension of the coastwise laws to the Philippine Islands. On July 28, 1930, the President signed a proclamation further extending to September 30, 1931, the period for the establishment of adequate shipping service with, and deferring extension of the coastwise laws of the United States to, the Virgin Islands.

In regard to the question of the extension of the coastwise laws to the Philippine Islands, the Bureau of Traffic cooperated in the preparation of data submitted to Congress in connection with the consideration of Senate Resolution 130, a resolution to investigate the policy of extending the coastwise laws of the United States to the Philippine Islands, introduced at the first session of the Seventy-first Congress. Hearings were held before a subcommittee of the Senate Committee on Commerce, but the resolution has not been reported to the Senate.

Interest in Trade Routes.

Section 7 of the merchant marine act, 1920, directs the board to investigate and determine, from time to time, what lines should be established between United States ports and such world markets as in its judgment are desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States. The policy and primary purpose of this section are expressly reaffirmed by section 704 of the merchant marine act, 1928.

The activities of the board under section 7, consisting of the maintenance and development of definite trade routes with Government vessels, pending their sale to private interests, are set forth in the report of the Merchant Fleet Corporation. The following matters, relating to the establishment and maintenance of privately owned and operated lines, received the attention of the board during the year:

(a) *Baltimore and Hampton Roads to Bremen and Hamburg.*—Early in the year private citizens became interested in the establishment of a fast freight and passenger service from Baltimore and Hampton Roads to Bremen and Hamburg, and on July 10, 1929, the board expressed itself in favor of such a service, contingent upon a satisfactory adjustment of all matters upon which the success of such an enterprise must of necessity depend. A definite proposal was made by the Roosevelt Steamship Co. to establish such a service with vessels to be purchased from the board, and on April 22, 1930, the board formally approved the establishment of this service between Baltimore and Hampton Roads and the ports of Bremen and Hamburg, with the privilege of calling at French Atlantic and channel ports, and authorized the sale to the Roosevelt Steamship Co. of five vessels, subject to the execution of a formal contract requiring the reconditioning, alteration, and conversion of the vessels into combination passenger, mail, and cargo steamers in a manner satisfactory to the board and suitable for the trade, with the usual guaranty of service on the route for a period of five years. Subsequent to this action, the Baltimore Mail Steamship Co. was organized under the laws of the State of Maryland, to control and operate the proposed line.

(b) *Pacific coast-European service.*—The board has continued its interest in the establishment by private capital of a service between Pacific coast ports of the United States and United Kingdom and continental European ports, in order that this trade may be more adequately served by American-flag ships. On September 11, 1929, the board directed that negotiations be entered into with interested parties regarding the possible sale of Shipping Board vessels for operation on this route. This action, while resulting in applications for the management of such a service, has not had any results as regards the sale of vessels to private parties. It is understood, however, that the Inter-ocean Steamship Corporation, on behalf of the States Steamship Co., managing operator for the Pacific-Atlantic Steamship Co., has announced the establishment of a regular direct service on this route starting in August, 1930, with sailings at intervals of 26 days.

(c) *Pacific-South African Line.*—During 1928, the South African Dispatch Line, of San Francisco, submitted an offer to purchase certain vessels for operation between north Pacific coast ports and

south African ports between Capetown and Biera, inclusive, after this route had been designated by the board as a desirable trade route. This particular trade route at that time was served by foreign vessels and particularly by the South African Dispatch Line with such vessels on time and trip charter basis. The offer of the South African Dispatch Line provided that it would divest itself of its foreign flag tonnage and undertake to develop the route with American-flag vessels. On January 22, 1929, the board formally approved the proposed route from Pacific coast ports to south and southeast African ports as an essential trade route, but as the specific vessels for which the bid of the South African Dispatch Line was originally submitted were already in service on established routes, it was not considered advisable to withdraw them. However, arrangements were subsequently made for the allocation of a sufficient number of vessels on a bareboat basis with which to inaugurate the service, the line to operate under the trade name "Pacific-South African Line." While negotiations for the inauguration of the new service have extended over a considerable period of time, the service was actually started during the current fiscal year, the first vessel sailing September 4, 1929.

Sales of Lines.

Gulf-West Mediterranean Line.—On June 20, 1929, the board authorized the sale of the Gulf-West Mediterranean Line to the Tampa Interocean Steamship Co., of Tampa, Fla., with guaranty of service between United States Gulf ports and Portuguese, Spanish, and north African ports west of Bizerta. While the sale of the line was authorized during the fiscal year 1929, the transaction was not consummated until April 5, 1930, the date upon which the formal contract of sale was executed.

Hague Rules.

Reference was made in the previous annual report to the Hague rules, the product of an international conference held at Brussels in 1921, which have in view the adoption of a uniform bill of lading for ocean transportation in foreign trade. As stated in previous reports, the board has been opposed to the adoption of these rules as an international agreement, either in their present or a modified form, and has taken the position that they should be adopted as a part of our commercial laws, and thus remain subject to amendment and development at the pleasure of Congress. A bill introduced in the Seventieth Congress, embodying the Hague rules in modified form, lapsed without action. In the Seventy-first Congress a similar bill (H. R. 3830) was introduced, entitled "A bill relating to the carriage of goods by sea." This bill was referred to the Committee on the Merchant

Marine and Fisheries of the House, and hearings were commenced before that committee on March 3, 1930, at which the Shipping Board was represented by counsel. The hearings were suspended before completion, however, and it is expected that they will be continued before the committee at the session of Congress commencing in December.

Development of Ports.

The activities of the Bureau of Traffic pertaining to matters arising under the provisions of section 8 of the merchant marine act, 1920, have extended to various items pending before the Interstate Commerce Commission, involving matters of special interest to the board because of their relation to ports and water transportation, as follows:

1. In the Southern Pacific Transcontinental cases, Fourth Section Applications Nos. 13638 and 13639, the examiner's proposed report recommends that authority be granted the Southern Pacific Railroad under section 4 of the interstate commerce act to establish from New York and Baltimore piers to California terminals and from California terminals to said piers, over their Sunset-Gulf ocean and rail route through Galveston or Houston, Tex., on practically all cargo traffic competitive with the intercoastal steamship lines operated through the Panama Canal, lower rates than apply to or from intermediate points in California, Arizona, New Mexico, and Texas. The bureau is studying this report, with special reference to what effect the proposed rail rate concessions would have on the traffic carried by the intercoastal water lines and the rates for such traffic; also, whether the principles involved are such as to justify a recommendation that the board should take an active part in the case.

In this connection there are several bills pending before the Seventy-first Congress, which, in general, provide for an amendment to section 4 of the interstate commerce act, to prohibit the granting of fourth section relief by the Interstate Commerce Commission on account of water competition through the Panama Canal. In the case of Senate bill 563, one of the bills referred to, hearings were held before a subcommittee of the Senate Committee on Interstate Commerce, and it is expected that the matter will receive further attention during the session commencing in December.

2. In the case of Baltimore Chamber of Commerce *v.* Ann Arbor Railroad Co. et al. (No. 18715), involving the question of rail differentials to and from Baltimore, as compared with other North Atlantic ports, on export and import shipments, the Interstate Commerce Commission, under date of December 3, 1929, refused to increase the differentials in favor of Baltimore, and dismissed the complaint.

The board's interest in this case was based on the possible effect on water commerce through the ports involved which would follow from any order of the commission changing the rail differentials.

3. In I. C. C. Docket No. 12681, involving questions relative to the practice of railroads with respect to terminal charges at Atlantic and Gulf ports, the Interstate Commerce Commission, under date of September 30, 1929, held that the evidence in the record was insufficient to justify an order that rail rates to shipside should be divided into two factors, one relating to the rail haul, and the other relating to the terminal charges incident to the delivery of freight at shipside. However, the fact that several dissenting opinions were rendered on various aspects of the case would seem to indicate that the issues involved in this case are not permanently settled and that the desired separation of rail and terminal charges may yet be accomplished.

In this connection a bill (H. R. 10418) was introduced in the House of Representatives on March 1, 1930, entitled "A bill to amend the interstate commerce act, as amended, to require separate valuation of terminal facilities and a reasonable return thereon."

Section 2 of this bill provides for a separate statement of "charges for the use of wharves, docks, warehouses, and other terminal facilities owned or operated by common carriers subject to the provisions of such act (interstate commerce act), as amended, and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade; and such rates, fares, and charges shall be so fixed as to cover the cost of operation and maintenance and yield a reasonable return upon the value of such wharves, docks, warehouses, and other terminal facilities." This bill was referred to the House Committee on Interstate and Foreign Commerce and hearings were held before that committee on April 22 and 23, 1930. Witnesses in favor of the proposed legislation were heard on those two days, and the hearing was then adjourned subject to the call of the chairman, it being understood that when the hearing was continued those opposed to the bill would be given opportunity to appear and testify. The session adjourned without a continuation of the hearing, but it is expected that the committee will proceed with the hearing during the session of Congress beginning in December.

4. In I. C. C. Docket No. 22085, *Eastern Terminal Lumber Co. v. Pennsylvania Railroad Co. et al.*, the complaint alleged discrimination between two ports with respect to the absorption by railroads in the rail-haul rates of charges at water terminals for handling lumber from vessel to car, in the intercoastal lumber trade. Petition for leave to intervene was filed on behalf of the board, but no further action was taken because at the hearing before the examiner the complaint was withdrawn, and an order of dismissal was entered by the commission under date of September 7, 1929.

5. In the matter of Fourth Section Application No. 2040 et al., carriers serving South Atlantic and Gulf ports requested authority to maintain or establish export and import rates between points in Central and Western trunk line territories and said ports, without observing the long and short haul clause of section 4 of the interstate commerce act, on a basis that would enable them to compete with carriers serving North Atlantic ports, without reducing rates from and to intermediate points not affected in the same degree or at all by such competition. The examiner's proposed report recommended fourth-section relief, but limited the rates to a scale not less than 75 per cent of the domestic rates.

The carriers contend, and the examiner admits, that the rates with the limitation recommended would not be low enough to enable them to successfully compete with the lines serving North Atlantic ports, but the examiner's position is that rates on a lower basis than that recommended would not be reasonably compensatory, and that the commission is therefore powerless under the statutory limitation placed upon it by section 4 of the interstate commerce act, to authorize a lower scale. The general justification offered by the southern carriers for the relief requested is the necessity of establishing an adjustment of rates which will enable foreign commerce from and to the interior territory in question to move freely through Southern ports as well as through North Atlantic ports.

The Bureau of Traffic has made a thorough investigation of the questions involved in this case, and as a result of its analysis thereof, and a report and recommendation from the Merchant Fleet Corporation to the effect that approval of the examiner's proposed report would seriously affect the welfare and further development of the Government steamship lines operated out of Gulf ports, the Shipping Board directed that the necessary steps be taken to file notice of intervention on behalf of the Fleet Corporation. Petition for leave to intervene was duly filed, and at the oral argument before the Interstate Commerce Commission, a statement was read and submitted setting forth the position of the Merchant Fleet Corporation with reference to the steamship lines established by the board and operated through the agency of the Fleet Corporation, with particular reference to the lines operated out of Gulf and South Atlantic ports. As to these services, it was stated that participation in the movement of the competitive traffic involved has been of considerable help in building them up to a point where they can eventually be sold to private operators, and the hope was expressed that a permanent adjustment of the rates might be devised whereby these lines may continue to participate in a reasonable measure in the movement of this import and export traffic.

BUREAU OF REGULATION

To facilitate the prosecution of the bureau's activities, extensive inquiries previously made by it were continued and enlarged upon throughout the period covered by this report to ascertain the status of all carriers by water furnishing transportation service of any character in, from, or to the United States, its territories and possessions, and of all forwarders and "other persons" as defined by section 1 of the shipping act. Compilation based on the bureau's record in this connection as of June 30, 1930, is as follows:

1. Intrastate carriers on rivers, lakes, or oceans.....	160
2. Interstate carriers on rivers and canals.....	50
3. Towage, lighterage, or ferriage services.....	238
4. Interstate water carriers within purview of section 5 of interstate commerce act.....	18
5. Carriers by water engaged in proprietary service.....	181
6. Interstate carriers on high seas or Great Lakes (exclusive of classes 5 and 4).....	170
7. Carriers engaged in foreign commerce in tramp service.....	265
8. Carriers operating in foreign commerce of the United States (exclusive of classes 5 and 7).....	248
9. Forwarders, wharfingers, warehousemen, and others furnishing terminal facilities in connection with common carriers by water.....	171

By reference to classes 6, 8, and 9 it will be noted that 170 carriers in interstate commerce, 248 carriers in foreign commerce, and 171 forwarders and other persons were subject to the board's regulatory jurisdiction on the last date covered by this report.

In the conduct of the bureau's work during the year five separate and yet interdependent principal divisions of activities were engaged in as follows:

Formal Complaint Investigations.

Under section 22 of the shipping act, which provides for investigation by the board following the filing by shippers and others of sworn complaints alleging violation of the act by any carrier or other person subject to the board's jurisdiction, the bureau administered 19 complaint proceedings during the year involving 21 complainants, 73 interveners, and 111 carriers. In pursuance of the board's rules of practice governing procedure in formal docket cases, pleadings recorded by the parties were ruled upon, hearings conducted by the bureau's examiners at various places in the United States, and oral arguments and briefs received and determined. In connection with these complaint proceedings 16 orders and resolutions were entered by the board upon the bureau's recommendation.

Of importance to the bureau's quasi-judicial work on this docket was the denial by the United States Supreme Court on October 14, 1929, of a petition by the Compagnie Generale Transatlantique for a writ of certiorari to the Circuit Court of Appeals for the Second

Circuit (280 U. S. 555). This denial marked the last of the efforts by the carrier to oust the board's quasi-judicial regulatory jurisdiction on the ground that such jurisdiction does not extend to foreign flag carriers in commerce of the United States, nor to complaints alleging violation of the shipping act if they involve contracts of affreightment made in foreign countries. This case arose out of a board order directing the carrier named to pay reparation in the amount of \$54,030 and interest for unjust discrimination on shipments from Havre and Bordeaux to New York (1 U. S. S. B., 53, 97).

Briefly, the character of the formal complaint investigations conducted by the bureau during the year, many of which involved reparation, is illustrated by the following résumé of the issues raised by some of the complaints handled:

Whether specified arbitrariness exacted by carriers over their terminal port rates on traffic to nearby complaining outports constitutes unjust discrimination between ports;

Whether carriers' refusal to accept delivery from box cars on marginal railroad tracks or to absorb the cost of unloading from car to shed subjects the complaining port to undue prejudice;

Whether, under a general provision of the carriers' tariff covering canned goods, the exaction of higher rates for transportation of complainants' goods in glass jars packed in wooden or fiber containers than for the transportation of goods in tin cans similarly packed constitutes the charging of rates in excess of those on file;

Whether in connection with interstate transportation the absorption of light-erage and other accessorial charges at one terminal port while denying such absorption at a competing terminal port effects unjust and unreasonable prejudice and preference as between ports;

Whether given rates on complainants' commodities exported from the United States as compared with rates on the same commodities exported from continental European ports to a common foreign destination are unjustly prejudicial to exporters of the United States as compared with their foreign competitors;

Whether under the carrier's tariff as correctly interpreted the carrier's commodity rate on cans or its higher class rate on boxes is applicable to the complainant's shipments of tin containers used for the packing, preservation and display of cigars;

Whether refusal by carriers to absorb transfer charges at Pacific coast ports of transshipment on cargo to and from Hawaii subjects the complaining Gulf port to undue and unreasonable prejudice and disadvantages and constitutes an unreasonable practice;

Whether as respects imported commodities returned to the foreign consignors the variance between the carriers' contemporaneous import and export rate is unduly prejudicial;

Whether the respondent carriers' rates on given commodities to Porto Rico are unjust and unreasonable in view of correspondingly lower rates to Cuban and other foreign ports;

Whether the charging by intercoastal carriers of the same rates on complainants' shipments solid delivered at one Pacific coast port as on shipments "split" delivered at from two to six Pacific coast ports constitutes unjust prejudice to the complainants who are receivers of shipments delivered solid at one port;

Whether intercoastal carriers' rates on complainants' cigars and other commodities unduly prefer competitive products such as cigarettcs.

Informal Complaint Docket.

Upon this docket maintained pursuant to rule 24 of the board's rules of practice, the bureau considered and disposed of 22 informal complaints by passengers, shippers, and others alleging violation of regulatory provisions of the shipping act. These complaints were in the form of unsworn statements, memoranda, and letters, and presented questions relating to tariff interpretation, bill of lading disputes, freight classification controversies, and a variety of other matters as to which the correctness of rulings of traffic officials of carriers were assailed.

Through correspondence and interview the bureau endeavored to suggest the transportation principles which appeared to govern in the particular case, and to induce a return as between the parties of preexisting amicable relations. Results in several instances were gratifying, and indications are that in a number of cases the bureau in its informal intermediary capacity on this docket averted the filing of formal complaints.

Section 15 Agreements.

The bureau's activity during the year in relation to the regulatory function directed by section 15 of the shipping act was notably greater both as to volume and importance of work performed than during any like period of time since the creation of the bureau in 1917. Four hundred and twenty-four copies or memoranda of new agreements and of modifications of existing agreements filed with the bureau for the board's approval were analyzed and passed upon in connection with the lawfulness of their provisions under the various regulatory sections of the shipping act. These agreements and modifications in most instances projected extensive plans for cooperative relationships between carriers fixing rates or fares, regulating competition, pooling or apportioning earnings or traffic, allotting ports, and other matters as to which section 15 requires board approval before being carried into effect. Numerous interviews were had in the bureau's offices with attorneys and other representatives of carriers relative to many of the documents filed under this section, which as originally presented contained provisions objectionable or questionable under one or more of the regulatory sections of the statute.

As in the past, the agreements analyzed by the bureau during the year were principally of two classes—so-called "conference" agreements and so-called "tandem" agreements. The former class were between carriers engaged in the same trade and involved practically every phase of parallel common carrier operation, while the latter were filed by carriers in different trades, and chiefly concerned such matters as joint through billing, through rates, routing, absorption practices, and cooperative terminal arrangements. Intermediate

variations of these two general classes of agreements, as for illustration, agreements between nonconference and conference carriers and between two conferences respecting matters in the same or connecting trades, and between two conferences providing for cooperation as respects competitive inland territory, formed a general third class. The details of the agreements filed varied widely and according to the particular trade or traffic which they are designed to govern; and, in the main, unmistakably reflect more closely studied and well directed efforts by the carriers to stabilize rate and traffic conditions in both the foreign and interstate trades of the United States than is indicated by agreements previously of record. The total number of all approved agreements on file as of June 30, 1930, is 1,478, of which 172 are conference agreements.

Tariffs.

Pursuant to the provisions of section 18 of the shipping act and the tariff regulations promulgated under that section, the bureau examined and permitted to be posted for public inspection 1,456 tariffs of interstate carriers containing maximum rates, fares, charges, and regulations of such carriers. One hundred and sixty-eight carriers filed tariffs of their own issue or participated in schedules filed on their behalf by other carriers or agents under authority of powers of attorney and concurrences lodged with the bureau. Seventeen tariff publishing agencies maintained individual tariff files in the bureau under authority of instruments issued in their favor by carriers subject to the board's jurisdiction, and 583 powers of attorney and concurrences in the bureau's files were effective at the close of the period covered by this report. On 43 occasions the bureau after examination and upon notice withheld authority for the posting of tariffs on wharves and at other places specified by the board's tariff regulations pending the furnishing of required affidavits setting forth justification for advances in rates proposed. In two instances tariffs filed for approval were rejected because of nonconformity with the board's regulations.

The public tariff files maintained as an adjunct of the bureau's work under this regulatory section of the shipping act were the subject of daily reference by Washington representatives of shippers and carriers, trade bodies, and traffic organizations located throughout the country. With the bureau's assistance extensive use was made of these files by representatives of several of the Government departments and bureaus in the compilation of rates and in the auditing and checking of freight bills for port-to-port transportation.

Special Administrative Investigations.

Another of the bureau's activities during the year which lends itself to definite classification was one chiefly designed to obtain

information bearing on the fidelity with which the regulatory provisions of the shipping act are observed by carriers subject to that statute and to furnish a basis to compel observance where necessary. This activity took the form principally of examination of commerce and consular reports, steamship conference minutes and circulars, inspection of water carriers' annual reports on file with the Interstate Commerce Commission, and of inquiries by correspondence and by interview with carriers' representatives in the bureau's offices. Six cases involving evident or possible delinquency as disclosed by information obtained in the manner referred to above or otherwise were given extended attention. All of such six cases, except one of recent origin and one pending before the Department of Justice, were satisfactorily closed prior to the last date of the period covered by this report.

BUREAU OF OPERATIONS

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

Industrial Relations Division.

The Bureau of Operations, through its industrial relations division, keeps in touch with marine and dock labor matters. This activity is not confined to Shipping Board ships, but extends to the American merchant marine as a whole. Inasmuch as the percentage of privately owned and operated tonnage now exceeds that owned by the Government, and is destined to increase still further with additional sales of lines by the board, the bureau's activities with respect to marine and dock labor become more and more intimately related to the field of private operation.

During the fiscal year 1930 the well-recognized principle of collective bargaining has been maintained in the trade generally. Agreements with organized licensed deck and engineer officers have been renewed, and longshore labor agreements have been generally adopted in the various ports between the employing interests and the longshoremen.

The importance of these agreements is recognized. They provide fixed labor rates, hours, and conditions upon which the employer may base his costs. Threat of strike upon refusal of demands for increases in wages is minimized. The confidence engendered in both employers and employees through years of amicable agreement has brought a keen realization of the deplorable losses borne by shipping in the past through the costly delays due to disagreement.

Intimately bound up with the subject of industrial relations is that of the safety of the worker. Recent surveys have shown that there is a very high percentage of accidents, many of which are preventable,

and which in the aggregate cause large outlays for compensation. For example, in one case it was found that with the adoption of organized safety measures by a representative employer, the total number of accidents was decreased by about one-half, resulting in a saving in compensation claims, during a nine months' period, of several thousand dollars. In this case the total cost of inaugurating the safety campaign was only two-thirds of 1 per cent of the estimated savings.

Reports of the Federal Employees Compensation Commission indicate that there are about 15,000 injuries to longshoremen aboard ship annually, and that claims arising out of these injuries are settled for approximately \$2,000,000. These figures cover deep-water ports only and exclude inland waters and the Great Lakes. Nor does the figure of cost cover the medical and administrative expense. Altogether it has been estimated that the total cost of these injuries to the shipping industry is approximately \$6,000,000 per annum, an expense that falls on both American and foreign vessels loading and unloading in our ports.

In an effort to encourage safety, and thus conserve man power, promote efficiency in cargo handling, improve industrial relations between employers and men, and reduce costs generally, the Bureau of Operations has endeavored to stimulate port interest in the subject of a voluntary safety code, this being recognized as one of the practical means of bringing about the desired result. In September, 1929, as a result of communications addressed to the district directors of the Shipping Board's Merchant Fleet Corporation, asking for reports on accomplishments made in the adoption of safety codes for longshore workers, it developed that voluntary codes for the prevention of accidents to longshoremen had been adopted only at New York, New Orleans, Texas ports, and Pacific coast ports. At other ports either no start had been made or such preliminary discussions as had taken place had not borne concrete results.

The bureau's continued efforts, however, have had the effect of reviving interest in ports where no code had been adopted, and gave impetus to the work of appointing local committees to study the subject.

In Boston, following some intensive work on the part of the safety committee, composed of representatives of stevedores, longshoremen, insurance companies, and shipowners, a code was adopted in October, 1929, and is now in general use.

At Portland, Me., after the appointment of the Portland marine safety code committee, representing the steamship owners and operators, the water terminal interests, International Longshoremen's Association, insurance companies, and local employing stevedores, a code was adopted and put into effect.

Philadelphia welcomed the bureau's interest in the voluntary safety code. Previous efforts toward cooperation on the part of port interests had met with indifferent success. However, a standing committee of the Philadelphia Steamship Owners and Employing Stevedores began to look into the subject. While it was known that some individual stevedores and oil companies had put into effect safety codes of their own which were giving good results, the lack of unity and general interest in the subject as a port policy was apparent. However, the work which has been started by the standing committee and accomplished at the time of closing this report is indicative of the adoption in the near future of a safety code for longshore work.

Baltimore interests appeared pessimistic toward any progress being made in formulating and adopting a code. The Bureau's interest in the question was welcomed, however, and while no code has been adopted in this port, there is a strong sentiment in favor of pursuing an active policy of safety. This sentiment has at least crystallized in monthly discussions of accident prevention by members of the trade association and suggestions of merit are applied. The practice of insurance companies is to make thorough inspection of cargo handling equipment of vessels, and in general the trade is imbued with the desire to reduce the hazard of longshore work. Figures of accidents indicate to some extent that this desire is gradually being accomplished.

No code had been adopted in the Hampton Roads district, although some investigation of the subject had been made by the safety engineer of the United States Employees Compensation Commission. However, in November, 1929, a committee was appointed consisting of 3 representatives from the Hampton Roads overseas conference, 1 from the coastwise lines, 1 from the intercoastal lines, 3 from the stevedoring companies, 1 from the nonunion stevedoring companies, 3 from the International Longshoremen's Association, and 2 from the Hampton Roads Maritime Exchange. The board's representative was elected permanent chairman of the committee, which adopted the title "The Hampton Roads Marine Safety Committee." Later, a subcommittee was appointed to study and report on the general improvement of cargo handling conditions in the port, this subcommittee consisting of one member representing the steamship lines, one the stevedores, and one the International Longshoremen's Association. By February, 1930, two representatives of the railroads had been added to the general committee, and it was anticipated that a representative of the terminals would also be added. Progress was such that by May, 1930, a code had been adopted and approved by the committee and submitted for signatory approval to the interested parties in the port, a majority of whom have signed.

At the South Atlantic and Gulf ports, safety codes have been adopted at Pensacola, Mobile, and Gulfport. Preparatory to drafting a code for the ports of Savannah and Tampa, safety committees have been formed. Following the results obtained in other ports it is deemed only a question of time when these latter ports will also have adopted a code.

At the time of closing this report, voluntary codes had been adopted at New York, Boston, New Orleans, Texas ports, Pacific coast ports, Hampton Roads, Pensacola, Mobile, and Gulfport, with Philadelphia interests practically agreed on a code, and Savannah and Tampa well advanced in formulating one.

The board's interest in safety was further indicated by placing the subject of safety of marine workers on the program of the third national conference on the merchant marine, held in Washington on April 23 and 24, 1930. Robert F. Hand, vice president of the Standard Shipping Co., discussed safety on board ship, while Frank C. Gregory, safety engineer of the United States Employees' Compensation Commission, covered the longshore end.

A committee was appointed by the conference, consisting of Robert F. Hand (chairman), Frank C. Gregory, S. D. McComb, George A. Marr, Admiral J. G. Tawresey (representing the United States Shipping Board), B. O. Pickard, R. J. Baker, J. P. Ryan, Victor A. Olander, and J. P. Magill. This committee will give further consideration to the subject of safety of marine workers and bring in a report to the next national conference, which will be held some time in the early part of 1931.

Sea Service Section.

During the fiscal year 1930 the sea service section placed a total of 65,606 men in the various marine ratings, of whom 89.6 per cent were American citizens. These placements were made through its 12 branch offices in Boston, New York, Philadelphia, Baltimore, Norfolk, Savannah, New Orleans, Mobile, Galveston, Houston, Portland, and Seattle.

The sea service section is the chief organization engaged in Americanizing the merchant marine. Congress has recognized the necessity of having a preponderance of Americans in the crews of our ships if dependable service is to be maintained at all times, and has placed in the merchant marine act of 1928 a provision requiring that for a period of four years after the passage of the act one-half of all the crew (other than officers) of mail-carrying ships of American registry shall be citizens of the United States, and thereafter two-thirds shall be citizens. The question of whether or not this provision is sufficiently rigid to bring about the desired result is being made the subject of inquiry by the sea service section.

Medical officers of the sea service section conduct physical examinations for applicants at New York, Baltimore, New Orleans, and Houston. At other branch offices the examinations are given by local representatives of the United States Public Health Service. These medical examinations not only insure a personnel that is physically fit, but also tend to cut down the number of damage suits for personal injuries alleged to have been incurred in the line of duty. In its medical work the sea service section has cooperated during the year with the United States Public Health Service and the American Social Hygiene Association.

As part of its Americanization program for the year, the section placed aboard American ships 1,454 deck boys, ranging in age from 18 to 23, who came from practically every part of the United States in order to take up a seafaring career. These boys are instructed in seamanship and navigation and are advanced to higher ratings as they show proficiency in their work.

The following table shows the total number of persons placed in positions by the sea service section during the period from July 1, 1929, to June 30, 1930:

Sea service bureau, record of placement, June 30, 1929, to July 1, 1930

	Boston	New York	Phila- delphia	Balti- more	Norfolk	New Or- leans	Portland, Seattle	Galves- ton	Mobile	Savannah	Houston	Total
Masters.....	0	0	0	0	8	2	1	0	0	0	0	11
First officers.....	6	0	13	3	8	0	16	0	1	0	0	55
Second officers.....	6	0	13	5	12	0	25	0	2	0	0	77
Third officers.....	14	0	33	23	16	0	51	0	0	5	0	178
Fourth officers.....	0	0	0	0	0	0	1	0	0	0	0	1
Cadet deck officers.....	0	1	0	0	0	0	63	0	0	47	0	116
Carpenters.....	17	129	17	62	7	20	107	48	10	0	2	442
Carpenters' mates.....	0	15	0	0	0	0	0	0	0	0	0	15
Boatswains.....	30	155	60	147	35	112	102	36	36	42	28	831
Boatswains' mates.....	0	0	0	0	0	0	0	0	0	0	0	0
Quartermasters.....	46	16	8	58	14	0	19	19	0	0	0	180
Quartermasters' mates.....	892	7,727	1,701	2,428	721	2,777	1,626	1,159	887	429	692	22,461
Able seamen.....	259	1,248	414	538	275	454	344	1,600	123	140	369	4,315
Ordinary seamen.....	0	0	0	0	0	0	0	0	0	0	0	0
Deck apprentices.....	0	0	0	0	4	1	11	0	0	0	0	18
Radio operators.....	0	0	0	2	0	0	0	0	0	0	0	0
Chief engineers.....	0	0	0	0	3	0	0	0	0	0	0	6
First assistant engineers.....	4	0	16	8	9	0	20	0	1	1	1	58
Second assistant engineers.....	12	0	13	20	13	0	21	2	1	1	1	84
Third assistant engineers.....	27	0	40	36	13	0	32	13	0	1	2	164
Fourth assistant engineers.....	1	1	0	0	0	0	0	0	0	0	0	2
Cadet engineer officers.....	0	1	1	1	0	0	0	0	0	0	0	4
Refrigerator engineers.....	0	9	0	0	0	0	0	0	0	0	0	9
Electricians.....	0	18	0	0	0	0	0	0	0	0	0	18
Deck engineers.....	3	12	7	17	0	30	86	23	19	1	23	205
Pump men.....	20	1	28	17	1	1	0	0	0	0	0	75
Oilers.....	218	1,266	368	564	192	557	632	178	248	170	171	4,733
Water-tenders.....	25	231	93	153	22	222	80	45	50	135	11	1,036
Storekeepers.....	1	6	19	4	1	1	8	0	0	0	0	36
Firemen.....	238	2,869	508	1,076	453	782	607	370	307	174	231	7,792
Wipers.....	231	948	405	387	170	726	434	310	373	87	224	4,600
Coal passers.....	27	1,447	33	351	210	0	0	1	1	1	0	2,072
Engineer apprentices.....	0	0	0	0	0	0	0	0	0	0	0	0
Deck boys.....	24	123	59	324	81	367	3	163	183	4	167	1,454
Chief steward.....	6	151	7	60	51	0	46	5	2	0	0	351
Second steward.....	0	44	0	169	72	152	124	103	66	44	44	51
Chief cooks.....	56	349	93	169	72	152	124	103	66	44	44	1,351
Second cooks.....	83	383	134	262	60	264	117	130	76	43	71	1,714
Third cooks.....	0	6	3	6	0	0	2	0	0	0	0	14
Bakers.....	0	73	0	0	0	1	1	0	0	0	0	75
Butchers.....	0	0	0	0	0	0	0	0	0	0	0	0
Storekeepers.....	0	9	4	0	0	0	0	0	0	0	0	6
Messmen.....	338	150	0	617	23	0	35	90	0	0	258	1,520
Messboys.....	39	1,593	593	297	313	891	454	140	271	142	22	5,219
Pantrymen.....	1	24	6	26	4	0	8	444	0	0	0	47
Miscellaneous.....	15	951	453	1,674	154	184	303	358	3	19	0	4,114
Total.....	2,649	19,988	5,226	9,525	2,407	7,547	5,332	3,334	2,333	1,480	2,033	65,606

Americans, 89.6 per cent.

Investigations Division.

The investigations division handles all matters falling within the province of the Bureau of Operations, but lying outside the scope of the two other divisions of the bureau.

Safety of life at sea.—The international convention on safety of life at sea, signed in London on May 31, 1929, has not yet been ratified by the Government of the United States. Inasmuch as it comes into effect for vessels whose keels are laid after July 1, 1931, it will probably be considered by the United States Senate at the session of Congress beginning December 1, 1930. In the Thirteenth Annual Report of the Shipping Board (p. 10) the board recommended that the treaty be ratified and given full effect by Congress.

The investigations division on October 1, 1929, issued in pamphlet form a statement of the convention's "requirements relating to construction and life-saving appliances," together with an appendix showing the duties and obligations of contracting governments. The convention provisions are, it is believed, good for the passenger and shipper on the one hand and for the owner on the other. They are to be looked upon as benefits, not burdens; hence the sooner they are adopted the better.

Load-line developments.—On May 20, 1930, representatives of 30 nations assembled at London to discuss the feasibility of agreeing on an international system of determining load lines. While no convention was signed during the period covered by this report, there were indications that the conference would eventually reach some common ground of agreement. A reasonable international load-line convention, if ratified by the signatory governments, would obviously facilitate the operation of ships engaged in foreign trade, and would offer the manifold advantages which must result from a system of loading that applies uniformly to the ships of all maritime nations.

The act of Congress approved March 2, 1929, establishing load lines for United States vessels of 250 gross tons or over when engaged in foreign trade, will go into effect September 2, 1930. Under the law, the Secretary of Commerce will prescribe regulations for the establishment of these load lines.

A measure is now pending before Congress that if enacted into law would provide load lines for United States vessels in the coastwise trade and on the Great Lakes.

Revision of the International Signal Code.—The work of the editorial committee for the revision of the International Code of Signals, begun in London on October 16, 1928, was virtually completed during the summer of 1930, although so much secretarial work and printing remained to be done that it was difficult to estimate how soon copies of the finished code would be available for distribution. Copies of the

English code will probably not be ready until the end of the present fiscal year.

Training of merchant marine officers.—This important subject was discussed at the third national conference on the merchant marine, held in Washington in April, 1930, by speakers who advocated training either through the school of practical experience or by means of academic courses in such schools as the naval or coast guard academies as the best method of developing and educating officer personnel for the American merchant marine.

In order to bring out the best thought on the subject, a committee was appointed to study the question and to report to the next national conference. The committee has held preliminary meetings and plans to obtain the opinion of the various maritime interests of the country through a questionnaire which will be widely circulated. By securing the views of the entire shipping industry upon this subject, it is hoped to obtain practical suggestions which will aid in providing the necessary training for ambitious and physically fit young men, without any undue handicaps as to expense or preliminary educational requirements.

Standard uniforms for officers.—Recently the American marine standards committee promulgated standard specifications for merchant marine officers' uniforms and insignia. This committee has been working with a joint committee composed of representatives of officers' organizations, steamship owners, and the Shipping Board, and the subject has been developed to the point where the specifications have been approved and adopted. In general, the style of the garments and the insignia follow those of the United States Navy.

A sufficient period has not elapsed to determine how the general plan will work out in actual practice, but it does seem that now is the proper time to give serious consideration to the subject, in order to increase the prestige of our officers in foreign ports and to promote a general esprit de corps in our rapidly growing merchant marine.

Third national conference on the merchant marine.—For the third consecutive year there was held in Washington, D. C., in April, 1930, under Shipping Board auspices, the third national gathering of American shipping men and representatives of allied interests. Reports of committees appointed at the second national conference were submitted and numerous subjects of outstanding interest were discussed by the delegates. The complete agenda will be found on pages 7, 8.

Much of the preparatory and editorial work incident to the conference was handled in the investigations division of the Bureau of Operations. It is believed that these annual conferences, by supplying an open forum for the discussion of problems relating to the

merchant marine, have been entirely successful in creating and cementing a spirit of solidarity in American shipping circles.

Port Facilities Division.

The work of the port facilities division of the Bureau of Operations is carried on in two sections, (1) the domestic port section and (2) the foreign port section.

Domestic port section.—In prior annual reports of this section, mention has been made of the cooperative program undertaken by the Shipping Board and War Department under the provisions of section 8 of the merchant marine act of 1920.

During the past fiscal year this cooperation was continued, and the program was enlarged to cover a series of investigations into the commercial, economic, and physical aspects of the principal ports of the Great Lakes. Reports based on these investigations will be published in a series of volumes known as the Lake series. At the close of the fiscal year these investigations were well under way and reports were in course of preparation covering the following ports: Buffalo, Cleveland, Detroit, Chicago, Milwaukee, and Duluth-Superior. These reports will be similar in scope and general treatment to the well-known port series reports. Studies of the above-mentioned ports will comprise the first six volumes of the Lake series. Other investigations on lake ports will be made as time and printing funds permit until all the major ports have been covered.

No original studies were added to the port, transportation, or miscellaneous series during the year. However, some of the earlier volumes having become obsolete, it was found necessary to issue revised editions in order that more current data be made available to the shipping public. In pursuance of this idea, the following port series reports were revised: The Port of Mobile, Ala.; the Ports of Miami and Tampa, Fla.; the Ports of Los Angeles and Long Beach, Calif.; and the Ports of San Diego and San Luis Obispo, Calif.

In addition to revising reports in the port series, one volume each was revised in the transportation and miscellaneous series, viz, Transportation on the Great Lakes, and Port and Terminal Charges at United States Ports. The last-named was brought up to date by the publication of a supplement giving port and terminal charges as of January 1, 1930. This volume will be revised annually in order that current dues and charges assessed against vessels and goods at ocean ports be made available.

At the close of the fiscal year substantial progress had been made on the revision of reports on Seattle, Tacoma, Bellingham, Everett, Grays Harbor, and Vancouver, Wash.

The investigation into port conditions in the Philippine Islands was suspended during the year in order to inaugurate work on the

Lake series. It is planned to resume the Philippine study in the near future.

The following reports were published and distributed during the fiscal year ended June 30, 1930:

PORT SERIES

- No. 2. The Port of Boston, Mass. (revised edition).
- No. 3. Part I: The Port of Mobile, Ala. (revised edition).
- No. 3. Part II: The Port of Pensacola, Fla. (revised edition).
- No. 6. Part I: The Port of Galveston, Tex. (revised edition).
- No. 6. Part III: The Ports of Texas City and Corpus Christi, Tex. (revised edition).
- No. 8. Part I: The Port of Jacksonville, Fla. (revised edition).

TRANSPORTATION SERIES

- No. 2. Transportation in the Mississippi and Ohio Valleys.

MISCELLANEOUS SERIES

- No. 3. Foreign Trade Zones (or Free Ports.)

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

PORT SERIES

- No. 8. Part II: The Ports of Miami and Tampa, Fla.
- No. 13. Part I: The Ports of Los Angeles and Long Beach, Calif.
- No. 13. Part II: The Ports of San Diego and San Luis Obispo, Calif.

TRANSPORTATION SERIES

- No. 1. Transportation on the Great Lakes.

MISCELLANEOUS SERIES

- No. 1. Port and Terminal Charges at United States Ports (supplement).

There is shown below in tabular form publications upon which work was in progress at the close of the fiscal year, with the percentage of completion of each:

Serial No. of volume	Subject	Percentage of completion
<i>Port series (revised editions)</i>		
7	The Ports of Seattle, Tacoma, Bellingham, Everett, and Grays Harbor, Wash.....	10
8	The Ports of Miami and Tampa, Fla.....	100
11	The Ports of Portland and Astoria, Oreg., and Vancouver, Wash.....	10
13	Pt. I: The ports of Los Angeles and Long Beach, Calif.....	100
13	Pt. II: The ports of San Diego and San Luis Obispo, Calif.....	100
<i>Lake series (original volumes)</i>		
1	The Port of Buffalo, N. Y.....	35
2	The Port of Cleveland, Ohio.....	40
3	The Port of Detroit, Mich.....	30
4	The Port of Chicago, Ill.....	30
5	The Port of Milwaukee, Wis.....	25
6	The Port of Duluth-Superior.....	20
<i>Transportation series</i>		
1	Transportation on the Great Lakes (revised).....	100
<i>Miscellaneous series</i>		
1	Port and Terminal Charges at United States Ports (supplement).....	100

In addition to the research work required in Washington in order to gather data for the publication of the various volumes, representatives of the domestic port section conducted special field surveys of the following points: Detroit, Rogers City, Sault Ste. Marie, Mackinaw City, Cheboygan, Alpena, Bay City, and Port Huron, Mich.; Buffalo, Ogdensburg, and Oswego, N. Y.; Cleveland, Sandusky, Ashtabula, Ohio; Erie, Pa.; Port Colborne and Welland, Ontario; Duluth, Minneapolis, St. Paul, Two Harbors, and Hibbing, Minn.; Superior, Washburn and Ashland, Wis.; Marquette, Mich.; and Chicago, Ill.

In order to meet the demands of shipping companies, port organizations, chambers of commerce, universities, and colleges for information on various phases of port practices and commercial shipping, numerous special reports and articles were prepared during the year.

Following the publication, early in 1929, of the bureau's study of Foreign Trade Zones (or Free Ports), interest in the subject has grown, and proponents of the idea are eager to have a number of these zones established in ports of the United States, claiming that "free ports" would tend to benefit American shipping and foreign trade. On the other hand, opponents of the idea argue that the establishment of such zones would undermine the present protective tariff system and would probably benefit foreign shipping as much, if not more, than the American merchant marine. The Shipping Board on page 9, reiterates its former recommendation to the effect that the establishment of these zones, if sanctioned by Congress, might first be undertaken on a limited scale under direct authority of the Federal Government.

Foreign Port Section.

This unit acts in conjunction with the transportation division of the Department of Commerce in accumulating and disseminating data on the physical, commercial, and economic features of foreign ports. Its principal medium of expression is a series of handbooks regarding each port's physical facilities, its organization and practices, charges and regulations, water and rail communications, commerce, and hinterland.

At the close of the fiscal year 1929 the section had completed studies on the port of Hamburg, Germany, including Altona and Cuxhaven; on the port of Liverpool, England, including Birkenhead and Garston; and on foreign bunkering facilities.

The volume on the port of Hamburg contains, in addition to the data mentioned above, a complete exposition of the various types of German free port zones and the industrial operations permitted or prohibited therein. Complete treatment is also given the movement of commodities by points of origin and destination.

The study of the port of Liverpool devotes considerable space to a description of the organization of the port authority, the centralized local management which has functioned in this port for over 70 years and has contributed so largely to its progress. The method of handling goods on the quays by master porters, a system peculiar to Liverpool, is also described in detail.

The directory of foreign bunkering stations gives a list of coal and oil bunkering facilities at over 300 foreign ports at which ocean-going vessels can be accommodated. Among the data listed are the name and nationality of the owners and operators of each station, together with their code addresses; the storage capacity of the station, and the kinds and quantities of fuel normally maintained; berthing capacity, and depth of water alongside; methods and speed of delivery; extra costs for loading in stream and for trimming; and notice required for delivery. Demand for the volume has been so great that a new edition has been necessitated. It has been decided that the value of the publication would be enhanced by adding information relative to the charges vessels would incur in calling for bunkers only. Arrangements have been completed with the State Department to gather the information necessary to bring this volume up to date and to secure the data relative to ship's charges from the United States consular offices throughout the world.

The favorable reception accorded the three volumes led to a determination to continue the series with studies of ports of the River Plate and Brazil, and preliminary work along this line has been proceeding during the present year. Representatives of the section have been sent to South America to complete the data assembled. Work has also been advanced on the studies of minor United Kingdom, Scandinavian, and Baltic ports.

The head of the section was appointed to represent the United States Shipping Board and the Department of Commerce as technical adviser to the Pan American conference on port formalities and customs procedure held in Washington from November 18 to 26, 1929. As a development of this representation, the section was commissioned to procure additional data to be used as a basis for negotiating commercial treaties between American Republics. Material for this work will be gathered by the representatives assigned to cover the study of South American ports.

Since its inception the foreign port section has collected the latest obtainable information on charges against goods and ships, together with the physical facilities and conditions at practically all important foreign ports. This work has been carried on with the cooperation of the foreign representatives of the United States Shipping Board, the Department of Commerce, and the Department of State. In addition to 1,998 consular reports, much material from other sources has

been classified, indexed, and filed. From these files many special reports have been compiled during the year for other Government departments and business concerns, the character and wide scope of which are indicated in the following partial list:

- Legislative references on ship subsidies.
- Progress of new port works at Amsterdam.
- Industrial traffic survey.
- Ship subsidies in Italy.
- Chilean coastwise legislation.
- French shipping congress.
- Port charges at various Central and South American Republics.
- List of consular charges in American Republics.
- Compilation of statistics on government aids to shipping.
- French shipping subsidies.
- Comparative costs for exporting certain types of goods from Chicago, Toronto, and London to Australian ports.
- Comparison of toll systems of principal world ship canals.
- Comparative ocean freight rates to South American ports from United States and Europe.
- Data on Russian ports.

BUREAU OF CONSTRUCTION

During the fiscal year ended June 30, 1930, the functions of the Bureau of Construction were divided into five separate divisions: (1) Construction loan fund, (2) inspection of vessels, (3) engineering development program, (4) Diesel program, and (5) certification of vessels as to speed and tonnage to the Post Office Department.

I. CONSTRUCTION LOAN FUND

During the fiscal year ended June 30, 1930, applications for loans in aid of construction or reconditioning of vessels were received and action taken as follows:

A. New Construction Loans.

1. *Dollar Steamship Line*.—Two loan agreements were executed with this company on October 26, 1929, providing for loans of approximately three-fourths the cost of the construction, not to exceed \$5,287,500 each, of two passenger and cargo vessels of approximately 23,000 gross tons each and 20 knots speed. Work on the vessels was approximately 25 per cent advanced at the Newport News Shipbuilding & Dry Dock Co., at the end of the fiscal year. No advances had been made to the end of the year June 30, 1930.

2. *Oceanic Steamship Co.*—Two loan agreements were executed with this company on October 25, 1929, providing for loans of approximately three-fourths the cost of construction, not to exceed \$5,850,000 each, of two passenger and cargo vessels of approximately

20,000 gross tons and 20 knots speed. Work on the vessels is well under way at the plant of the Bethlehem Shipbuilding Co., Quincy, Mass. No advances have been made to the end of the year June 30, 1930.

3. *Motor Tankship Corporation*.—Five loan agreements were executed with this company on October 28, 1929, providing for loans of approximately three-fourths the cost of construction, not to exceed \$1,260,937.50 each, of five Diesel motor tankships of approximately 13,500 tons dead weight and 11 knots speed. Four of these tankers have been completed and placed in service. Advances made to June 30, 1930, on the five loans amount to \$5,043,750.

4. *Tide Water Associated Transport Co.*—Two loan agreements were executed with this company on January 25, 1930, providing for loans of approximately three-fourths the cost of construction, not to exceed \$1,301,025 each, of two Diesel motor tankships of approximately 13,500 tons dead weight and 11 knots speed. These vessels are well under way at the plant of the Sun Shipbuilding Co. Advances made to June 30, 1930, on the two loans amounted to \$867,350.

5. *Erport Steamship Corporation*.—Four loan agreements were executed with this company on August 31, 1929, providing for loans of approximately three-fourths the cost of construction, not to exceed \$1,725,000 each, of four passenger and cargo vessels of approximately 8,200 gross tons each and 15 knots speed. Two of the vessels are well under way at the plant of the New York Shipbuilding Co. and the remaining two are to be laid down as soon as the first two are completed. Advances made to June 30, 1930, amount to \$1,957,500.

6. *United States Lines*.—Two loan agreements were executed on May 24, 1930, one with the North Atlantic Steamship Corporation and one with the Trans-atlantic Steamship Corporation, both being owned 100 per cent by the United States Lines (Inc.), for approximately three-fourths the cost of construction, not to exceed \$7,875,000 each, of two first-class cabin liners of approximately 30,000 gross tons each and 20 knots speed to carry approximately 1,300 passengers each. These vessels are to be constructed at the plant of the New York Shipbuilding Co. where preliminary work is under way. No advances on the loans have been made.

7. *Coamo Steamship Corporation*.—A loan agreement was executed with this company on January 28, 1930, providing for a loan of approximately three-fourths the cost of construction, not to exceed \$1,896,000, of one combination passenger and cargo vessel of approximately 7,000 gross tons and 15.5 knots speed. The vessel is under construction at the plant of the Bethlehem Shipbuilding Corporation. Advances made to June 30, 1930, on the loan amount to \$950,000.

8. Loans were authorized to the Motor Tankship Corporation in an amount not to exceed \$6,328,125 to aid in the construction of

five tankers, and to the United Mail Steamship Co. in an amount not to exceed \$15,412,500 to aid in the construction of six combination passenger and cargo vessels. Loan agreements covering these loans are being prepared but had not been executed at the close of the fiscal year ended June 30, 1930.

B. Reconditioning, Remodeling, and Improvement Loans.

1. *Dollar Steamship Line (Inc.) (Ltd.)*.—Three loan agreements were executed with this company on August 14, 1929, providing for loans to aid in improvements of the following vessels: *President Adams*, in an amount not to exceed \$300,000; *President Garfield*, in an amount not to exceed \$225,000; *President Harrison*, in an amount not to exceed \$225,000. A fourth loan was authorized for this company by the board for improvement of a vessel to be selected from several in their fleet, but a loan agreement has not been executed and consequently no advances have been made on this fourth loan. The advances made on the three loans to June 30, 1930, amounted to \$750,000, the total amount authorized, all of the work being completed.

2. *Dollar Steamship Line (Inc.) (Ltd.)*.—Two loan agreements were executed with this company on May 6, 1930, providing for loans to aid in the improvement of the two vessels *President Fillmore* and *President Johnson* in an amount not to exceed \$580,000 for the former and \$420,000 for the latter. The work involved has been completed and the amount advanced under the loan agreements to June 30, 1930, amounts to \$1,000,000, the total amount authorized.

3. *Export Steamship Corporation*.—Three loan agreements were executed with this company to aid in the improvement of three vessels, *Exilona*, *Exarch*, and *Excelsior*, in an amount of \$74,250 for each vessel. All of the work has been completed and the advances made to June 30, 1930, amount to \$222,750, the total amount authorized.

4. *American Tankers Corporation*.—A loan agreement was executed with this company on October 23, 1929, providing for a loan not to exceed \$442,312.50 to aid in the remodeling of the collier *Ulysses* as an oil tanker. The work is well advanced at the plant of the United Drydock Co. No advances had been made to June 30, 1930.

5. *Bulk Transportation Corporation*.—A loan agreement was executed with this company on June 12, 1930, providing for a loan not to exceed \$396,750 to aid in remodeling the freighter *Bremerton* as a self-unloading bulk cargo carrier. The work is progressing at the plant of the Jahncke Drydock Co. No advances had been made to June 30, 1930.

All loans authorized to aid in the reconditioning, remodeling and improvement of vessels were in amounts less than three-fourths of the total expended for the work.

Applications were pending on June 30, 1930, from the following:

Di Giorgio Fruit Co.	Eastern Steamship Co.
Flood Lines (Inc.).	Grace Steamship Co.
Colombian Steamship Co.	Panama Mail Steamship Co.
Lykes Bros Steamship Co.	Pacific Atlantic Navigation Co.
United States Lines (Inc.).	Oceanic & Oriental Navigation Co.
Hudson River Navigation Co.	

From the inception of the construction loan fund to June 30, 1930, inclusive, the Shipping Board has authorized loans to 22 steamship companies for the construction of 49 new vessels and for the conversion of 13 vessels. These authorized loans totaled \$114,564,715, of which \$43,050,890 was advanced before June 30, 1930, leaving a balance of \$71,513,825 to be advanced on these loans at some later time.

The financial activities of the construction loan fund during the fiscal year 1930 and the status of the fund at the close of that fiscal year are shown in the following statement:

Cash and appropriation balances, June 30, 1929 (as shown in Thirteenth Annual Report).....	\$61, 694, 597. 34
Deposits during fiscal year 1930:	
Sales receipts, fiscal year 1929, transferred after June 30, 1929.....	\$8, 921, 775. 67
Sales receipts, fiscal year 1930, transferred before June 30, 1930.....	8, 060, 508. 40
Loan repayments.....	1, 361, 860. 67
Total deposits.....	<u>18, 344, 144. 74</u>
Total, opening balance and deposits.....	80, 038, 742. 08
Advances made on loans during fiscal year 1930.....	<u>20, 384, 100. 00</u>
Cash and appropriation balances, June 30, 1930 (excluding 1930 sales receipts to be transferred after June 30, 1930)....	59, 654, 642. 08
Outstanding loans:	
Total amount advanced from inception of fund to June 30, 1930, inclusive.....	\$43, 050, 890. 00
Total repayments to June 30, 1930.....	<u>4, 550, 222. 35</u>
Outstanding loans as at June 30, 1930.....	38, 500, 667. 65
Advances to Diesel fund.....	<u>9, 500, 000. 00</u>
Total construction loan fund as at June 30, 1930 (excluding 1930 sales receipts to be transferred after June 30, 1930).....	<u>107, 655, 309. 73</u>

2. INSPECTION OF VESSELS

Under agreements between the Shipping Board and owners of vessels receiving loans under section 11, merchant marine act, 1928, the total amount of loans is divided into several advances or progress payments during construction, according to the type and value of the vessel benefited, and it is therefore necessary before making such

payments or advances to determine if the progress and quality of the work justify the payment.

The Bureau of Construction, therefore, through its inspection force, maintains control over all advances made on loans by actual appraisal of work performed. During the fiscal year 1930, inspections incident to progress payments of loans have been carried out in connection with work on the American Line steamship *Pennsylvania*, Grace Steamship Co.'s *Santa Clara*, American South African Line's *City of New York*, Motor Tankship Corporation's motor tankers *Chester Sun*, *Eastern Sun*, *Pacific Sun*, and *Western Sun*, all of which were completed and placed in commission in their respective trades during this fiscal period.

In addition inspections have been maintained on the following vessels, which were still under construction as of June 30, 1930:

Hull No.	Owner	Builder
1432	Coamo Steamship Corporation.....	Bethlehem Shipbuilding Corporation.
1440	Oceanic Steamship Co.	Do.
1441	do.....	Do.
339	Dollar Steamship Co.	Newport News Shipbuilding & Dry Dock Co.
340	do.....	Do.
394	Export Steamship Corporation.....	New York Shipbuilding Co.
395	do.....	Do.
125	Tidewater Associated Transport Co.....	Sun Shipbuilding Co.
126	do.....	Do.
337	Agwi Navigation Co.	Newport News Shipbuilding & Dry Dock Co.
338	do.....	Do.
131	Motor Tankship Corporation.....	Sun Shipbuilding Co.
	American Tankers Corporation ¹	United Dry Dock Co.

¹ Steamship *Ulysses* and other reconditioned vessels.

Annual inspections are also maintained by this bureau on all vessels previously constructed with the aid of construction loans and upon which the board still holds mortgages. There were, at the end of the fiscal year 1930, 18 vessels receiving this attention, and this number is being constantly increased as new vessels are placed in commission.

3. ENGINEERING DEVELOPMENT PROGRAM

A. Model Basin Work.

Work for the Shipping Board at the model basin in the navy yard at Washington proceeded during the fiscal year 1930 with less delay than during the previous year, owing to the fact that there was not quite so much congestion at the model basin with private work.

Tests were completed upon model 2783, Shipping Board design 1037, representing a vessel of 395 by 55 by 27 feet of 13,060 tons deep load displacement, of which there were a number built originally. This model was tested at several drafts both for resistance and self-propelled, and endeavor was made to approach somewhat the conditions of service by testing the model with 50 and 100 per cent increase

of resistance through weights on the scale pan in order to simulate somewhat the conditions of a vessel with a foul bottom. Closer approximation to foul-bottom conditions was obtained by covering various areas of the model with wire mesh in order to increase its resistance. The results showed a large increase, as was to be expected, in effective horsepower and shaft horsepower. A novel feature was the testing of the propeller of this vessel with a slightly roughened surface and the use also of the propeller with roughened surface for self-propulsion. Unexpectedly large increases of shaft horsepower resulted and the desirability of surfaces as smooth as possible for propellers was emphasized.

The above model No. 2783 was also tested at varying trims from 2 feet by the bow to 12 feet by the stern.

A preliminary investigation upon the effect of propeller design was also undertaken with model No. 2783, representing Shipping Board design No. 1037. Self-propulsion tests at 9,390 tons were made, using the original propeller and two alternative designs of propeller by leading propeller experts. The results showed a slight gain from the new propellers.

Model 2940, representing Shipping Board design No. 1025, was tested very fully during the year. Shipping Board design No. 1025 is a vessel of 401 by 54 feet by 25 feet 2 inches, of 12,085 tons deep-load displacement, of which a number were originally constructed. This model was tested with varying quality of frictional surface at varying drafts, etc., as in design No. 1037. From the results of these tests complete model basin information is available as to these two designs.

An important part of the model basin work of the year consisted in testing thirty-two 9-inch model propellers, representing 4-bladed propellers varying in mean width, blade thickness, and pitch ratio. All of these propellers were of the ordinary ogival section and cover the range of width, blade thickness, and pitch ratio used in service for cargo boats' propellers. The results agreed generally with previous tests but furnished more accurate information to the propeller designer as regards this type than has hitherto been publicly available.

In view of the growing importance of the fairly fast cargo liner, investigations of this type were undertaken at the University of Michigan tank during 1929 and completed at the Washington tank during 1930. Models of 0.658 block known to have excellent lines up to a fairly high speed were used. Fifteen models had been tested at Michigan covering beam draft ratios of 2.25, 2.50, and 2.75, and displacement length coefficients of 50, 100, 150, 200, and 250. Five of these models already tested at Michigan were repeated in the 20-foot length at Washington and tested for resistance and self-propelled. In the self-propelled tests two propellers were used for each model, one

somewhat larger than the probable vessel propeller, and one somewhat smaller. The results were very satisfactory and indicated the possibility of low resistance and high efficiency of propulsion for vessels of this type.

An investigation completed during this year was that of the efficiency of propulsion of large liners with 3-screw and 4-screw arrangements. These tests referred to vessels of about 60,000 tons displacement with beam and draught about the maximum suited to the Panama Canal dimensions. As regards model tests the 3-screw arrangement showed an efficiency equal to or superior to that of the 4-screw arrangement so that it is entitled to serious consideration within the limits of power to which it was applicable.

In view of the prominence of the question of bulbous bow, an investigation was made of its effect upon speed of fast vessels. Two sets of nine models each having various proportions of bulbous bow were made and tested for resistance at the Michigan tank. One set of nine dealt with vessels having a displacement length coefficient of 60; that is to say, 60,000 tons on a 1,000-foot length. The other set covered vessels of somewhat higher displacement length coefficient, namely, 100. The lines of these models were prepared at the model basin and the results of the resistance tests were converted there into effective horsepower. The results were interesting and confirmed the conclusion that for vessels of 60 displacement length coefficient upon the lines used a moderate bulbous bow was distinctly advantageous. For the larger displacement length coefficients the advantages of the bulbous bow were not quite so great. For both types very definite information as to the best amount of bulbous bow for a given case was obtained.

B. Trials of Steamship "Clairton."

Standardization trials were run on the Rockland (Me.) course under the direction of the board of inspection and survey of the Navy Department in July, 1929, to measure speed, power, and revolutions.

In April, 1930, a second series of tests were conducted with the same vessel over the same course by the board of inspection and survey after a thrust measuring device had been installed in the vessel. The second set of trials was a continuation of a scheduled series of trials to check the results of the model experiments with the actual ship's performance. Further tests are scheduled to complete the valuable information so far obtained.

C. Trials of Motor Ship "Defiance."

A standardization trial was conducted over the Delaware Breakwater course at Lewes, Del., to determine speed, power, and revolutions as a check on the model tank experiments conducted previous to changing the bow and stem lines of the three vessels converted by the board under the Diesel program.

D. Babcock & Wilcox Sectional Express Type Boiler.

A series of tests were authorized and conducted on this boiler at the fuel oil test plant of the Philadelphia Navy Yard to determine the capabilities of the boiler for operation in merchant-marine vessels. The tests successfully demonstrated that this boiler is adaptable for such use.

E. Ballast Water Separator.

A test was arranged and conducted on a Welsh separator at the plant of the Ridgway Manufacturing Co. to determine the efficiency of this type separator for use on merchant vessels. The test was witnessed by a representative of the board and it was demonstrated that this type separator eliminates the oil from contaminated bilges or ballast water so as to enable the latter to be pumped overboard in harbor waters.

F. Condenser Experiment.

The steamship *Bakersfield* was selected and the condenser tubes and sheets were removed and replaced with tubes expanded at both ends without the use of packing. As of June 30, 1930, the new tubes have been in service four months and have demonstrated this method to be successful, as no joints have shown any signs of leaks. This should result in an appreciable saving in maintenance on merchant ships.

4. DIESEL PROGRAM

During the fiscal year 1930 the Bureau of Construction continued with the development of the Diesel conversion program authorized by the act of June 6, 1920, to the end that the remaining five vessels being converted were completed and put in operation.

This last program, as stated in the thirteenth annual report, included eight conversions, of which three were completed during the fiscal year 1929. The completion of the above-mentioned vessels covered the whole scope of the Diesel conversion programs previously outlined in the eleventh, twelfth, and thirteenth annual reports of the board and constituting a fleet of 23 modern equipped motor freight vessels.

The five vessels completed during the fiscal year 1930 are as follows:

1. Motor ship *Oldham*, equipped with McIntosh & Seymour 5-cylinder, 4-cycle, double-acting marine type main engine of 3,900 brake horsepower, was placed in commission on July 10, 1929, and allocated to the American Pioneer Line for operation by the Roosevelt Steamship Co. between New York, Baltimore, and Australian ports.

2. Motor ship *Wichita*, equipped with Hooven, Owens, Rentschler 4-cylinder, 2-cycle, double-acting marine type of main engine of 4,000 brake horsepower, was placed in commission July 25, 1929, and allocated to the American Pioneer Line for operation by the Roosevelt

Steamship Co. between Baltimore, Norfolk, Newport News, and the Orient via Los Angeles.

3. Motor ship *Ward*, equipped with Busch-Sulzer, 4-cylinder, 2-cycle, single-acting marine type main engine of 3,950 brake horsepower, was placed in commission August 2, 1929, and allocated to the American Pioneer Line for operation by the Roosevelt Steamship Co. between New York and Australian ports.

4. Motor ship *Potter*, equipped with Worthington Pump & Machinery Corporation, 4-cylinder, 2-cycle, double-acting marine type main engine of 3,625 brake horsepower, was placed in commission September 13, 1929, and allocated to the American Pioneer Line for operation by the Roosevelt Steamship Co. between New York and ports of Australia and India.

5. Motor ship *Jeff Davis*, equipped precisely as the *Potter*, was placed in commission October 18, 1929, with the same company and in the same service.

During the operation of the converted Diesel engined ships, some difficulties with the engines have been experienced, as was to be expected. These difficulties have been investigated and corrected or steps taken to eliminate the source of trouble so that with few exceptions the vessels are giving satisfactory and economical service.

As a result of the Diesel conversion and of the operation of the vessels in service much valuable data of a constructive nature has been assembled by our technical staff as to causes and effects of certain performances of practically all types of Diesel engines and this data will presently be assembled in convenient form for the benefit of all interested parties.

It is not believed that further mention need be made of Dieselization work in reports of the board subsequent to the fiscal year 1930, except as may be incidental to final disposition of the fund authorized, and therefore in conclusion it is stated that it is a general opinion in various engineering circles that the Diesel programs promulgated and carried out have been justified by the results attained as they have been instrumental in clearing up many controversial questions regarding types of marine internal combustion engines and furnish the private American shipowner with valuable data upon which to plan future construction; as no single private concern could have attempted to finance such a gigantic program of a more or less experimental nature.

It is of course unfortunate that the manufacturers of large marine type Diesel engines have not as a result of their experience with the program of the board been enabled to place many duplicate orders, but it is believed that operators have been watching and waiting for results of the board's vessels in operation over a sufficient period of time before embarking on any extensive program along internal combustion lines.

The total fund authorized by Congress for the Diesel conversion program was \$25,000,000, of which \$23,500,000 has been made available for this work. Of this amount there has been expended or committed between the inception of the program and the end of the fiscal year 1930, the total sum of \$23,265,239.06, thus leaving an available cash balance of \$234,760.94, and an unexpended balance of \$1,734,760.94 from the original \$25,000,000 authorization.

5. CERTIFICATION OF VESSELS AS TO SPEED AND TONNAGE TO THE POST OFFICE DEPARTMENT

In accordance with form of procedure adopted by the board, the Bureau of Construction has conducted investigations and examinations to determine the speeds and tonnages of certain vessels operating in performance of ocean mail contract service. The bureau has secured the necessary data upon which to base a certification as to speed and tonnage of the vessels and has made the necessary recommendations to enable the board to make certification to the Post Office Department as requested.

The bureau has made recommendations for certifications to the Post Office Department for vessels operated on ocean mail routes by the following companies:

Dollar Steamship Lines (Inc.) (Ltd.).	Grace Steamship Co.
United Fruit Co.	Panama Mail Steamship Co.
American South African Line.	Oceanic & Oriental Steamship Co.
Colombian Steamship Co.	Tampa Interocean Steamship Co.

BUREAU OF LAW

The organization of the Bureau of Law remains practically the same as was indicated in the previous annual report, except the organization of the New York office. The work of the admiralty division and common law division of that office has been consolidated under one head, resulting in a closer coordination of the work and a reduction in the expenses of the office.

The work of the three principal divisions of the Bureau of Law, known as the litigation and claims division, contract and opinions division, and admiralty division, may be summarized as follows:

Litigation and Claims Division.

The number of cases in litigation on June 30, 1929, was 1,143 and the amount involved was \$109,427,410.25. On June 30, 1930, the number of cases in litigation was 920 and the amount involved was \$99,787,251.55. These figures include all litigation other than that handled by the admiralty division. A summary of the changes which have occurred during the fiscal year shows that the number of cases disposed of was 562, amounting to \$23,847,639.81 and the number of cases added was 339, amounting to \$14,207,481.11.

There were several decisions of various courts which were of great import to the Government.

One of the most important was the decision of the Supreme Court of the United States in the so-called *Lustgarten* and other cases. There were four cases considered together in which the plaintiffs had sued the Merchant Fleet Corporation or the United States on maritime causes of action either in State courts at common law or in Federal courts under the Tucker Act or in admiralty under the general law. These suits were defended on the ground that they should have been brought under the suits in admiralty act, which was the plaintiff's exclusive remedy. The Supreme Court upheld this contention and dismissed the cases on the ground that the original courts had had no jurisdiction to hear and decide them. As soon as this decision was handed down affidavits and motions to dismiss were prepared in a great number of cases which had been brought under similar situations and practically all of these cases have now been disposed of. While the decision resulted in the discontinuance of many cases brought at common law, it also resulted in the filing of a number of libels in admiralty, but the net result was a material reduction of the litigation docket.

Another important decision was that of the Circuit Court of Appeals, Ninth Circuit, in the cases of *United States v. Skinner & Eddy Corporation* and *Skinner & Eddy Corporation v. United States Shipping Board Emergency Fleet Corporation*. After judgment in favor of the board for about \$1,500,000 by the district court in Seattle, Wash., an appeal was taken by both sides, resulting in the Government receiving a judgment for \$7,560,115 28, with interest from October 30, 1923, at 6 per cent, Skinner & Eddy being given the liberty of taking credit against this judgment for allowance of just compensation amounting to \$2,615,992.06, or of bringing suit in the Court of Claims for any excess. A petition for certiorari was made by Skinner & Eddy, but this was withdrawn after the cases were settled for \$3,500,000. This settlement was made by the Shipping Board with the approval of the Department of Justice. These suits were originally brought in the United States District Court for the District of Washington and the claims on both sides amounted to more than \$20,000,000, involving claims and counterclaims of both parties.

P. LeRoy Harwood, as trustee in bankruptcy of Groton Iron Works brought a suit against the Merchant Fleet Corporation in the United States District Court for the District of Connecticut. The Government defended on the ground that the district court had no jurisdiction, since the cause of action should have been brought against the United States. The district court decided in favor of the Government. An appeal was taken to the United States Circuit Court of Appeals, for the Second Circuit, by the trustee in bankruptcy and this decision

was reversed. This judgment was reviewed on certiorari by the Supreme Court and the Supreme Court affirmed the judgment of the Circuit Court of Appeals for the Second Circuit and held that the Merchant Fleet Corporation could be held liable on the contract in question. The other issue in this case (which was tried before the district court), involving the question whether the contract of March 26, 1920, was a settlement and adjustment of all controversies between the parties, was decided in favor of the Government both in the district court and in the court of appeals and is now the law of the case, but under that contract there must be an accounting and the case is still pending.

Bethlehem litigation.—These cases were tried before Hon. Owen J. Roberts, sitting as special master in Philadelphia, and all the testimony taken. Before the arguments were held, Mr. Roberts was appointed a Justice of the Supreme Court of the United States and he thereupon withdrew from the case. In the course of the trial, however, all of the collateral issues, involving many questions of facts and several millions of dollars, were settled by stipulation between the parties. Inasmuch as the necessity for the determination of these multiple issues was the main cause of the case being heard by a master instead of by the court, the settlement of these issues will preclude a second hearing by another master, but the case can be heard by a judge on the sole issue of fraud. The trial will therefore be a comparatively short one both as to preparation and hearing, because all of the testimony is ready and the case has been fully briefed for the Government. Arrangements are being made for an early hearing in the fall.

Brooklawn, N. J., foreclosures.—This division has been actively engaged in the foreclosure of the mortgages held by the Government on property located at Brooklawn, N. J., a former housing project used by the Government during the war to house the shipyard workers in and around Camden, N. J. By direction of the Shipping Board, there have been 102 foreclosure proceedings commenced, and this division was entirely responsible for the preparation of all court papers necessary therein. The bill of complaint and *lis pendens* has been drawn and filed in each case. Service has not been completed in all of the cases, but where service has been completed 62 orders of decree *pro confesso* in a like number of cases have been entered. In 46 cases final decrees have been filed and in these cases writs of execution are being prepared to be filed shortly.

Starita Stevedoring Corporation.—This was a suit in equity brought by Starita Stevedoring Corporation in the Supreme Court of the District of Columbia to enjoin the Shipping Board from entering into an agreement for stevedoring work on vessels operated by the

American Pioneer Line. After argument of this case it was dismissed. An appeal has been noted but not perfected.

Italian Star Line.—Suit was tried in the United States District Court for the Southern District of New York. The amount involved is approximately \$500,000 on a complaint by the Italian Star Line that the defendants, Merchant Fleet Corporation, and certain others, conspired to place this company in the hands of receivers to secure their books and records for the purpose of prosecuting certain officers criminally, thereby causing a loss of their business, etc. The case was tried before a court and jury over a period of more than a week and the jury found in favor of the plaintiff for \$105,000, but this was set aside by the court. An appeal has been taken by the Italian Star Line to the Circuit Court of Appeals for the Second Circuit, where it is pending.

United States v. Russell Wheel & Foundry.—This case was previously reported in another annual report. The Government has since been successful in collecting the full amount of the claim, amounting to about \$55,000.

Bennett case.—This was a suit by the former employees of the Newburgh Shipyards involving about \$310,000 to recover their share of the profits alleged to have been earned on a contract for construction of ships between the Newburgh Shipyards and the United States. The case was previously referred to in another annual report. It was argued and decided by the Court of Appeals of the District of Columbia in favor of the Government. A petition for a writ of certiorari was denied by the Supreme Court of the United States.

French-American Line bond case.—This case involved about \$300,000 on our claim against several bonding companies for money due us under the bond which was given to secure the performance of the operating agreement of the French-American Line. The case was prepared for trial and was settled on the day of the trial by payment to the Government of \$110,000.

In addition to the foregoing, the larger cases in the Court of Claims which were handled by the Department of Justice during the year, with the cooperation of this office, are as follows:

Carlo de Luca.—This is a suit or more than \$1,000,000 for compensation on account of the requisition by the United States of certain vessels which the Standard Shipbuilding Corporation contracted to build for the plaintiff. A demurrer was filed on behalf of the Government and petition dismissed.

Russian volunteer fleet.—The suit involved about \$4,000,000. Petition was dismissed. Motion for new trial was overruled, and petition for certiorari was granted by the United States Supreme Court, where it is pending.

Atlantic Refining Co—This was a suit for just compensation involving nearly \$2,000,000. The case was tried, resulting in an affirmative judgment in favor of the United States for about \$750,000.

Walter W. Johnson.—This was a suit for \$50,000 on a claim for compensation for use of a launching device. Judgment was rendered for the plaintiff in the sum of about \$14,000.

Lindsay Lumber Co.—This was a suit brought for alleged breach of contract with the Jacksonville Shipping Corporation for a shipment of lumber and involved about \$65,000. Judgment was rendered for the plaintiff for approximately \$46,000.

In addition thereto there were other smaller cases handled by the Bureau of Law in the Court of Claims during the year.

Contracts and Opinions Division.

This division has been actively engaged in the work necessary to complete the sale of ships. There have been 100 ships sold during the year, and this division was responsible for the preparation of proposals of sale and notice to bidders, preparation of conditions of sale, contracts, bills of sale, preferred mortgages, bonds, notes, and attending to all other formalities necessary to consummate these sales. There was a marked increase in the work incidental to advances made out of the construction loan fund. This division was responsible for the preparation of all agreements and other documents essential in making advances to various companies for moneys to aid in the construction and reconditioning of ships. All applications for advances are reviewed by this division, as well as all contracts, mortgages, notes, and all of the formalities of checking up title searches and the like. In addition this division also prepared all contracts for supplies, stevedoring, managing agents, contracts, leases, service contracts, powers of attorney to foreign representatives, and all opinions required by the Shipping Board and Merchant Fleet Corporation in the conduct of their business. There were approximately 150 of these opinions written during the year and approximately 700 contracts and other instruments prepared.

Admiralty Division

During the fiscal year ending June 30, 1929, there were pending in the admiralty division of the Bureau of Law 493 cases, and the amount involved was \$24,633,416.98. On June 30, 1930, there were 369 cases pending involving \$13,016,128.18, making a total reduction of 174 cases disposed of during the year.

There were 50 cases added during the year, amounting to \$464,004.28. On June 30, 1930, there were 205 admiralty claims not in litigation, involving \$4,995,116.56. These figures include all admiralty litigation not only in this country but all foreign countries, but does not include the so-called suits brought under the public vessel act, which are

about 376 in number. These cases are handled by our New York office and are for the account of the various departments of the Government other than the Shipping Board and Merchant Fleet Corporation.

This division also has charge of the codification of the navigation laws which is pending in Congress.

The Bureau of Law handles claims against surety companies on bonds and all collections on deferred payments. As in the past, the Bureau of Law maintains a large docket and files of all cases in litigation, both present and past; attends to the docketing of all cases; maintains a record of the progress of the cases; attends to the preparation of reports and other data; maintains custody of all original contracts and other instruments. The Bureau of Law also passes on nearly all settlements made by the Shipping Board and Merchant Fleet Corporation, as well as write-offs and cancellations of accounts of doubtful debtors, and acts generally in an advisory capacity to the other departments of the board and the fleet corporation. It also prepares all contracts and opinions for the Merchant Fleet Corporation. The expenses of the bureau were reduced by nearly \$60,000 during the fiscal year ended June 30, 1930.

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

BUREAU OF FINANCE

During the year the Shipping Board adopted a new organization plan under which the functions of the Bureau of Finance were outlined as follows:

1. Investigate methods of ship financing in United States and foreign countries; compile data as to financial situation and result of operation of American steamship companies operating in foreign, intercoastal, and lake services, such data to be immediately available to the Bureau of Construction or other bureaus of Shipping Board.
2. Investigate legal and general status, and operation of marine mortgage banks in foreign countries; also methods of financial aid rendered by foreign countries to its nationals in shipping or shipbuilding industries.
3. Compile and report annually as to amount of marine insurance written on American vessels and on cargoes, specifically as to hull insurance written by American companies and by foreign companies; also reinsurance in American and foreign companies—same data as to cargo insurance; also as to builder's risk insurance.
4. Investigate the status of marine insurance in the United States and abroad and report as occasion may require as to what steps may be necessary to develop and encourage ample American marine-insurance industry.

Under paragraph 1 steps have been taken toward securing financial reports from all American steamship companies operating in foreign,

intercoastal, and lake services. At the close of the fiscal year the bureau had on file 172 of such statements. These reports are available to other bureaus of the United States Shipping Board. Efforts are being made to make the file complete, and it is planned to secure similar reports annually so that a current record of shipping finance will be available.

Under paragraph 2 a large amount of data has been received through banking connections from Germany, Holland, France, Italy, and other European countries as to the general scheme of shipping finance and the operation of marine mortgage banks in these countries. Most of these reports are in foreign language, and considerable translation work will be required before they can be analyzed. This will be undertaken as soon as practicable.

Under paragraph 3 action has been taken to secure complete figures as to amount of marine insurance written in United States. After conferences with a committee of marine underwriters a questionnaire form was prepared, and this was sent to all companies writing insurance in United States, both American and foreign. Response was prompt and all reports were received prior to close of the fiscal year. The results are summarized in the following statement issued by the board.

Ocean Marine Insurance Survey.

A compilation of reports submitted to the Bureau of Finance by American and foreign admitted companies writing ocean marine insurance in United States during the calendar year 1929 discloses the following:

Gross premiums received \$60,442,000; net premiums, \$51,746,000. Of the total reinsurance, \$8,696,000 went out of the United States. In other words, 14 per cent of gross insurance premiums paid in this country eventually found its way out, leaving 86 per cent as net premiums in United States.

Seventy American companies and 34 foreign companies are included in this compilation. These represent practically all companies writing ocean marine insurance in United States. Nearly all American companies transact business as fire and automobile insurance companies, as well as marine. These companies accept insurance on specific risks and then redistribute the risk between several companies. They operate in groups and the redistribution or reinsurance, by and between the American companies and foreign admitted companies appears on a 50-50 basis; the insurance remains in United States. However, the \$8,696,000 referred to above went to nonadmitted foreign companies and this amount deducted from gross premium leaves the figures given as net premiums in United States.

American insurance companies reported \$43,315,000 gross premiums; 38 per cent was for hull, and 62 per cent for cargo insurance.

On hull insurance \$11,000,000 was distributed as reinsurance, of which about \$2,000,000 went to foreign nonadmitted companies. About \$18,000,000 was ceded as cargo reinsurance, of which \$3,610,000 went to foreign nonadmitted companies.

Foreign insurance companies doing business in United States reported \$17,127,000 gross premiums; approximately 72 per cent was cargo insurance. Of a total of \$16,521,000 reinsurance, approximately \$3,000,000 went to nonadmitted foreign companies.

Reinsurance and net premiums.—Gross figures reported as above include reinsurance ceded to and received from the various reporting companies—American and admitted foreign companies.

After making deductions for reinsurance, net premiums received by American companies amounted to \$37,730,000, and by foreign admitted companies, \$14,016,000, or a total net premium on ocean marine insurance (excluding inland navigation) of \$51,746,000. Net cargo premiums amounted to \$32,337,000; hull premiums, \$19,409,000.

American Marine Insurance Syndicate C.—One of the surprising results shown by the compilation was the relative amounts of hull insurance written by the syndicate (which has generally become known as the "American market") and amounts written outside of syndicate.

The syndicate reports \$8,000,000 in net premiums on ocean and lake hull; net premiums on hulls written outside of syndicate amounted to more than \$11,000,000. Investigation disclosed that insurance written outside of syndicate covered fishing vessels by certain New England companies, and pleasure yachts by Atlantic and Pacific companies. This is not generally considered as "ocean hull" business, but amounts to a very considerable sum, and is written mostly by American companies; also the premiums "outside of syndicate" include the Shipping Board insurance fund, over a million dollars premium written in 1929.

The syndicate is an authorized combination of insurance companies to provide a ready market for American-owned ocean-going hulls; its business is written and managed by a central office in New York; it accepts risks on hulls and distributes this risk on a pro rata basis among the companies in the syndicate. Both American and foreign admitted companies are included, and the distribution of policy risks is made on an equal basis so far as premium rates are concerned. During 1929 the syndicate distributed its business as between 43 American insurance companies and 27 foreign admitted companies.

The Bureau of Finance has made the following summary, showing gross reinsurance and net premiums for all companies writing ocean marine insurance in United States:

Reinsurance and net insurance

Insurance premiums reported:	
American companies.....	\$67, 256, 000
Reinsurance (deduct).....	29, 526, 000
Net premiums.....	<u>37, 730, 000</u>
Foreign companies.....	30, 537, 000
Reinsurance (deduct).....	16, 521, 000
Net premiums.....	<u>14, 016, 000</u>
Net insurance premiums, American and foreign.....	<u>51, 746, 000</u>
Cargo premiums reported:	
American companies.....	41, 803, 000
Reinsurance (deduct).....	18, 509, 000
Net cargo premiums.....	<u>23, 294, 000</u>
Foreign companies.....	22, 209, 000
Reinsurance.....	13, 166, 000
Net cargo premiums.....	<u>9, 043, 000</u>
Net total cargo premiums.....	<u>32, 337, 000</u>
Hull premiums reported:	
American companies.....	25, 453, 000
Reinsurance (deduct).....	11, 017, 000
Net hull premiums.....	<u>14, 436, 000</u>
Foreign companies.....	8, 328, 000
Reinsurance.....	3, 355, 000
Net foreign hull premiums.....	<u>4, 973, 000</u>
Net total hull premium.....	<u>19, 409, 000</u>
Net total cargo and hull premiums.....	<u>51, 746, 000</u>

Reinsurance

American companies:	Premiums
Reinsurance on hull with—	
American companies.....	\$5, 358, 000
Foreign admitted companies.....	3, 684, 000
Foreign nonadmitted companies.....	1, 975, 000
Total hull.....	<u>11, 017, 000</u>
Reinsurance on cargo with—	
American companies.....	9, 140, 000
Foreign admitted companies.....	5, 759, 000
Foreign nonadmitted companies.....	3, 610, 000
Total cargo.....	<u>18, 509, 000</u>

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Foreign companies:

Reinsurance on hull with—	Premiums
American companies.....	\$1, 448, 000
Foreign admitted companies.....	1, 068, 000
Foreign nonadmitted companies.....	839, 000
Total hull.....	3, 355, 000
Reinsurance on cargo with—	
American companies.....	5, 531, 000
Foreign admitted companies.....	5, 363, 000
Foreign nonadmitted companies.....	2, 272, 000
Total cargo.....	13, 166, 000

How net premiums and gross premiums are determined from questionnaire reports:

Questionnaire reported full amount of insurance written direct or as reinsurance, without deduction for reinsurance ceded to other companies.

As the various companies reinsured with each other, it is obvious that reinsured amounts were duplicated in total compilations. This applied for all American and admitted foreign companies.

However, where reinsurance was with foreign nonadmitted companies (and there was no questionnaire received from companies outside of United States) there was no duplication of this item in questionnaires reported. Result:

Questionnaire total premiums:

American.....	\$67, 256, 000
Foreign admitted companies.....	30, 537, 000
Total.....	97, 793, 000

Total reinsurance by—

American companies to American companies.....	14, 498, 000
American companies to foreign admitted companies.....	9, 443, 000
	23, 941, 000
Foreign admitted companies to American companies.....	6, 979, 000
Foreign admitted companies to like companies.....	6, 431, 000
	13, 410, 000

Total reinsurance within United States..... 37, 351, 000

As each company reported full amount of insurance written, the reinsurance is reported twice, so if this figure is deducted from gross figures compiled from all questionnaires, the result leaves gross insurance premium of.....

60, 442, 000	
Reinsurance with foreign nonadmitted companies.....	8, 696, 000
	51, 746, 000
Net premiums in United States.....	51, 746, 000

A review of surveys of marine insurance made in previous years indicates that the American marine insurance industry is growing at a steady pace. The previous figure reported as net premiums on ocean marine insurance in 1905 showed a total of \$46,187,000, as against \$51,746,000 reported for 1929; an increase of 12 per cent.

This is the first compilation published by the Shipping Board of marine insurance data specifically complying with the provisions of section 12 of the shipping act:

To examine into * * * the number of companies in the United States, domestic and foreign, engaging in marine insurance, the extent of the insurance on hulls and cargoes placed or written in the United States, and the extent of reinsurance of American maritime risks in foreign companies. * * *

The annual reports of insurance companies as submitted to the various State insurance departments show one item, ocean marine insurance, without distinction as between "hull" and "cargo" amounts; this also applies to reinsurance. Inland navigation and transportation insurance is another item, separate from ocean marine, and is not included in this compilation.

The above figures represent a breaking down of the ocean marine business reported by the various companies. In order to obtain this information, a questionnaire form was sent to the insurance companies containing 14 specific questions. This step met with full cooperation on the part of insurance companies, and while complete figures have been received from each company it is not proposed to give publicity to any except gross figures; similar data will be compiled each year hereafter.

Shipping Board Insurance Fund

In the previous annual report reference was made to a special investigation of marine insurance for Shipping Board fund. This investigation has been completed and the board has approved a new plan and policy for a general insurance fund. This represented a complete change of policy and was designed to place the insurance fund on a basis as nearly as possible as that of a private insurance company.

It was decided that the insurance fund should not be conducted for profit, but that premium rates should be so fixed as to meet losses; in other words, the insurance fund was not to be used as a special shipping subsidy to the extent of paying losses in excess of insurance premiums, which, in fact, was the result in existing method of operation of the fund.

It was also decided to reduce the amount of insurance carried by the fund in proportion to the gradual reduction of equitable interest of the board. The plan was designed to encourage use of private

American insurance market for the proportionate part of insurance on vessels sold by the board which was not carried in the board's own insurance fund.

In view of importance of this new general insurance fund, the policy and plan suggested by Bureau of Finance, subsequently recommended by the committee on finance, and approved by the board, is set forth in the following opinion and recommendation of the committee:

1. In view of the growth and importance of the board's insurance fund, your committee deemed it advisable to appoint a recognized authority on marine insurance to study the subject and propose a plan which would meet requirements of the merchant marine act and provide a definite working policy for operation of the fund. Accordingly, Dr. S. S. Huebner, of the Wharton School of Finance, was engaged with approval of the board.

2. Doctor Huebner, in his report, recommends:

1. Elimination of all insurance on coastwise steamers provided this insurance is taken by American Marine Insurance Syndicate. If this can not be arranged, the board's fund should limit insurance to its mortgage interest.

2. Limitation of insurance on ships in unrestricted foreign service, to the mortgage interest, with adjustments at end of each policy year.

3. Limitation of insurance on ships in restricted service, in accordance with the 3-step plan above outlined and previously recommended to the board.

4. In regard to insurance on vessels built under the construction loan fund, Doctor Huebner recommends:

(a) While the vessel is under construction, builder's risk insurance with private underwriters be required, American companies to be given first preference, and that American Marine Insurance Syndicate be urged to enter into this type of underwriting.

(b) Protection and indemnity coverage to be left to private market. Where coverage is exceptionally large, world market should first be exhausted, and board to assume only an excess of loss liability.

(c) On vessels built for coastwise trade, private insurance only should apply.

(d) For vessels to be used in unrestricted foreign service, marine insurance in board's fund should be limited to mortgage interest.

(e) Where vessel is used in a "restricted" foreign service, board should follow the 3-step plan previously mentioned.

(f) In the case of very expensive vessels, where the necessary marine insurance can not be covered in world market, the board's fund should be in a position to carry the difference between the monetary interests of the board and the amount of insurance obtainable in world insurance market.

3. Doctor Huebner also suggests that the marine insurance reserve covering Shipping Board ships, and the insurance fund covering privately owned ships be withdrawn from the United States Treasury and invested, the interest to be added to the fund, thus augmenting the premiums (but that Government and private insurance be in separate accounts). Other recommendations were made relative to general administration of insurance fund, research, etc., but your committee will confine itself herein to the specific problem of estab-

lishing a policy as to insurance in Shipping Board fund on ships sold or on which loans have been made by the board.

4. The Shipping Board insurance fund now operates under direction contained in following resolution of July 31, 1928:

Now, therefore, be it resolved, That an insurance fund be and hereby is created for the purpose of insuring in whole or in part against all hazards commonly covered by insurance policies in such cases, any legal or equitable interest of the United States (1) in any vessel constructed or in process of construction; and (2) in any plants or property in the possession or under the authority of the board and that there be and hereby are appropriated to said fund from moneys received from sales during the fiscal year 1928 other than receipts from securities set aside by the Shipping Board in its resolution dated June 27, 1927, the sum of \$1,000,000 and all premiums received for insurance carried by said fund; and be it further

Resolved, That the extent of the Government's interest in any vessel, plant, or property included in this act be fixed as the amount of insurance required by the mortgages or contracts held by the Government, provided that the amount insured by the fund shall not be less than the balance due the Government under the mortgage it holds.

5. Note that extent of Government's interest is fixed as amount of insurance required by mortgages or contracts. When a ship or line of ships is sold a certain commercial value is placed thereon and insurance to this extent is required by the board as a protection of its interest. This insured value is invariably higher than the mortgage interest. Before the establishment of the insurance fund this insurance was placed in commercial market, foreign and domestic.

6. During consideration of the general problem your committee received protest from the Association of Marine Underwriters of the United States that the Shipping Board insurance fund was in competition with American insurance companies, and that this was not the intent of Congress; also, that the board's activities in marine insurance should be confined to amounts which the Government actually had at risk.

7. Hearing was granted to a committee representing the underwriters on September 12, to which commissicners of the board were invited. At this hearing there was a general discussion, but no definite petition presented. However, the underwriter's committee agreed to present their side of the question in a letter.

8. Accordingly, on October 3, the committee of underwriters, including William R. Hedge, G. C. Morris, and William D. Winter, submitted the following:

(a) The act gives the board no authority to insure any interest excepting that of the United States Government (recognizing that some difficulty may arise in determining amount of Government's interest in certain cases).

(b) In conformity with act of 1920, the American Insurance Syndicate was formed; Syndicate C has an underwriting capacity of \$2,500,000 per vessel, and there is therefore no commercial need of Shipping Board using its insurance fund except for the Government's interest in high-valued vessels—in excess of

\$2,500,000. However, the underwriters offer no particular objection to the use of the insurance fund for the unpaid balance of sold vessels, but they feel that with respect to vessels built under construction loans, and vessels in the protected coastwise trade, the Government should permit its financial interest to be insured in part, at least, in the American insurance market.

(c) With respect to amounts in excess of the dollar interest of the Government, while we see no necessity for the Government's fund being used, we would not offer serious objection to some plan by which the commercial value, in excess of the unpaid balance of the mortgage on vessels sold to perform a definite service over a period of years, might be insured in part with the Shipping Board fund, but in no case for an amount exceeding the Government's interest in the service contract. We would suggest as a possible method of doing this, that insurance be available in the insurance fund of the Shipping Board for the following percentages of the commercial value of such vessels. (They proposed a plan similar to the 3-step plan, but suggested 5-step from 50 to 10 per cent, and with regard to construction loans, from 25 to 5 per cent.)

(d) On ships sold for unrestricted trade, insurance to be limited to unpaid balance on mortgage.

(e) We do not think your board has authority to issue what purports to be marine insurance at rates less than actual loss cost of the risks involved. Such a practice on the part of the board can not fail to disorganize the entire marine insurance business by setting up a false standard of rates which could not possibly be maintained on a commercial basis. We submit that your board should not quote rates less than American insurance companies could hope to meet on a commercial basis.

9. With the proposals to eliminate ships in coastwise service, to limit insurance on unrestricted ships, to gradually reduce insurance on restricted ships, and to base premium rates so as to cover costs, there is full agreement on the part of those consulted by your committee (except shipowners).

10. Many conditions are involved in these recommendations. If coastwise ships are eliminated from the board's fund, will American or foreign underwriters provide the insurance? Where our fund carries only part of required insurance on restricted or unrestricted ships in foreign trade, who will carry the balance? As the Government's interest decreases with payment of mortgages, what markets will gain the insurance? In short, what definite benefit will ultimately accrue to the American marine insurance industry through the limitation or curtailment of insurance in the board's fund, considering that the fund was created, largely, to avoid discrimination or excess costs, through, or indirectly by reason of, foreign competition; and that it is imperative that control of American marine insurance should not rest in foreign markets?

11. Your committee is mindful of the direction in merchant marine act, 1920 (and 1928), that "the United States Shipping Board shall * * * keep always in view this purpose and object as the primary end to be obtained—to do whatever may be necessary to develop and encourage * * * a merchant marine." It recognizes that, while the Shipping Board is committed to a policy of encourage-

ment and aid to American shipowners, and particularly to purchasers of shipping lines which the board has fostered and developed, it is not authorized to provide such aid in a manner involving direct monetary loss to the Government (in insurance activities), in favor of private shipowners, while unduly competing with American underwriters.

12. Your committee feels, further, that marine insurance is an adjunct to shipping; that an American marine insurance market is necessary to an American merchant marine, and that it is important that such an insurance market be controlled by private business as that shipping lines should be.

13. Accordingly, your committee is of the opinion that:

(a) The Shipping Board insurance fund be maintained solely for the purpose of providing insurance protection to the extent of the Government's interest in ships sold, or on which loans have been made by the board.

(b) The fund should not be conducted for profit, but rates should be so fixed as to make the fund self-sustaining, with reasonable consideration for overhead and reserve.

(c) In consideration for the advantages gained by the owner through insurance in the board's fund, he be urged to place his commercial insurance (on the same ships) with American underwriters, in so far as such insurance may be available; in other words, an owner who secures a rate in the board's fund which is lower than he can obtain from private companies, should understand that acceptance of his insurance is not obligatory on the part of the fund, that the fund is intended to aid and develop an American merchant marine as well as an American marine insurance market, and that, accordingly, he should place his remaining insurance in American companies.

(d) In order to provide a substantial spread and to place all insurance on a practical basis, the insurance reserve now applying to active ships of the Fleet Corporation should be withdrawn from the United States Treasury, together with moneys applying to the insurance fund, and the whole lumped as one fund, placed in sound investments (to be approved by Secretary of Treasury), and the proceeds added to such fund, as would a private insurance company.

(e) Thereafter, all marine insurance losses be paid from this fund, and that the fund be credited with insurance premiums from all active ships and lines of the Shipping Board at rates based on loss experience of these lines, respectively (and not on a general flat rate as at present).

(f) In fixing the rate on sold ships for the first policy year, consideration be given to rate in private market for such a ship and owner, but in no event should a rate be fixed at a figure known to be lower than that justified by previous experience, even though insured be engaged in an extra hazardous trade. "Encouragement and aid" in the form of a lower rate than that justified by the losses would, in effect, result in a subsidy under the guise of insurance, and your committee feels that if the board is to extend financial assistance to make up for heavy losses in a given trade such aid should not be covered up in the form of an insurance contribution from a general fund made up of premiums from other owners.

14. In view of the foregoing, your committee recommends—

1. That the United States Shipping Board adopt a policy of providing insurance on not less than a cost basis, and that the form of insurance policy issued follow as closely as possible that used in private American practice.

2. That a new general insurance fund be created out of moneys now in the Shipping Board insurance fund and in the reserve fund now applying to Shipping

Board ships; that such moneys be definitely and irrevocably removed from the control of the Shipping Board or Merchant Fleet Corporation for any purpose other than for the operation of the general insurance fund; that a general insurance working fund be created, out of the moneys now to the credit of these funds, into which will be deposited premiums and income to the general insurance fund, and from which disbursements will be made; that the balance remaining in the general insurance fund be invested by the Merchant Fleet Corporation (subject to approval of the Secretary of the Treasury) in approved securities (such as Government bonds) and the proceeds credited to the general insurance working fund; that the Merchant Fleet Corporation be authorized to increase the amount of such investments, or to liquidate the invested funds, according to the requirements of the general insurance working fund; and that authority is granted to the Merchant Fleet Corporation for withdrawal from the United States Treasury of any and all funds necessary to carry out these provisions.

3. That all power and authority necessary for the conduct of the business of the general insurance fund be delegated to the Merchant Fleet Corporation, and that active administration of the general insurance fund shall remain a definite function of the Merchant Fleet Corporation, through its responsible executive officers. Further, that the insurance department be placed under the jurisdiction of the board of trustees of the Merchant Fleet Corporation, to whom all major issues or disputes may be referred for final decision.

4. That all active ships now owned by the Shipping Board be insured in the general insurance fund at rates based on previous loss experience of respective operators (regardless of rates granted to private owners or the present flat rate), and that premium for such insurance be actually paid out of operating funds and placed in the general insurance fund.

5. That no insurance be granted beyond the extent of the Government's legal or equitable interest, nor beyond the amount required by the mortgage.

6. That for ships sold for operation in restricted services, the limit of insurance in the general insurance fund may be fixed at not in excess of the following:

(a) During first year the fund may insure for not exceeding 75 per cent of insured value.

(b) During second year the fund may insure for not exceeding 65 per cent of insured value.

(c) During third year the fund may insure for not exceeding 55 per cent of insured value.

(d) During fourth year the fund may insure for not exceeding 45 per cent of insured value.

(e) During fifth year the fund may insure for not exceeding 35 per cent of insured value.

(f) During each year of restricted service subsequent to the fifth year the fund may insure for not exceeding 25 per cent of the insured value.

(g) During the balance of mortgage period, after restricted service has been rendered, the fund may insure for not exceeding the amount of the mortgage.

7. That for ships sold for operation in unrestricted service, the following limitations be fixed:

(h) For ships engaged in a service in which foreign-flag steamers could engage, the fund may insure for not exceeding the mortgage money interest.

(i) For ships in coastwise or intercoastal trade, the fund may insure for not exceeding the mortgage interest, only on condition that insured shows that such insurance will encourage his use of private American market for balance of his requirements.

8. That for steamers on which construction loans have been made the following limitations should be fixed:

(j) Where the loan agreement provides, or is a result of a contract for guaranteed service, the fund may insure up to the same limits provided for steamers sold for restricted service (a), (b), (c), (d), (e), (f), (g).

(k) Where the loan agreement does not provide for guaranteed service, but the steamers are engaged in a service in which a foreign-flag steamer can engage, the insurance shall be limited to the mortgage interest.

(l) Where steamers, on which loans have been made, are engaged in coastwise or intercoastal service, the fund may insure for not exceeding the mortgage interest, only on condition that insured shows that such insurance will encourage his use of private American market for balance of his requirements.

(m) When construction loans have been made on steamers whose cost exceeds the capacity of the world insurance market, the fund shall issue hull, disbursement, and builder's risk forms of policies in amounts which may be necessary to provide sufficient protection to permit of loans being made. This shall apply regardless of the service in which the steamer is to be engaged, but efforts should first be made to exhaust world market, after which insurance in the general insurance fund should cover only excess of loss liability as between private insurance and fund insurance.

9. That, generally, for ships on which construction loans have been made builder's risk insurance, and protection and indemnity coverage, be left to private market, but the insured be urged to utilize American companies.

10. That in any event, the insurance department is authorized to reject applications for insurance (subject to appeal to the board of trustees).

11. That determination of rates to be applied be left with head of insurance department, from whose ruling no appeal may be taken except to the board of trustees.

12. That the resolution of the Shipping Board, dated July 31, 1928, creating an insurance fund, be amended by elimination of the clause: "Provided, That the amount insured by the fund shall not be less than the balance due the Government under the mortgage it holds." (Insurance to this extent will always be required under terms of mortgage, but provisions therefor by the board's fund should not be mandatory.)

13. That the board of trustees be designated by the board to act for it on all questions arising out of operation of the general insurance fund, and to decide, without further appeal, any matters of dispute relating thereto; provided, however, that all matters involving a change in policy, shall be submitted to the Shipping Board for its action.

Housing mortgages.—In spite of all efforts to dispose of housing properties and mortgages, this remains a troublesome problem. A large number of holders of these properties have ceased to pay interest on mortgages or taxes but retain possession without making an effort to liquidate, apparently in an effort to force the hand of the board with a view of having mortgages discounted or extended. On the other hand, many property owners have made a sincere effort to meet payments due, but owing to business depression and general lack of employment in the immediate neighborhood they have been unable to carry on. During the past year the board authorized foreclosures on approximately 100 properties and has taken steps to foreclose on about 80 more. This unfortunate step has been forced upon the board after the utmost leniency and after the board had extended the mortgages in their original amounts for

three years and had offered to extend them for an additional year upon payment of 20 per cent on principal.

During the time the present commissioner in charge of Bureau of Finance has been with the board he has taken a special interest in this problem, as a result of which many properties have been closed out and some deeded back without foreclosure. A special local representative was appointed, and he has been on the ground at Brooklawn continuously; he has devoted his time toward collecting rents and interests, but has met with lack of cooperation from many of the property owners. Accordingly wholesale foreclosures of housing mortgages, especially at Brooklawn, has been made necessary in order to protect the interests of the Government.

BUREAU OF RESEARCH

During the past fiscal year there has been a continuing increase in the demands for periodical reports of the bureau and for economic and statistical studies involving special research. Eighty-eight periodic reports were issued, 52,000 copies of which were distributed among governmental officials, land and water transportation companies, port organizations, financial, commercial, civic, and educational institutions. Special studies, made possible by the facilities for original research afforded by the comprehensive resources of the bureau, numbered 326. Of these special studies 123 were furnished to United States Shipping Board officials, 57 to other governmental departments, 54 to port and commercial organizations, 42 to industrial and transportation corporations, 43 to press publications, and 7 to educational institutions.

The organization of the bureau remains the same as in the previous year, its duties being distributed among three divisions—the maritime records division, the educational division, and the economic division.

The maritime records division collects, records, and compiles data pertaining to the movements of all vessels of 100 gross tons and over participating in the foreign, intercoastal, and noncontiguous territory traffic of the United States, together with particulars as to lines operated, vessels employed, cargoes and passengers carried, and ports at which they are loaded and discharged. Detailed descriptive particulars of approximately 20,000 vessels, which constitute the world's available merchant marine, are maintained in the division together with records of vessel construction in the principal maritime countries and the status and employment of American steam and motor vessels of 1,000 gross tons and over.

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

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

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

The duties of the bureau during the fiscal year included the formulation of records and compilations pertaining to the activities of approximately 6,000 vessels, participating in the water-borne foreign, intercoastal, and noncontiguous trade of the United States during the year, involving detailed data regarding 65,000 vessel entrances and clearances occurring at 190 United States ports and the traffic between those ports and 1,375 foreign ports consisting of 118,000,000 tons of cargo and 2,500,000 passengers which were transported in foreign, intercoastal, and noncontiguous territory trade routes. Routine work in connection therewith included the formulation of records on 1,250,000 cards, the examination and analysis of approximately 150,000 individual reports, the recording of 10,000 changes in records of status and structural details of the world's merchant fleet, and the conduct of correspondence necessary in the investigation and research required to insure accurate and complete information upon which to base the records formulated.

The bureau's cumulative records of world commodities and world ports now contain 2,000 commodities and the names and locations of 3,426 world ports. Of the world ports recorded, 344 are located in continental United States, 406 in noncontiguous United States territories, and 2,676 in foreign countries.

SECRETARY

The office of the secretary is the central administrative office of the board, and the duties thereof may be briefly stated as follows:

Records all minutes of meetings of the Shipping Board.

Prepares and presents to the board, by formal docket or otherwise, all cases which require the board's attention.

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

Has supervision over the division of public information.

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

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

Prepares for the board or committee thereof cases which arise under section 30, subsection O, merchant marine act, 1920; conducts investigations in connection therewith, and issues formal orders thereunder.

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

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

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

Supervises communications, telegrams, cables, etc.

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

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

Sales to Aliens and Transfer of Registry.

All investigations, studies, and recommendations concerning applications under section 9 of the shipping act, 1916, as amended, are handled in the office of the secretary on behalf of the standing committee of the board to which the administration of the provisions of this law has been assigned.

Under the provisions of section 9, it is unlawful to sell, transfer, or mortgage, or, except under regulations prescribed by the board, to charter any vessel purchased from the board or documented under the laws of the United States to any person not a citizen of the United States, or to put the same under a foreign registry or flag without obtaining the board's approval.

In the administration of this section of the act, it is the policy of the board to prevent the alienation of ownership or control of American vessels to foreign citizens which are of a type required in the development and maintenance of a modern, efficient merchant marine and for service under the American flag during a national emergency.

In cooperation with the Treasury Department and the Department of Justice, the board has, by refusing its approval to sale to aliens and transfer to foreign registry of small vessels of 2,500 dead-weight tons and under, prevented the transfer of such vessels to aliens who other Government departments suspected would engage in unlawful smuggling trade with United States ports. A number of such applications are now pending before the board and have not been favorably considered because the applicants have been unable to establish the bona fides of the sale and transfer.

To obtain the approval of the board required by this section a formal application is not necessary, but it is required that sufficient information be given in the application so that all details concerning

the vessel's construction, age, present and contemplated trades, the reasons for requesting transfer of ownership or registry, and why it is not desirable or practicable to retain the vessel under American ownership for operation under the American flag are furnished. With a view to protecting American lienors, the board requires that a certificate of liens and encumbrances issued by the collector of customs at the vessel's home port be filed with the application. For convenience there has been prepared an application form comprehending all of the data which must be submitted for the board's consideration, and copies of this form may be obtained from the office of the secretary or the office of any collector of customs.

Pursuant to this section of the law, the board at a meeting on April 22, 1930, adopted the following resolution:

Resolved, As a regulation prescribed by this board under the provisions of section 9 of the shipping act, 1916, as amended, the approval contemplated by that section is hereby given that any vessel documented under the laws of the United States may be chartered, without further action by this board, to a person not a citizen of the United States, for a period not to exceed 12 months, or for a voyage or voyages, the probable duration of which will not exceed 12 months: *Provided, however*, Neither this resolution nor the resolution adopted October 14, 1921, shall be construed to apply to any vessel chartered from the Shipping Board, or upon which the board has a mortgage or in which the board has any monetary interest.

Resolved further, The resolutions adopted October 14, 1921, and July 3, 1929, promulgating a regulation on this subject, are hereby repealed, without prejudice, however, to any proper action heretofore taken thereunder.

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

Many of the vessels transferred to foreign registry are of less than 2,500 dead-weight tons and have fallen into the hands of persons engaged in unlawful trade. At the instance of the Department of Justice and in cooperation with the Treasury Department and the Coast Guard the board usually imposes a condition that a vessel of

less than 2,500 dead-weight tons sold to aliens or transferred to foreign registry shall not be used in the transportation to or from ports of the United States of any alcoholic or intoxicating liquors the transportation of which is prohibited by the Constitution or the laws of the United States. Information of applications involving such vessels is communicated to the Government departments concerned, which, through special agents, obtain reports upon the business, occupation and probable trade of the proposed vendee or transferee, and unless the Government is entirely satisfied that the vessel will be used only in legitimate trade the application will not be given the board's approval.

Due to previous efforts, there have been no complications with governments of other nations during the past year concerning the conditions which are imposed in the board's approval.

Upon favorable action being taken by the board upon an application under section 9, the secretary of the board issues a formal order setting forth the board's approval and incorporating therein the conditions upon which such approval has been accorded, except, however, in cases where the Government under whose flag the vessel will be operated after transfer has previously protested concerning certain conditions. In all such cases the applicants are formally notified of the conditions and collateral agreements are accepted from them, or responsible security is given and the conditions are omitted from the formal transfer order.

All violations of section 9 are carefully investigated by the office of the secretary through local and foreign representatives of this Government and through other channels and upon completion of the investigation, if sufficient evidence assembled proves conclusively a violation of the law, the matter is referred to the Department of Justice for appropriate legal action. It is customary for these cases to be referred to the United States district attorneys for prosecution, and the office of the secretary assists in the further handling of the case whenever called upon by furnishing additional evidence or attendance at trial.

During the past year the board acted favorably upon applications involving 112 vessels, 104 of which, of 217,884 gross tons, were transferred to foreign registry. Other vessels involved were chartered to aliens. There are at present pending and under consideration 24 applications awaiting results of investigation and further consultations with applicants.

The following statement shows the favorable actions of the board on applications under section 9 of the shipping act, 1916, from July 1, 1929, to June 30, 1930, inclusive:

Approvals by the United States Shipping Board under section 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1929, to June 30, 1930

Name of vessel	Official No.	Rig	Gross tonnage	Least home port under U. S. registry	Name of owner or applicant	Name of purchaser	Foreign registry	Date of order	Order No.
Lake Como	216039	St. s.	2, 018	Cleveland, Ohio	Robert Badcock & Co.	(No sale)	Newfoundland (British)	Apr. 12 1930A-1	1830A-1
Joseph Dollar	231881	Shp	2, 407	San Francisco, Calif.	Robert Dollar Co.	Siu Dah	Chinese	1929 July 3	2165
Warrior	202842	Ga.	15	New Orleans, La.	Anthony Sovich	Adriau Triburcio & Armado Ramirez V.	Mexican	July 5	2166
Cerosso	217802	St. s.	2, 323	New York, N. Y.	U. S. Shipping Board	Fmil Stray	Foreign	do	2167
Choctaw	215580	St. s.	2, 086	do	Joseph F. O'Boyle	T. B. Fogersch	Norwegian	July 9	2168
Do	215580	St. s.	2, 086	do	do	H. Th. Wilkens & Co.	do	Aug. 14	2168A
Cedric	213951	Ga. s.	28	Ketchikan, Alaska	Charles E. Starr	William T. Keigin	Canadian	July 10	2169
Margaret F. Sterling	225385	Sch	977	Seattle, Wash.	Burton J. Wheelon	Juan Meinke	Chilean	do	2170
Howick Hall	212693	St. s.	5, 096	New York, N. Y.	United States Steel Products Co.	McAlham Steamship Co. (Ltd.)	British	do	2171
Santa Rosalia	212669	St. s.	5, 482	do	do	do	do	do	2171
Howick Hall	212668	St. s.	5, 096	do	do	do	do	July 15	2171A
Santa Rosalia	212669	St. s.	5, 482	do	do	do	do	do	2171A
Manta	214554	St. s.	2, 081	do	do	Martin Clausen	Norwegian	do	2172
Do	214554	St. s.	2, 081	do	Charles H. Lawrence, John McCambridge, Philip Curry, and John McLaughlin	Hans Hanson	do	Aug. 14	2172A
Fannie Belle Atwood	121271	Sch	128	New Bedford, Mass.	Ernesto Montromd	Jose Jose de Souza	Portuguese	July 17	2173
Atlanta	(1)	Ga. s.	220	Cleveland, Ohio	Hugh Tevis	Alfred Berliner	German	do	2174
Dredge NO. 3	163294	Drq.	241	Cleveland, Ohio	The R. C. Huffman Co.	The R. C. Huffman Construction Co. of Canada (Ltd.)	Canadian	July 23	2175
Paris Foster	130478	St. s.	1, 640	Chicago, Ill.	St. Lawrence Marine Repair Dock Corporation (Inc.)	Frank G. Wilson	do	July 29	2176
Lake Benton	216929	St. s.	2, 018	Mohile, Ala.	Mohile, Miami & Gulf Steamship Co. (Inc.)	Mathias Hansen, acting for A/S Fido	Norwegian	Aug. 2	2177
Eleanor Taylor	218135	Sch	705	Brunswick, Ga.	The Brunswick Bank & Trust Co.	Dominion Coal Co. (Ltd.)	Canadian	Aug. 5	2178
Salvager	225729	Ol. s.	21	Cleveland, Ohio	The R. C. Huffman Construction Co.	The R. C. Huffman Construction Co. of Canada (Ltd.)	do	do	2179
Scow No. 20	207354	Scow	133	do	John W. Chapman	do	do	do	2179
Sea Duck	217639	Ga. s.	58	Detroit, Mich.	Glendola Steamship Corporation	Wm. C van Horne	do	do	2180
Grand	217639	St. s.	2, 246	New York, N. Y.	do	Thoralf Botta	Norwegian	Aug. 14	2181
Calcorock	217079	St. s.	2, 379	do	U. S. Shipping Board	Clarence B. Schultz	German	Aug. 15	2182
Mariposa	213062	Ga. s.	32	San Francisco, Calif.	Atlas Imperial Diesel Engine Co.	Shin Shobata	Japanese	Aug. 28	2183

1 Provisional registry.

Approvals by the United States Shipping Board under section 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1929, to June 30, 1930—Continued

Name of vessel	Official No.	Rig	Gross tonnage	Last home port under U. S. registry	Name of owner or applicant	Name of purchaser	Foreign registry	Date of order	Order No.
Utility	107464	St. s.	77	Bridgeport, Conn.	Clarence H. Burr	Compana de Transportes Maritimos Antilla-Baracon, S. A.	Cuban	Aug. 28	2184
Forest Queen	120689	St. s.	138	Jacksonville, Fla.	Jacksonville Ship Chandlery Co., Jacksonville Tent & Awning Co., and Maplewood Investment Co.	do	do	Sept. 4	2185
Ceralvo	217471	St. s.	2,323	New York, N. Y.	U. S. Shipping Board	Emil Stray	Norwegian	Sept. 10	2186
Santa Rosalia	212869	St. s.	5,482	do	United States Steel Products Co.	Stephan Costomoni	Greek	Sept. 11	2187
Cedar Spring	217299	St. s.	2,343	Norfolk, Va.	U. S. Shipping Board	Paul Hansen	Norwegian	Sept. 12	2188
Calspell	217143	St. s.	2,379	New York, N. Y.	do	Arth. H. Mathusen	do	Sept. 20	2189
Do	217143	St. s.	2,379	do	do	Rechter Geselskabet Damp	do	Oct. 4	2189A
Goodspeed	216971	St. s.	2,395	do	do	Arth. H. Mathusen	do	Sept. 20	2190
Do	216971	St. s.	2,395	do	do	Ruttenh Geselskabet Damp	do	Oct. 4	2190A
Goree	216972	St. s.	2,310	do	do	Arth. H. Mathusen	do	Sept. 20	2191
Do	216972	St. s.	2,310	do	do	Rechter Geselskabet Damp	do	Oct. 4	2191A
Kimau	161157	St. s.	973	Honolulu, Hawaii	Inger-Island Steam Navigation Co.	R. Kenton Eland	Philippine	Oct. 2	2192
Dothan Queen	229299	Ga. s.	14	Tampa, Fla.	Domonico Calderoni	Herbert J. Hood	British	do	2193
Ondina	229320	Sch.	35	San Juan, P. R.	Juan Barreda and Manuel Ferrer	Pedro Nicolas Antonio Neuman	Dutch	Oct. 16	2194
Conneryville	217071	St. s.	2,232	New York, N. Y.	U. S. Shipping Board	Jac Salvessen	Norwegian	Oct. 22	2195
Isobel Weems	217905	St. s.	2,173	Baltimore, Md.	Baltimore & Carolina Line (Inc)	Johannes Lindvig	do	Oct. 23	2196
Levada	214484	St. s.	2,118	New York, N. Y.	Joseph F. O'Boyle	Reiseriakselskabet Bjorka	do	Oct. 30	2197
Do	214484	St. s.	2,118	do	do	do	do	Nov. 11	2197A
Ralph Budd	202229	St. s.	4,671	Buffalo, N. Y.	Reid Towing & Wrecking Co.	North-West Transportation Co. (Ltd.)	Canadian	Oct. 30	2198
Arcturus	218749	St. s.	2,478	New York, N. Y.	Roy F. Teixeira	Abilio Monteiro de Macedo	Portuguese	do	2199
Cranehead	216948	St. s.	2,292	Norfolk, Va.	Joseph F. O'Boyle	A/S Landegaard	Norwegian	Nov. 12	2200
Cranehead (renamed)	216948	St. s.	2,292	do	do	do	do	Dec. 18	2200A
Essex (Breeze)	219273	St. s.	4,673	San Francisco, Calif.	U. S. Shipping Board	Clarence B. Schmitz	German	Nov. 12	2201
Glen Ridge	218656	St. s.	5,104	New York, N. Y.	do	Johann G. Obsohl	Foreign	Nov. 18	2202
Maes Dollar	222002	Shp.	3,403	San Francisco, Calif.	Robert Dollar Co.	Canadian Robert Dollar Co (Ltd.)	Canadian	Nov. 20	2203
James Dollar	221836	Shp.	3,017	do	do	do	do	do	2203
William Dollar	221636	Shp.	3,238	do	do	do	do	do	2204
Eleanor	117070	Scow	6,357	Port Huron, Mich.	Reid Towing & Wrecking Co.	Sh-mac Linas (Ltd.)	do	do	2205
Antietam	219229	St. s.	6,972	Philadelphia, Pa.	Pennsylvania Shipping Co.	Shell Eastern Petroleum Products (Inc.) (charterer)	(No change of registry)	do	2206
Charlton Hall	212853	St. s.	4,883	New York, N. Y.	United States Steel Products Co.	Marcel Kulkundis	Greek	Nov. 26	2206
Star of Greenland	96496	Shp.	2,179	San Francisco, Calif.	Alaska Packers Association	Rydbergerska Sufteisen	Swedish	Dec. 4	2207

Centralia	127718	St. s.	Los Angeles Calif.	Frank C. Hill	(No sale)	Panamanian	Dec. 11	2228
W. J. Crosby	218156	St. s.	Port Huron, Mich.	North Shore Transit Co.	Canada Forwarding Co.	Canadian	do	2229
Lake Fabius	218478	St. s.	New Orleans, La.	U. S. Shipping Board	Johann G. Ohso!	Foreign	Dec. 13	2210
Lake Fausdale	218881	St. s.	New York, N. Y.	do	do	do	do	2211
American	221453	Ol. s.	Gloucester, Mass.	Reuben Cameron	Giert Myhre	Canadian	Dec. 16	2212
A. M. Nicholson	107579	Sch.	New Bedford, Mass.	Mmanuel J. Silva, John N. Azavedo, John M. Pina.	Rafael Anore	Portuguese	Dec. 18	2213
Chicago	204943	St. s.	Seattle, Wash.	Booth Fisheries Co.	British Columbia Telephone Co.	Canadian	Dec. 27	2214
Swiftarrow	221041	St. s.	Wilmington, Del.	C. D. Malloy & Co. (Inc.), agents.	Asiatic Petroleum Corporation (charterer).	(No change of registry)	Dec. 30	2215
Swiftagle	221194	St. s.	do	do	do	do	do	2215
Swiftlight	221268	St. s.	do	do	do	do	do	2215
Swiftsout	221134	St. s.	do	do	do	do	do	2215
Swiftsore	220990	St. s.	do	do	do	do	do	2215
Swiftwind	221304	St. s.	do	do	do	do	do	2215
St. Hellers	220957	St. s.	Los Angeles, Calif.	Hussteca Petroleum Co.	do	Canadian	Dec. 31	2216
F. H. Gilmor	212254	St. s.	Duluth, Minn.	The Virginia & Rainy Lake Co.	J. A. Mathien (Ltd.)	do	1980	2217
Emma	136128	Gr. s.	Unalaska, Alaska	Northern Whaling & Trading Co. (lbc.)	Canalaska Trading Co. (Ltd.)	do	do	2218
Do	186128	Gr. s.	do	do	do	do	do	2218A
Aledo	217537	St. s.	New York, N. Y.	U. S. Shipping Board	Johann G. Ohso!	Foreign	Jan. 29	2219
Dallas	217421	St. s.	do	do	do	do	Jan. 15	2220
Falissades	219202	St. s.	do	do	do	do	do	2221
Commercial Courier	215017	St. s.	Wilmington, Del.	Commercial Courier Steamship Co. (Inc.)	H. C. Hansen & Co.	Danish	do	2222
Lithopolis	217289	St. s.	Tampa, Fla.	U. S. Shipping Board	N. Lied	Norwegian	Jan. 17	2223
Gaensburg	210778	St. s.	New York, N. Y.	do	Johann G. Ohso!	Foreign	Jan. 22	2224
Loansaka	223277	Ol. s.	Baltimore, Md.	J. Charles Eckel, administrator	Aubrey Lionel Surgeon	British	Jan. 23	2225
Do	223277	Ol. s.	do	do	do	Panamanian	Feb. 5	2225A
Harold M.	223216	Ol. s.	San Diego, Calif.	Vancouver Sea Food Co. (Inc.)	Johann G. Ohso!	Foreign	Jan. 29	2226
Lake Fanton	218480	St. s.	Petroit, Mich.	U. S. Shipping Board	do	do	Jan. 30	2227
Lake Festina	218558	St. s.	New York, N. Y.	do	do	do	do	2228
Elizabeth W. Numan	210558	Sch.	Potomac, Ohio	Francis Numan	Giert Myhre	Canadian	Jan. 31	2229
Elizabeth W. Numan	210558	Sch.	Cleveland, Ohio	U. S. Shipping Board	Johann G. Ohso!	Foreign	Feb. 3	2230
Bandu	212571	St. s.	New York, N. Y.	United States Steel Products Co.	Manoel Kulukundis	Greek	Feb. 5	2231
Lake Faronia	219111	St. s.	Cleveland, Ohio	U. S. Shipping Board	Johann G. Ohso!	Foreign	Feb. 7	2232
Pueat Sound	217015	St. s.	Tacoma, Wash.	Chile Steamship Co. (Inc.)	Compania Naviera Estrella de Chile	Chilean	Feb. 11	2233
Corapeak	217870	St. s.	New York, N. Y.	do	do	do	Feb. 14	2234
Bellingham	217150	St. s.	Tacoma, Wash.	U. S. Shipping Board	Johann G. Ohso!	Foreign	Feb. 17	2235
Chebanlip	216589	St. s.	do	do	do	do	do	2236
Masuda	210709	St. s.	do	do	do	do	do	2237
Everglades	217645	St. s.	Tampa, Fla.	do	do	do	do	2238
Marscaibo	92963	St. s.	Wilmington, Del.	The Atlantic & Caribbean Steam Navigation Co.	N. Lied	Norwegian	Feb. 28	2239
Eastern Chief	216482	St. s.	Seattle, Wash.	U. S. Shipping Board	Johann G. Ohso!	Foreign	do	2240
Eastern Cross	217168	St. s.	do	do	do	do	do	2241
Eastern	217056	St. s.	do	do	do	do	do	2242
Lake Farabee	218418	St. s.	New York, N. Y.	do	do	do	do	2243

Approvals by the United States Shipping Board under section 9 of the shipping act, 1916, of transfers of vessels to foreign registry and/or sale to aliens, July 1, 1929, to June 30, 1930—Continued

Name of vessel	Official No.	Rig.	Gross tonnage	Last home port under U. S. registry	Name of owner or applicant	Name of purchaser	Foreign registry	Date of order	Order No.
Lake Geyser	21934	St. s.	2,592	New York, N. Y.	U. S. Shipping Board.	Jonanu G. Ohsol	Foreign.	1930	
McCreary County	21931	St. s.	2,608	do.	do.	do.	do.	Mar. 3	2244
Lake Fighting	21915	St. s.	2,539	Toledo, Ohio.	do.	do.	do.	do.	2245
Lake Fitch	21912	St. s.	2,713	New York, N. Y.	do.	do.	do.	do.	2246
Lake Ferrona	21918	St. s.	2,598	Philadelphia, Pa.	do.	do.	do.	Mar. 5	2247
Alfred E. Hunt	163287	Drig.	510	Massena, N. Y.	St. Lawrence River Power Co.	R. C. Huffman Construction Co. of Canada (Ltd.)	Canadian.	do.	2248
Westchester	201335	St. s.	350	New York, N. Y.	Long Island Sound Ferries Corporation.	Eastern Canada Coastal Steamships (Ltd.)	do.	Mar. 27	2249
Virginia Express	216135	St. s.	1,948	Newport News, Va.	Leitch & Co (Inc.)	Northeast Steamship Co (Ltd.) of Riga, Latvia (Kugniecibas Akciju Sabiedrības Ziemeļaustrumi, Riga).	Latvian.	Apr. 17	2250
Virginia Limited	216226	St. s.	1,948	do.	do.	do.	do.	do.	2252
John F. Fessenden	172226	St. s.	2,260	Cleveland, Ohio.	do.	James Playfair.	do.	Apr. 22	2253
Alexander Holley	107227	Range	2,731	do.	do.	do.	do.	do.	2254
H. No. 1	164328	Scow.	48	Seattle, Wash.	Puget Sound Bridge & Dredging Co.	British Columbia Bridge & Dredging Co.	do.	do.	2255
Baldhill	218915	St. s.	6,376	Philadelphia, Pa.	Pennsylvania Shipping Co.	do.	(No change of registry)	May 14	2256
Central II	224095	St. s.	59	Seattle, Wash.	Puget Sound Navigation Co.	Shelbourn Petroleum Products (Inc.) (charterer).	Canadian.	May 16	2257
John M. Hutchinson	200703	St. s.	308	Buffalo, N. Y.	William J. Hingston.	J. S. H. Macdon.	do.	May 19	2258
Socony	211184	St. s.	3,663	New York, N. Y.	Standard Transportation Co.	Thomas Crawford Simpson Standard Transportation Co. (Ltd.) (Hong Kong).	British.	May 28	2259
Marina	216323	Sch.	125	San Juan, P. R.	Compania Maritima de E. Moreno & Co., S. en C.	Silro A. Henriquez.	Venezuelan.	do.	2260
Santa Cecilia	212859	St. s.	5,873	New York, N. Y.	Grace Steamship Co.	Karl Krogstad (via Hibernia Trust Co.)	Norwegian.	June 5	2261
Pasadena	150410	St. s.	300	Los Angeles, Calif.	Larimore Lines (Ltd.)	Pedro Rendon.	Mexican.	June 11	2262
Camama	220973	Ol. s.	398	do.	Leon Elison.	(No sale)	Panamanian.	do.	2263
Puget No. II	162181	Scow.	126	Seattle, Wash.	E. L. Steel.	W. G. MacKenzie.	Canadian.	do.	2264
J. Oswald Boyd	223043	St. s.	1,806	New York, N. Y.	Gotham Marine Corporation.	R. T. Henaker.	British.	June 18	2265
Lurline	226967	Ca. s.	86	New Orleans, La.	Lurline Fishing & Hunting Club (Inc.)	(No sale)	Mexican.	June 24	2266
Harvard	96139	Ca. s.	113	Boston, Mass.	United States Junior Nautical Training Schools (Inc.)	Herbert Ewart, Austin Rowley.	British.	June 26	2267

RECAPITULATION, SHOWING NATIONALITIES AND TONNAGE

Registry	Number of vessels	Gross tonnage	Registry	Number of vessels	Gross tonnage
British.....	6	16,174	Latvian.....	2	3,896
Canadian.....	27	38,362	Mexican.....	3	9,401
Chilean.....	2	3,130	Newfoundland.....	1	2,018
Chinese.....	1	2,407	Norwegian.....	15	37,451
Cuban.....	2	215	Panamanian.....	3	37,955
Danish.....	1	2,111	Philippine.....	1	975
Dutch.....	1	2,155	Portuguese.....	3	2,742
Foreign (registry not stated).....	25	90,996	Swedish.....	1	2,170
German.....	3	7,272	Venezuelan.....	1	1,896
Greek.....	3	14,504	Total.....	104	217,884
Japanese.....	2	14,855			

Ship Mortgage Act—Surrender of Documents.

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

The office of the secretary conducts preliminary investigations and handles all correspondence in regard to the applications, on behalf of the standing committee of the board to which the administration of this section has been assigned.

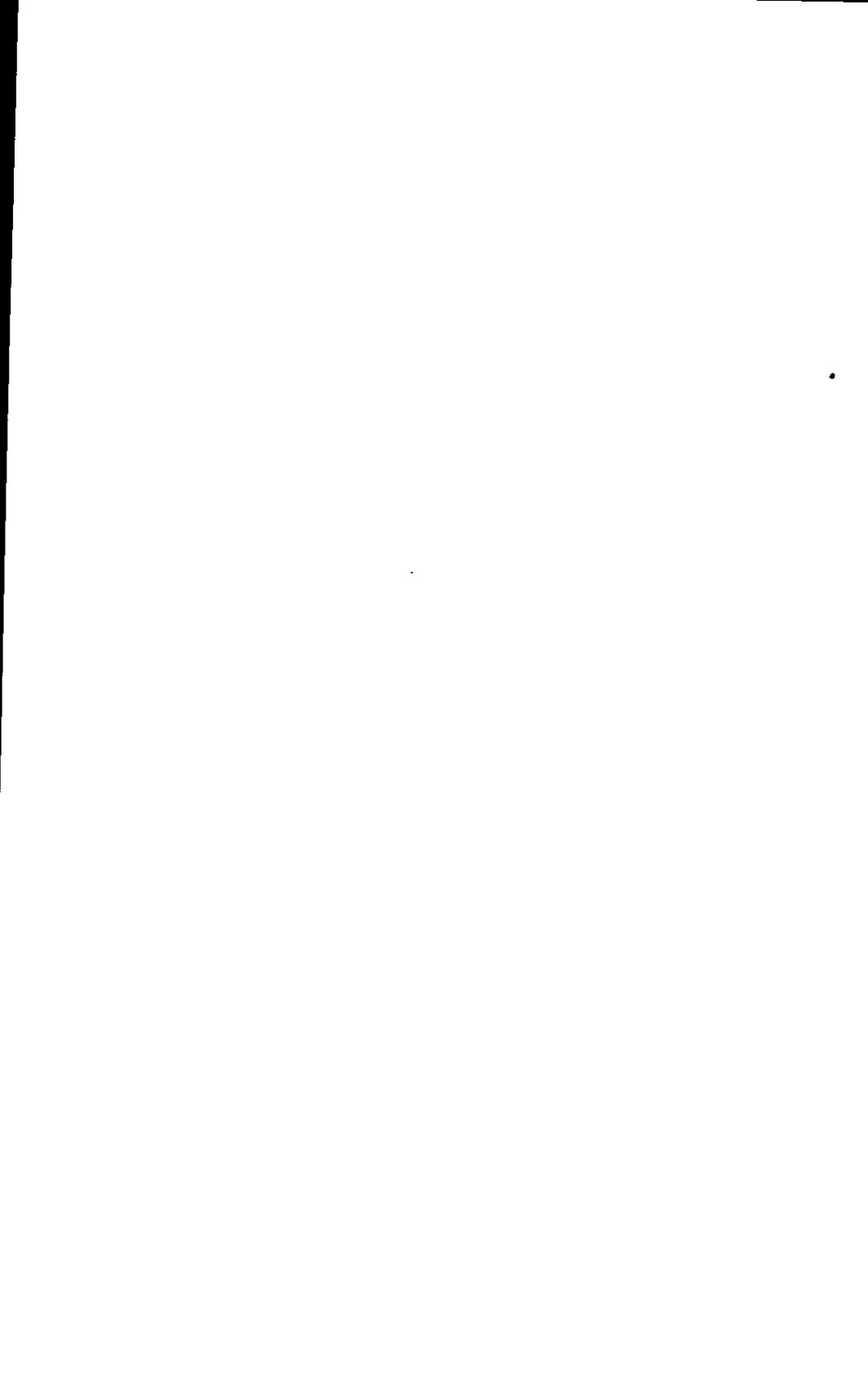
Paragraph (a) of subsection O provides that the documents of a vessel of the United States covered by a preferred mortgage may not be surrendered (except in the case of the forfeiture of the vessel or its sale by the order of any court of the United States or any foreign country) without the approval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

In support of an application under this section, the applicant must show the name of the vessel, the reasons for requesting surrender of the marine document, the names of all preferred mortgagees, showing the date and the amount of the mortgage held by each and supported by a certificate of liens and encumbrances issued by the collector of customs at the home port of the vessel, and the name and address of the proposed purchaser or transferee. As required by law, all preferred mortgagees must file with the board written consent to the surrender of the document as requested, and the consent must show the amount of the mortgage or interest in such vessel, the citizenship of the mortgagee, and, if the same be a corporation, the citizenship of its president and managing directors. If the consent is that of a corporation, the officer acting on behalf of the corporation must clearly show his duly constituted authority. The purchaser or transferee of the vessel must show its citizenship and the citizenship of its stockholders and stock ownership, and must agree to redocument the vessel under the laws of the United States concurrently with the surrender of the outstanding marine document. All indorsements necessary to preserve the preferred status of all preferred mortgages must be made upon the new document when issued. The board may require additional information in order that all rights and interest of the preferred mortgagee will be fully protected.

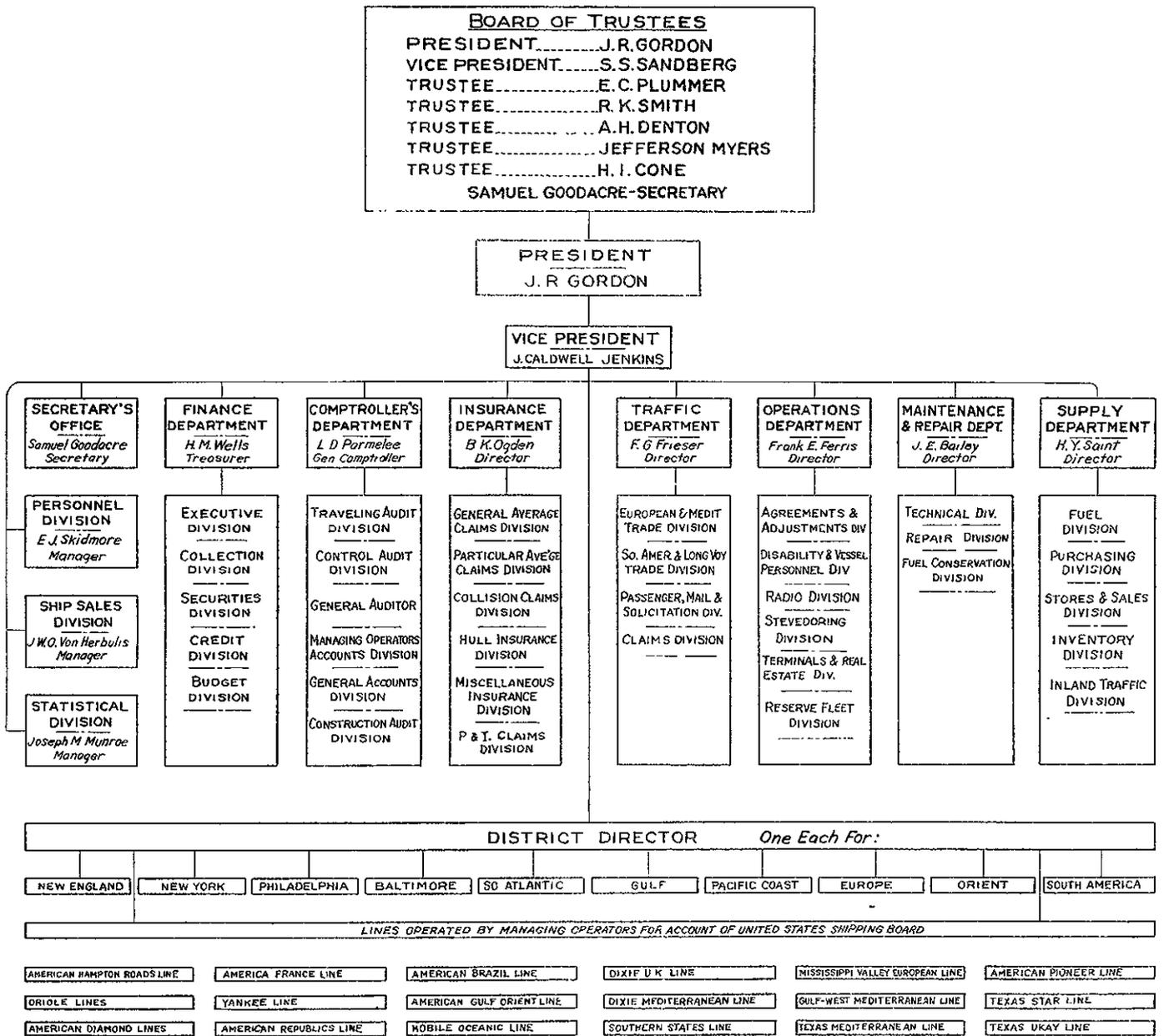
During the past year the board considered and approved 22 applications for the surrender of the marine documents of vessels of the United States.

PART II

UNITED STATES SHIPPING BOARD
MERCHANT FLEET CORPORATION



ORGANIZATION CHART
UNITED STATES SHIPPING BOARD MERCHANT FLEET CORP.
 JUNE 30, 1930.



MERCHANT FLEET CORPORATION

ORGANIZATION

On December 18, 1929, T. V. O'Connor, chairman of the United States Shipping Board and president and trustee of the United States Shipping Board Merchant Fleet Corporation, resigned his offices with the corporation, and John R. Gordon was elected president and trustee of the Merchant Fleet Corporation in his stead. With this exception, the commissioners of the United States Shipping Board continued to act as the board of trustees of the Merchant Fleet Corporation throughout the fiscal year 1930, in accordance with the organization plan adopted in October, 1927.

Coincident with the resignation of E. A. Kelly as vice president in charge of operations, effective January 15, 1930, this position was abolished, and J. Caldwell Jenkins, who prior to that time occupied the position of vice president in charge of administration, assumed the position of vice president, with all departments of the Merchant Fleet Corporation reporting through his office to the president. The maintenance and repair division, formerly part of the Operations Department, was set up as a separate department. Otherwise the general organization of the Merchant Fleet Corporation followed the plan in effect for the two preceding years, and on June 30, 1930, was in accordance with the organization chart displayed on the opposite page.

The accompanying chart shows 18 lines of cargo vessels, which were being operated by managing operators under the general supervision of the Merchant Fleet Corporation on June 30, 1930. Except for one change, the substitution of the American Hampton Roads Line for the American Merchant Lines, the services are the same as those listed on the organization chart contained in the 1929 annual report. It should be noted, however, that one of the 18 lines, the Gulf West Mediterranean Line, has been sold and the purchaser thereof took delivery of several vessels before June 30, 1930.

In addition to those already mentioned, several other changes in the officers of the Merchant Fleet Corporation occurred during the fiscal year. Effective September 1, 1929, Lewis D. Parmelee was elected general comptroller, vice D. S. Morrison, resigned; and on April 17, 1930, Commissioner S. S. Sandberg was elected vice president, succeeding Commissioner E. C. Plummer, who was not a candidate for reelection to this office. At the close of the fiscal year 1930 the officers of the Merchant Fleet Corporation were as follows:

President, John R. Gordon.

Vice president, S. S. Sandberg.

Vice president, J. Caldwell Jenkins.

Secretary, Samuel Goodacre.

Treasurer, Heber M. Wells.

General comptroller, Lewis D. Parmelee.

SPECIAL FEATURES OF THE YEAR'S ACTIVITIES

Sales of Vessels.

During the fiscal year 97 cargo ships, 1 steel tanker, 1 steel ocean-type tug, and 1 launch were sold, a total of 100 vessels, aggregating approximately 646,000 dead-weight tons and 425,000 gross tons. The total sales price of these vessels was \$4,270,000, but there were additional considerations to several sales, consisting of obligations of purchasers for restricted service operations and for vessel conversions or reconditioning.

Of the 97 cargo vessels sold during the fiscal year, 11 were sold for unrestricted operation, 9 for restricted operation on trade routes, 29 with privilege of transfer to foreign flag, 3 for conversion to barges, 1 for conversion to a self-discharging collier, 1 for use as a floating power plant, and 43 for dismantling and scrapping.

The only trade route sold during the fiscal year was the Gulf West Mediterranean Line, consisting of eight vessels, three of which were not delivered before the end of the fiscal year. One vessel was sold to the American Scantic Line, purchaser of a trade route in the fiscal year 1928, as a substitute for a vessel which became a total loss.

The sale of the Baltimore-Hamburg route, including five cargo ships which the purchaser is obligated to convert to combination passenger and cargo ships, was also authorized, but the sales documents were not executed prior to June 30, 1930, so these vessels are not included in the above-mentioned sales totals. The American Brazil Line was also advertised for sale, but no offers were received at the advertised time of opening.

The sale of one steel tanker during the year marked the final disposition of steel vessels of this kind, the only tanker unsold at present being one of concrete construction, which is with the reserve fleet.

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

Sale of Hog Island.

In the latter part of the fiscal year the Shipping Board authorized sale of the Hog Island property to the city of Philadelphia for use as an airport, seaplane base, and railroad and marine terminal. Active efforts to dispose of this large property had been made over a period of several years, but even after extensive advertising no satisfactory offers had previously been obtained. Negotiations with the city of Philadelphia were under way for about a year, and were consummated in an agreement which will not only relieve the Shipping Board of this property, but is expected to result in the creation of air, water, and rail terminal facilities of great national importance and usefulness.

The city of Philadelphia is to pay \$3,000,000 for this property, and agrees to use the 946 acres included in this purchase, and 239 adjoining acres which it already owns, only as an airport, seaplane base,

and rail and marine terminal. In this connection, the contract guarantees that not less than \$500,000 will be expended by the city immediately after taking possession of the property, for grading and toward the construction of airport facilities for both land and sea planes. The sales agreement provides that \$450,000 of the purchase price shall be paid in cash, the balance of \$2,550,000 to be paid at the option of the purchaser, but until this balance is paid the city of Philadelphia is to pay ground rent to the Shipping Board, amounting during the first 10 years to 3 per cent per annum on the unpaid balance, and thereafter to 6 per cent per annum on such balances until fully paid.

In the sales agreement the Shipping Board reserved the right to sell all improvements at Hog Island, with the exception of the railroad tracks and the administration and storage buildings. The shop buildings, gantry cranes, and other equipment have accordingly been sold and arrangements are being made for the sale of the remaining improvements. The agreement also permits the Shipping Board to keep a fleet of laid-up vessels at Hog Island for at least one year, free of rental or other charges by the purchaser.

The sales agreement was executed by the city of Philadelphia and by the Shipping Board as of May 29, 1930, but deed to the property was not executed until after the close of the fiscal year 1930, this conveyance being made July 23, 1930, coincident with the cash payment of \$450,000 as provided by the agreement.

Proposed Sale of 45 Broadway.

During the year consideration was given to disposing of the office building located at 45 Broadway, New York City, which is owned by the Shipping Board and is occupied, in part, by the New York offices of the Merchant Fleet Corporation. For several years, and particularly since the sale of the United States Lines, a large amount of space in this building has been leased to other Government departments and to private companies, including United States Lines (Inc.), United States Protection and Indemnity Agency (Inc.), and others.

Acting upon a recommendation of the Merchant Fleet Corporation, the Shipping Board decided to offer this property for sale, and by its authority, the property has been appraised and advertised, sealed bids to be received and opened at noon, August 26, 1930.

Extent of Vessel Operations.

Cargo vessel operations in 1930 were less extensive than in the preceding year for two reasons; first, there was a decreased demand for tonnage due to the depressed shipping conditions more fully described elsewhere in this report; and second, one sold service, the Gulf Brazil River Plate Line, was completely delivered, and a second service, the Gulf West Mediterranean Line, was sold and partially delivered to purchasers during the year.

Excluding vessels in the coal trade, there were 153 active cargo ships on June 30, 1930, whereas on the corresponding date of the preceding year there were 194 active vessels. Excluding vessels assigned to the two lines previously mentioned as having been sold, there were 175 active cargo vessels at the end of the fiscal year 1929, compared with 149 at the end of 1930. This reduction of 26 active vessels, as well as a reduction in the number of inactive vessels in the custody of managing operators from 24 to 14, resulted from the depressed conditions prevailing at the end of the fiscal year 1930.

During 1930, 876 cargo voyages were completed, compared with 954 in 1929. Part of this reduction was due to sales of lines, but comparison of the total of 864 voyages completed in 1930 by lines which operated throughout that year, with the total for the same lines in 1929, shows a reduction of 12 voyages.

Near the close of the fiscal year a recommendation for rearrangement of the Gulf services was submitted to the Shipping Board. The plan suggests the combination of eight separate Gulf lines into three new services, each operating from the entire Gulf range but having separate foreign territories, divided into United Kingdom, European Continent, and Mediterranean. The purposes of this rearrangement are twofold; first, to obtain increased flexibility in Gulf services with possible reduction in number of vessels required to maintain sufficient service and other resultant economies; and second, to enhance the value of the services and thus improve the possibility of their sale to private companies. This recommendation was pending before the Shipping Board at the end of the fiscal year.

A complete list of the cargo services in operation as at June 30, 1930, together with the names of the managing operators and the number of vessels assigned to each, is included as Table IV of the appendix.

Total Results of Operations.

The total operating loss for the Merchant Fleet Corporation in the fiscal year 1930 was approximately \$10,294,000, excluding the cost of reconditioning and operating vessels in the coal trade. This amount is \$3,371,000 below the 1929 loss, and is also less than the losses in several preceding years, it being the lowest point in a gradual scale of reductions from the total loss of \$41,000,000 reported in the fiscal year 1924. About one-third of the decrease resulted from the fact that the 1929 net loss from the operation of passenger and tanker services was eliminated in 1930, due to the sale or discontinuance of these services, and a further large reduction was due to the much smaller expenditures incident to the delivery of vessels to purchasers in the latter year.

A statement of profit and loss for the fiscal year 1930, showing operating results for cargo services as a whole and for other activities of the Merchant Fleet Corporation, is given in Table X of the appendix.

Cost of Cargo Services.

For cargo voyages and inactive cargo vessels assigned to managing operators the net cost was \$9,967,000 in the fiscal year 1930. This total is \$541,000 below the 1929 result.

A net reduction of \$626,000 in the 1929 losses for cargo services resulted from sales of lines, reduced losses for miscellaneous voyages, adjustments, etc. Total losses for cargo services which were operated throughout 1930, however, exceeded the total 1929 losses for the same lines by about \$86,000. These services completed 12 less voyages in 1930 than in 1929, total cargo decreased about 528,000 tons, and voyage revenues for these lines shrank to the extent of about \$1,618,000. To offset this large loss in revenue as far as practicable, special effort was made to reduce operating and inactive vessel expenses with the result that all but about \$86,000 of the revenue loss was offset.

Other Operating Results.

Charter hire earnings in 1930 exceeded the 1929 total by approximately \$97,000. This increase was largely due to an unusually heavy cargo movement to Russian ports, in connection with which 16 vessels were chartered during the year to the Export Steamship Corporation, purchaser of the American Export Line, a former Shipping Board service to Mediterranean ports.

Repair and other expenses incident to the maintenance of vessels in spot condition—that is, ready to go into operation on short notice when required as replacements or as additional tonnage—totaled about \$1,104,000 in 1930, or \$64,000 less than the 1929 total. Repair and other expenses incident to deliveries of vessels to purchasers in 1930, however, were \$1,316,000 less than in 1929, due to the smaller number of vessel deliveries in 1930.

Miscellaneous income amounted to approximately \$1,089,000 in 1930, or about \$204,000 above the 1929 total. About \$97,000 of this increase was in the net earnings of terminals, while an improvement of \$86,000 was due to reduced losses in fuel sales and deliveries. The latter reduction is accounted for by the fact that much of the high-priced oil which was on hand at the time fuel issue prices were reduced last year has been used, so cost and issue prices for recent deliveries more nearly approximate each other than formerly, and losses at the time of issue are accordingly reduced. Due to decreases in the bank balances maintained, interest earnings and foreign exchange earnings during 1930 were less than in the preceding year, but these losses in income were offset by reductions in miscellaneous expenses.

Coal Trade.

During the fiscal year 1930, 1 voyage to South America and 26 voyages to Mediterranean ports were completed in the coal trade at a total cost of approximately \$555,000. In addition, reconditioning

and inactive expenses totaled about \$195,000, so the total cost of the coal trade in 1930 was about \$750,000.

The appropriation act for the fiscal year 1929 provided \$1,000,000, or so much thereof as might be necessary, for reconditioning and operating ships for carrying coal to foreign ports. The 1930 appropriation act authorized the use of \$1,500,000 for this purpose, together with the unexpended balance of the 1929 appropriation, so a total of \$2,500,000 has been made available for the coal trade. During the fiscal years 1929 and 1930, 43 coal-trade voyages were completed, and voyage losses and reconditioning and inactive vessel expenses totaled about \$1,520,000, so a balance of approximately \$980,000 remained at June 30, 1930, from the total authorization. The 1931 appropriation act extends the availability of this balance for the purpose of reconditioning and operating ships for carrying coal to foreign ports during the ensuing fiscal year.

At the close of the fiscal year there was but one vessel operating in the coal trade, and since current ocean rates for coal shipments are below the minimum rates established by the Shipping Board, current coal-cargo offerings are being handled by private tonnage. Until there is some change in market conditions, therefore, it appears unlikely that the Merchant Fleet Corporation will be called upon to assign vessels to this service.

Reduction of Pay Rolls and Administrative Expenses.

As indicated in last year's annual report, the Merchant Fleet Corporation followed a program calling for a reduction of 20 per cent in its pay roll during the fiscal year 1929 and was successful in the accomplishment of its goal. While no definite program was outlined for the fiscal year 1930, continued efforts for pay-roll reduction have brought gratifying results. Comparison of the total pay rolls of the Merchant Fleet Corporation at the end of the fiscal years 1929 and 1930, excluding the United States Lines and the Protection and Indemnity Agency, shows that a reduction of 711 employees with annual salaries and wages totaling \$870,872 was accomplished during 1930, or about a 23 per cent pay-roll decrease for the year.

Comparison of pay rolls at the end of the fiscal years 1928 and 1930 indicates the total accomplishment of the Merchant Fleet Corporation since the inauguration of its reduction program at the commencement of the fiscal year 1929. Since that time 1,310 employees with annual salaries and wages totaling \$1,780,000 have been removed from the pay rolls of the Merchant Fleet Corporation, a decrease amounting to 37.6 per cent of the June 30, 1928, pay roll.

Special attention has also been given to decreasing as far as practicable the expenditures for administrative expenses other than salaries and wages. These expenditures include rent, telephone, telegraph and cable charges, traveling expenses, legal and witness fees, cost of

supplies and stationery, and other miscellaneous items, which during the fiscal year 1930 were reduced to a total that was about \$175,000 below the 1929 total, a saving of nearly 25 per cent.

It is expected that the transfer of cargo services to operation under lump-sum contracts, as mentioned in the following paragraphs of this report, will permit the accomplishment of large reductions in pay rolls and administrative expenses during the ensuing fiscal year.

New Operating Agreements.

The annual report for the fiscal year 1929 described at some length the two new operating agreements adopted by the Shipping Board, namely, the "profit-sharing" and "lump-sum" contracts. During the fiscal year 1930 a single contract in each of the two forms has been in use, for the purpose of determining their effect.

A profit-sharing agreement with the operators of the Mobile Oceanic Line has been in effect since March, 1929, and since it has resulted in a material decrease in losses to the benefit of the Merchant Fleet Corporation, the value of having a form of agreement providing the managing operator with an incentive to reduce operating costs has been plainly indicated.

A lump-sum agreement was placed in effect in August, 1929, with the Southgate-Nelson Corporation, for operation of the American Hampton Roads Line, a service between North Atlantic and east United Kingdom ports. Notwithstanding the depressed shipping conditions, the results obtained show a remarkable reduction in operating costs, and approach those which would be expected from the operation of this service under private ownership. It is believed that this form of agreement will quickly and clearly show the extent to which the present services of the Shipping Board can be operated successfully by private management.

As the result of the Southgate-Nelson Corporation's operations under the lump-sum agreement, the form of this contract has been revised during the past year with a view to placing the remaining lines under this agreement as soon as possible. Negotiations have been concluded with all North Atlantic operators to place this agreement in effect in July, 1930, with the exception of those services now in process of sale. The consummation of these negotiations indicates a material reduction in losses and in expenses of the Merchant Fleet Corporation, notwithstanding present depressed conditions in shipping.

At the close of the fiscal year recommendation for the rearrangement of Gulf services was pending before the Shipping Board, which, if approved, will almost immediately result in transfer of the realigned services to operation under lump-sum contracts.

Before many months of the fiscal year 1931 have elapsed it is expected that all cargo services which continue in operation and are unsold will be operating under lump-sum contracts, with large resulting economies to the Merchant Fleet Corporation, due to decreased operating and administrative expenses.

SUPPLY AND OPERATING ACTIVITIES

Centralized Purchasing.

It is estimated that a saving of approximately \$490,000 was accomplished during the fiscal year by continuing the contract plan of purchasing equipment and stores, which has been in effect for several years and has been fully described in preceding annual reports.

Purchases made by managing operators on contracts negotiated by the Washington office of the supply department for lubricating oils, paints, packings, rope, dunnage, fire brick, fire clay, yeast, and ammonia, etc., approximated \$940,000, and on contracts negotiated by domestic district offices of the supply department, managing operators' purchases approximated \$2,165,000. The prices obtained under these home office and district office contracts were respectively about 40 per cent and 10 per cent below current wholesale prices.

Purchases made by managing operators on contracts negotiated by foreign offices of the supply department approximated \$50,000. The contract purchase plan at foreign ports was extended until 12 foreign ports were covered by subsistence stores contracts, and 24 ports had contracts covering laundry requirements. Reductions of approximately 40 per cent were effected through these contracts, and contractors, who in the past resorted to unfair practices, such as short weight and count in furnishing subsistence stores and the padding of laundry bills, were eliminated.

The total value of purchases made directly by the offices of the supply department at home and abroad, exclusive of bunker fuel, approximated \$1,265,000.

Inspection of subsistence items by representatives of the United States Department of Agriculture, as well as the inspection of other consumable stores by district offices of the Merchant Fleet Corporation, was continued as in preceding years, thereby assuring a monetary saving as well as a high grade of supplies.

Fuel Purchases and Issues.

The following tabulations show, by ports, the quantity of bunker "C" fuel oil, Diesel oil and coal purchased under contracts and on the market for the fiscal year ended June 30, 1930, the number of bunker deliveries at each port, and a comparison of contract prices as of June 30, 1929, and June 30, 1930:

BUNKER "C" FUEL OIL

Port	Quantity	Cost	Number of deliveries	Contract price June 30, 1929	Contract price June 30, 1930
DOMESTIC PORTS					
	<i>Barrels</i>				
Boston.....	16,856.14	\$18,850.11	11	Market.....	Market.
New York.....	1,009,756.28	968,125.67	179	\$0.92 barrel.....	\$0.92 barrel.
Philadelphia.....	700,000.37	650,409.58	101	do.....	Do.
Baltimore.....	93,216.55	98,806.89	21	Market.....	Market.
Charleston.....	4,121.13	4,113.45	3	\$0.93 barrel.....	\$0.93 barrel
Savannah.....	6,595.63	6,393.70	5	do.....	Do.
Jacksonville.....	23,289.40	22,483.43	13	do.....	Do.
Port Tampa.....	105,406.97	94,866.28	14	\$0.90 barrel.....	\$0.90 barrel.
New Orleans.....	1,698,596.32	1,463,238.76	226	\$0.86 barrel.....	\$0.86 barrel.
Galveston.....	913,691.48	813,185.15	142	\$0.89 barrel.....	\$0.89 barrel.
Port Arthur.....	447,137.61	377,071.19	55	\$0.8433 barrel.....	\$0.8433 barrel
Corpus Christi.....	71,496.95	61,560.27	11	\$0.85 barrel.....	Market.
San Pedro.....	257,231.00	160,495.88	27	\$0.70 barrel.....	\$0.59 barrel.
Miscellaneous ports.....	24,264.73	24,506.48	7	Market.....	Market.
Total.....	5,371,660.56	4,764,106.84	815		
FOREIGN PORTS					
United Kingdom.....	9,648.21	19,537.38	15	55/ ton.....	57/8 ton.
European Continent.....	22,741.03	42,863.90	31	50/ ton.....	52/6 ton.
Port Said.....	3,773.95	5,689.51	1	\$9.95 ton.....	Market.
Buenos Aires.....	6,393.00	11,571.33	7	\$1.81 barrel.....	\$1.81 barrel.
Trinidad.....	12,382.39	11,462.90	7	\$0.95 barrel.....	\$0.95 barrel.
Bombay.....				57/8 ton.....	50/8 ton.
Calcutta.....				62/8 ton.....	61/8 ton.
Colombo.....				59/8 ton.....	38/8 ton.
Fremantle.....	15,700.53	38,465.54	5	63/8 ton.....	63/8 ton.
Karachi.....				56/ ton.....	55/ ton.
Madras.....				61/8 ton.....	60/8 ton.
Melbourne.....				67/6 ton.....	67/6 ton.
Miscellaneous ports.....	22,560.86	31,209.55	18	Market.....	Market.
Total.....	93,199.97	163,800.11	84		

DIESEL OIL

DOMESTIC PORTS					
	<i>Barrels</i>				
New York.....	246,937.33	\$332,953.84	45	\$1.40 barrel.....	\$1.25 barrel.
San Pedro.....	49,179.96	39,174.43	8	Market.....	\$0.80 barrel
Miscellaneous ports.....	20,996.31	35,470.18	4	do.....	Market
Total.....	323,114.30	407,598.45	57		
FOREIGN PORTS					
Balboa.....	15,140.83	21,045.75	6	do.....	\$1.39 barrel.
Port Said.....	7,414.67	14,838.91	6	do.....	\$13.75 ton.
Honolulu.....	5,796.52	8,057.16	2	do.....	\$1.39 barrel.
Miscellaneous ports.....	13,314.34	23,689.18	5	do.....	Market.
Total.....	41,666.36	67,631.00	19		

BUNKER COAL

DOMESTIC PORTS					
	<i>Tons</i>				
New York.....	10,031.80	\$55,361.83	11	Market.....	Market.
Philadelphia.....	13,527.63	68,771.18	17	do.....	Do.
Baltimore.....	719.58	3,648.13	6	do.....	Do.
Norfolk.....	77,829.66	369,756.65	133	do.....	\$4.40 run of mine.
Miscellaneous ports.....	350.00	2,208.50	1	do.....	\$3.81 slack.
Total.....	102,458.67	499,749.29	168		Market.
FOREIGN PORTS					
Ardrossan.....	24,646.88	100,476.83	28	15/3 f. o. b.....	15/11 f. o. b.
Glasgow.....				15/ f. o. b.....	15/8 f. o. b.
Liverpool.....				18/ f. o. b.....	20/9 f. o. b.
Manchester.....	29,668.63	149,010.07	40	17/3 f. o. b.....	19/10 1/2 f. o. b.
Miscellaneous ports.....	5,687.40	25,537.80	13	Market.....	Market.
Total.....	60,002.91	275,024.70	81		

The following tabulation shows owned and leased fuel-oil storage stations which were in operation during the fiscal year ended June 30, 1930, the quantity issued at each station, the number of bunker deliveries, the total value of the oil issued at each station, and comparison of prices as of June 30, 1929, and June 30, 1930.

BUNKER "C" FUEL OIL

Port	Quantity	Cost	Number of deliveries	Issue price, June 30, 1929	Issue price, June 30, 1930
DOMESTIC PORTS					
	<i>Barrels</i>				
Crancy Island.....	192,126.06	\$201,732.36	39	\$1.05 barrel.....	\$1.05 barrel
Mobile.....	369,573.63	351,094.95	74	\$0.95 barrel.....	\$0.95 barrel
Total.....	561,699.69	552,827.31	113		
FOREIGN PORTS					
Balboa.....	6,361.96	6,998.16	5	\$1.10 barrel.....	Market
Cristobal.....	1,780.76	1,958.77	3	\$1.10 barrel.....	Do
St. Thomas.....	5,576.92	4,882.86	2	\$0.95 barrel.....	Do
Honolulu.....	95,982.93	100,782.08	22	\$1.05 barrel.....	\$1.05 barrel
Manila.....	47,838.63	74,148.95	21	\$1.55 barrel.....	\$1.55 barrel
Total.....	157,540.54	188,770.82	53		

DIESEL OIL

Port	Quantity	Cost	Number of deliveries	Issue price, June 30, 1929	Issue price, June 30, 1930
FOREIGN PORTS					
Balboa.....	14,648.70	\$18,965.75	4	\$1.35 barrel.....	Contract

RECAPITULATION, 1930 FUEL PURCHASES

	Quantity	Value	Average cost
BUNKER "C" FUEL OIL			
	<i>Barrels</i>		
Domestic ports.....	5,371,660.56	\$4,764,106.84	\$0.8869
Foreign ports.....	93,199.97	163,800.11	1.7575
Domestic storage.....	561,699.69	552,827.31	.9842
Foreign storage.....	157,540.54	188,770.82	1.1982
Total.....	6,184,100.76	5,669,505.08	.9168
DIESEL OIL			
Domestic ports.....	323,114.30	407,598.45	1.2615
Foreign ports.....	41,669.36	67,631.00	1.6232
Foreign storage.....	14,648.70	18,965.75	1.35
Total.....	378,829.36	494,195.20	1.3046
COAL			
	<i>Tons</i>		
Domestic ports.....	102,458.67	199,749.29	4.8776
Foreign ports.....	60,092.91	275,021.70	4.5835
Total.....	162,461.58	774,773.99	4.769
Total cost, 1930 fuel purchases.....		6,938,474.27	

Below is presented a comparative summary tabulation of the quantities and costs of fuel purchased during the fiscal years 1929 and 1930:

	Quantity		Value	
	1929	1930	1929	1930
BUNKER "C" FUEL OIL				
	<i>Barrels</i>	<i>Barrels</i>		
Domestic ports.....	7, 091, 286	5, 371, 660. 56	\$7, 356, 522. 10	\$4, 764, 106. 84
Foreign ports.....	530, 691	93, 199. 97	926, 516. 56	163, 800. 11
Domestic storage.....	932, 050	561, 692. 69	918, 830. 36	552, 827. 31
Foreign storage.....	395, 540	157, 540. 54	480, 902. 10	188, 770. 82
Total.....	9, 849, 520	6, 184, 100. 76	9, 682, 771. 12	5, 669, 505. 08
DIESEL OIL				
Domestic ports.....	(1)	323, 114. 30	(1)	407, 598. 45
Foreign ports.....	(1)	41, 666. 36	(1)	67, 631. 00
Foreign storage.....	(1)	14, 018. 70	(1)	18, 965. 75
Total.....		378, 829. 36		494, 195. 20
COAL				
	<i>Tons</i>	<i>Tons</i>		
Domestic ports.....	164, 476	102, 458. 67	\$58, 664. 73	499, 749. 29
Foreign ports.....	162, 590	60, 002. 91	733, 677. 52	275, 024. 70
Total.....	327, 066	162, 461. 58	1, 592, 342. 25	774, 773. 99
Total fuel cost.....			11, 275, 113. 37	6, 938, 474. 27

¹ Included with fuel oil.

	Value	
	1929	1930
Average unit price per barrel of bunker "C" fuel oil purchased during the fiscal year ended June 30.....	\$0. 983	\$0. 9168
Average unit price per barrel of Diesel oil purchased during the fiscal year ended June 30.....	1. 40	1. 3045
Average unit price per long ton of bunker coal purchased during the fiscal year ended June 30.....	4. 86	4. 769

The decreased average cost of fuel oil in 1930 compared with 1929 was due to the increased percentage of domestic contract bunkers purchased, namely, 96 per cent in the year 1930 and 91 per cent in the year 1929, and to a decrease in the percentage of open market and foreign purchases made.

The bunker "C" fuel oil contract with the Gulf Refining Co. at Atlantic and Gulf ports, which expires December 31, 1931, was further enhanced in value during 1930 as the market price of fuel oil increased 10 cents a barrel at these ports on April 9, 1930, bringing the price in the North Atlantic to \$1.15 a barrel and in the Gulf to \$1.05 a barrel. All of the fuel oil contract prices are now 23 cents a barrel under the open market prices and 10 cents a barrel under average contract prices of private operators.

The operation of a large number of Diesel vessels made it imperative to contract for Diesel oil at various ports. The exceptionally

low contract price at San Pedro, secured December 1, 1929, which also forced down the contract price at New York 15 cents a barrel on January 1, 1930, reduced the average cost of Diesel oil approximately 10 cents a barrel under the cost of the previous year. These contract prices are from 35 cents to 55 cents a barrel under open market prices, and are approximately 20 cents a barrel under prices being obtained by private operators, due to the Government's purchasing power.

Through its owned and leased fuel-oil bunkering stations the Merchant Fleet Corporation was able materially to assist other Government departments by selling oil to them at established issue prices, and by handling and storing oil owned by them. At the Manila station alone approximately 215,000 barrels of fuel oil were handled for account of other activities, and the revenue received for handling this oil was in excess of the entire cost of operating the station.

The decrease in the average cost of coal in 1930 compared with 1929 was due to lower prices obtained at domestic ports, and to a reduction of 13 per cent in the quantity purchased at foreign ports, where prices increased approximately 2 per cent. Coal prices average approximately 20 cents a ton lower than those obtained by private operators, due to governmental purchasing power.

By reason of its favorable fuel contracts, it is estimated that Merchant Fleet Corporation fuel purchases during the fiscal year 1930 were made at prices aggregating about \$710,000 less than could have been obtained by private operators.

Storekeeping Activities.

In pursuance of the policy adopted several years ago, the Merchant Fleet Corporation has steadily reduced the stocks of materials maintained at various storehouses, by selling surplus, obsolete, and scrap supplies and equipment. The book value of materials sold during the year totaled \$833,000, including materials valued at about \$52,000 which were transferred to other Government departments.

On June 30, 1930, the inventory value of supplies and equipment in storehouses in the United States and foreign ports totaled \$2,059,000, a decrease of about 17 per cent compared with the inventory on June 30, 1929. Reductions have been accomplished at nearly all the principal storehouses during the year, varying from about 18 per cent in the large inventory at New York to 42 per cent at Norfolk, and even higher percentage reductions at some of the smaller storehouses.

Bunkering.

Supervision over bunkering activities of vessels was continued during the fiscal year with profitable results. The ratio of the amount of fuel oil purchased at high prices in foreign ports to that purchased

in domestic ports was reduced substantially, in comparison with the ratio existing in the preceding year. Furthermore, continued supervision over bunkering was instrumental in reducing the number of vessel distress cases arising from fuel shortages at sea to the smallest number in the history of the Merchant Fleet Corporation. Only one such case occurred during the fiscal year 1930.

Stevedoring Costs.

Contracts for loading and discharging vessels at a number of ports, awarded after receipt of competitive bids, are expected to result in savings totaling about \$383,000. This estimate has been calculated by taking the difference between the actual cost of the preceding year's operations and an estimated cost figure obtained by applying the new contract rates to the same cargo volume.

During the fiscal year a number of adjustments were made in individual cargo handling rates, where the cargo movement was in such volume as to justify establishing special commodity rates to replace general cargo rates previously in effect. Reductions in cargo-handling rates were also accomplished by reason of the downward trend of insurance premiums on workmen's compensation, employer's liability and public liability insurance during the fiscal year.

The water-front labor situation has been fairly satisfactory during the year, particularly in domestic ports, although in Buenos Aires and Rosario there have been disturbances on the water front that have caused some delay in the working of cargo on vessels. The Buenos Aires situation has improved somewhat, but at Rosario conditions were unsettled at the end of the fiscal year.

Attention has been given to obtaining greater efficiency in cargo handling, and thus reducing the lay-over time of vessels in port while loading and unloading, and at Boston particularly, gratifying results were accomplished along this line.

Reduction in Repair Costs.

A steady and determined effort has been made to reduce repair expenditures, and a marked decrease has been achieved during the past year, despite the survey requirements of the American Bureau of Shipping and the increasing age of the vessels, bringing with it the possible necessity of additional maintenance work. Alterations and betterments have been carefully limited, so expenditures for these purposes have been relatively small.

Care of Reserve Fleet

At the beginning of the fiscal year 1930 there were 341 vessels in lay up, but by the end of the year this total was reduced to 270, including 26 vessels which had been sold, but not delivered at that

time. On June 30, 1930, the 270 vessels were distributed to various fleets, as indicated below:

Fleet	District	Number of vessels
Caldwell (Hudson River).....	New York.....	34
Staten Island.....	do.....	49
Total.....		83
Hog Island.....	Hog Island.....	31
James River.....	James River.....	112
Patuxent River.....	do.....	2
Total.....		114
Mobile.....	Gulf.....	7
New Orleans.....	do.....	35
Total.....		42
Grand total.....		270

The number of ships in lay up was reduced about 21 per cent, and the personnel assigned to laid-up vessels was reduced 62.3 per cent below that of the preceding year. On June 30, 1930, the authorized personnel numbered 332, an average of 1.23 men per ship.

Reserve fleet expenses for the fiscal year 1930 totaled approximately \$890,000, showing a reduction of about \$525,000 compared with the preceding year. This reduction is accounted for principally by the decrease in the number of ships in lay up, the segregation of surplus ships in separate units on which no preservation work was performed, and the consolidation of tug and unit activities, whereby the tug officers and men are employed in preservation work and other operations on reserve fleet vessels. The continued use of various preservative solutions also accounts for a considerable reduction in preservation expenses.

Orange, Tex., as a lay-up point was eliminated in December, 1929, when the last vessel held there in reserve was transferred to New Orleans. For the purpose of effecting further economies, plans have been made to transfer the vessels now held in reserve at Jones Point, Caldwell, N. Y., to the Staten Island fleet, and those at Mobile to New Orleans, La.

As mentioned in the thirteenth annual report, seven Navy vessels are in the custody of the James River fleet, the maintenance expenses of these vessels being for account of the Navy Department. There has been a saving to the Navy of approximately \$20,000 per annum by reason of the transfer of these vessels, and the Navy Survey Board has expressed satisfaction with the preservation work of the James River fleet.

Due to the sale of Hog Island to the city of Philadelphia the ships held in reserve at that point will be transferred eventually to

some other location, but the sales agreement provides that such ships may remain at Hog Island for at least a year.

Terminals.

The terminal facilities at Hoboken, N. J., to which the Shipping Board holds title as the result of their transfer from the War Department several years ago, are operated directly by the Merchant Fleet Corporation. The property is in good physical condition and is operated at a profit, the revenues in the fiscal year 1930 having exceeded operating, maintenance, reconditioning, and all other expenses by approximately \$306,000.

Pursuant to the act of Congress entitled "An act to authorize the United States Shipping Board to sell certain property of the United States situated in the city of Hoboken, N. J.," approved April 19, 1930, Public No. 146, Seventy-first Congress, the Shipping Board authorized the appraisal of the Hoboken terminal and directed the Merchant Fleet Corporation to advertise for sealed bids on this property. Such bids were advertised for several weeks, beginning in the early part of June, 1930, the advertisement calling for submission of sealed proposals to be opened at noon July 23, 1930, covering the property as a whole, or for alternative bids for each of the separate piers forming this terminal.

As for several preceding years, other pier facilities are leased for private operation, including the Boston, Brooklyn, and Philadelphia terminals which are owned by the War Department but are licensed to the Shipping Board, and the Norfolk and Charleston terminals, which some years ago were transferred in fee from the War Department and are presently the property of the Shipping Board. The terms of the various leases and the financial results of terminal operations are outlined below:

Boston.—Effective January 1, 1929, this terminal was leased for a term of five years to the Bay State Shipping Co. This lease required payment to the Shipping Board amounting to 37½ per cent of the gross revenue, with a guaranteed minimum of \$85,000 per annum. On a later showing that the earnings of the terminal would not justify the payment of such a minimum, however, the Shipping Board on January 23, 1930, reduced it to \$70,000 a year. During the fiscal year 1930, \$77,500 accrued to the Shipping Board under this lease, while repair and other expenditures for the board's account totaled about \$37,400.

Brooklyn.—This terminal, consisting of piers Nos. 3 and 4 of the Brooklyn Army Supply Base, is leased to the Atlantic Tidewater Terminals for a term of five years from December 1, 1928. This lease provides that the Shipping Board receive 55 per cent of the

gross receipts, with a guaranteed minimum of \$160,000 per annum. During the fiscal year 1930 approximately \$240,000 accrued to the Shipping Board under this lease, while repair and other expenditures for the board's account totaled about \$16,500.

Philadelphia.—This terminal, consisting of 3 piers and 25 acres of land adjacent thereto, is leased to the Merchants' Warehouse Co. until August 15, 1932. The lease provides that the Shipping Board receive 25 per cent of the gross revenue from operation of the piers, with a guaranteed minimum of \$125,000 per annum, and in addition the lessee reimburses the Shipping Board to the extent of \$10,000 a year for expenditures in the establishment of a lumber concentration yard at the terminal. During the fiscal year 1930 approximately \$153,000 accrued to the Shipping Board under this lease, while reconditioning expenditures for the board's account totaled about \$45,300.

Norfolk.—This terminal, comprising 2 piers, 8 major fireproof warehouses, and 3 frame warehouses, is leased, together with the Municipal Terminal (excluding the grain elevator) owned by the city of Norfolk, to Norfolk Tidewater Terminals (Inc.), until August 31, 1930. The lease provides that the Shipping Board, the city of Norfolk, and the lessee shall each receive one-third of the net operating profit, and during the fiscal year 1930 the amount which accrued to the Shipping Board under this lease, and other miscellaneous revenues totaled approximately \$93,000, while reconditioning and other expenditures for the board's account were about \$27,000.

On June 9, 1930, a new lease, effective September 1, 1930, and running for seven years, was entered into with the present lessee, under the terms of which it is expected that Shipping Board earnings will be increased about \$30,000 per annum.

Charleston.—This terminal is leased to the Port Utilities Commission of Charleston for a 5-year term expiring February 28, 1931. The lease provides that the United States Shipping Board receive all net profits from the operation of this terminal up to an amount equivalent to $4\frac{1}{4}$ per cent per annum on the total cost of reconditioning. If the net profits exceed this amount, a sum not exceeding $2\frac{1}{2}$ per cent of the reconditioning cost accrues to the lessee each year. If the net profit in a year exceeds both these amounts it is divided two-thirds to the United States Shipping Board and one-third to the lessee. During the fiscal year 1930 about \$28,700 accrued to the Shipping Board under this lease.

When this property was taken over from the War Department it was in such poor condition that it could not be operated as a terminal until numerous repairs were made by and at the expense of the Shipping Board. The property at the present time, however, is con-

sidered to be in workable condition. During the fiscal year 1930 about \$30,000 was expended by the board for reconditioning.

All terminals.—To summarize the foregoing, it may be stated that the total revenues derived by the Shipping Board from the operation of the above-mentioned six terminals during the fiscal year 1930 exceeded total operating and reconditioning expenses for that year by approximately \$742,000.

PROGRESS ALONG SPECIAL TECHNICAL LINES

Diesel Conversion Program.

The last five vessels to be converted to Diesel propulsion were completed during the fiscal year, thus consummating the conversion program authorized by the Shipping Board.

Complete details concerning Diesel conversion work will be found in the report of the bureau of construction of the United States Shipping Board.

Fuel Conservation.

The work of fuel conservation was carried on during the year with continued resultant economy. In spite of the large savings effected in preceding years, the reduced price of fuel oil, and the increasing age of vessels in service, a fuel saving of about \$78,000 was made during the first half of the calendar year 1929 as compared with the preceding 6-month period. In the second half of the calendar year 1929, further savings amounting to approximately \$133,000 were made, as the result of increased efficiency in the matter of fuel consumption.

Tests with Pulverized Coal.

The steamship *Mercer*, equipped with Kennedy-Van Saun pulverizers and Peabody burners, has been in continuous service as a pulverized-coal burner since November 16, 1927. This vessel has made 14 round voyages in the North Atlantic, traveling a distance of about 95,000 miles. The steamship *West Alsek* has made four round voyages in the North Atlantic, totaling about 30,000 miles. Upon completion of the fourth voyage, although the pulverized-coal apparatus was operating satisfactorily, it was necessary to withdraw the vessel from operation because of misalignment of the main reciprocating engine. As is to be expected in pioneer installations of this nature, many problems have arisen, which have been worked out aboard these vessels while in operation.

As a further step in the development of pulverized fuel for use in vessels, the Shipping Board authorized an installation on the steamship *Lorain*. Contract has been entered into with the Todd Dry Dock, Engineering & Repair Corporation for this installation which will embody such changes as appear necessary and desirable, as

evidenced by experience with the two vessels previously converted and operated.

Radio.

The radio service contract referred to in the thirteenth annual report was superseded by a similar contract with the Radiomarine Corporation of America, providing for the handling of radio traffic accounting; furnishing ships with radio operators and radio licenses; inspection and necessary tuning and adjusting of the radio equipment on vessels in operation to enable them to comply with existing domestic and foreign laws and regulations and with international treaties; maintenance of service stations, etc. In spite of the fact that the service to be rendered under this contract is considerably greater than was provided in the old contract, the rate of payment to the contractor has been decreased approximately 50 per cent.

Representatives of the Merchant Fleet Corporation participated in the preparation of proposals for consideration at a conference of the International Radio Consultative Committee, held at the Hague in the fall of 1929. There was similar representation at various meetings of the interdepartmental radio advisory committee, and at a conference of leading radio engineers of the country, which drew up a policy to be followed by the Federal Radio Commission in allocating wave lengths to merchant ships, coastal radio stations, etc.

A large amount of research work was performed during the past fiscal year in connection with modern radio and radio-acoustic aids to navigation.

Four automatic depth-sounding devices, known as fathometers, were installed aboard ships chartered to the South African Dispatch Line, operating between the Pacific coast of the United States and the south and east coasts of Africa.

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

TRAFFIC

The fiscal year 1930 witnessed the beginning of a period of severe business depression with a general scarcity of cargo prevailing in all trades, and with tramp tonnage being offered at rates less than those in effect prior to the World War. Under such conditions difficulty has been experienced in keeping freight conferences together, and on several occasions it was only the influence exercised by the Merchant Fleet Corporation that kept these conferences intact.

European and Mediterranean Trades.

In these trades, disturbed conditions continued during practically the entire year, and the scarcity of cargo and the increase in tramp tonnage seriously affected all services. Grain carryings from the North Atlantic fell off approximately 15,000,000 bushels, and

this fact, together with prevailing low cargo rates caused the North Atlantic services of the Shipping Board to lose revenue exceeding \$1,000,000. From the Gulf there was a slight increase in the volume of grain moved, but rates were forced to a very low level, causing a decrease in revenue of nearly \$1,500,000 as compared with the preceding year. To assist in the seasonal movement of grain from Gulf ports, the Merchant Fleet Corporation during July and August 1929 provided 10 large steamers which lifted full cargoes of grain, and assigned 12 extra vessels to lift part cargoes. Sulphur and phosphate rates were forced to new low levels and rates on commodities which are essentially liner cargoes were also affected. While the Gulf-United Kingdom conference functioned throughout the year, tramp tonnage appeared on the London and Liverpool berths in unusual numbers and took a large amount of lumber from liners by cutting conference rates. The distressed rates at which tramp tonnage has been chartered very clearly indicates the extremes to which tramp owners are being forced to keep their vessels in operation.

The west coast of Italy trade was stabilized by the formation of a pooling agreement between Shipping Board services and the principal Italian lines, effective September 1, 1929. This agreement has given all lines a fair participation in cargoes to the west coast of Italy and because of its satisfactory results, it has been extended through the fiscal year 1931.

Homeward cargoes, particularly to the North Atlantic, have increased, and rates have improved to some extent, resulting in better homeward revenues. During the ensuing fiscal year, however, homeward cargoes will probably be curtailed because of the provisions of the tariff law recently enacted.

South American Trades.

Additional competition has been experienced in this trade due to the inauguration of a new service. Conditions during the fiscal year were very unsatisfactory, especially in the Brazil and River Plate territory, to which exports from the United States have fallen off sharply. In Brazil low prices prevailed on coffee, its main export, resulting in low purchasing power and lessened imports for that country. Low prices on agricultural products from the River Plate territory also prevailed during the year with similar effect on purchases from the United States.

Far East, Australia, and India Trades.

War conditions in China were continuous, restricting the production for export as well as the demand for imports. Japan was affected by fluctuations in exchange which adversely affected the trade as a whole. Nonconference competition from North Atlantic ports and

tramp competition from Gulf ports caused decreased outward revenue rates.

There was a decrease in the cargo movement in the India service, but conference arrangements with competing carriers worked out very satisfactorily. Homeward traffic from Calcutta increased. The Australian import law, prohibiting many imports and increasing duties, has affected exports from the United States to such an extent that all lines have curtailed their services. For this reason the American Pioneer Line reduced its service to Australia from two sailings to one sailing a month.

INSURANCE

Marine Insurance.

As of January 1, 1930, the marine insurance reserve, amounting at that time to \$5,245,196.55, used to cover vessels owned by and operated for the account of the Shipping Board, was combined with the insurance fund created under the provisions of section 501 of the merchant marine act of 1928, described in last year's annual report. This combination created a fund, known as the general insurance fund, in which both Shipping Board vessels and privately owned tonnage are insured, but separate insurance records for both classes of tonnage are maintained. At the close of the fiscal year the general insurance fund had an unobligated balance of about \$8,796,000, of which \$3,570,000 applied to privately owned vessels and \$5,226,000 to Shipping Board tonnage.

On privately owned vessels, including those sold by the Shipping Board and those on which construction loans have been made, the amount of hull insurance totaled \$57,058,142 on 224 steamers at June 30, 1930. Premiums earned from the inception of the fund to June 30, 1930 totaled \$1,724,000, while charges against the fund for proved loss and damage claims, and for administrative expenses totaled \$1,654,000. Unsettled claims pending on June 30, 1930, were estimated at \$1,625,000, but part of this total will undoubtedly be recovered from third parties, as in collision cases.

A horizontal increase in rates of not less than 25 per cent on policy renewals for privately owned hulls insured in the general insurance fund was put into effect beginning February 1, 1930, and in some hazardous trades the rate has been advanced more than 25 per cent. These rates are fixed on the reasonable expectation that the premium income will be sufficient to pay the losses, and it has been the general practice to ascertain the rate quoted by commercial underwriters before fixing the rate for that portion of the total insurance covered in the general insurance fund.

A new form of insurance policy, which is practically identical with the commercial form, was issued as of January 1, 1930, to cover

vessels owned by the Shipping Board. Under this policy each Shipping Board service is rated on its individual loss experience, and the premium rate is fixed accordingly, whereas previously all cargo services were insured at a uniform rate. During the six months following the adoption of the new form of policy, earned premiums on Shipping Board vessels insured in the fund totaled \$765,000, while proved loss and damage claims and administrative expenses totaled about \$784,000. The latter total includes claims which arose both before and after January 1, 1930, when the insurance reserve was transferred to the general insurance fund, and coverage of Shipping Board vessels in that fund was undertaken.

Insurance policies totaling \$393,500,000, covering hull, disbursements, and protection and indemnity risks, and furnished by purchasers of Shipping Board tonnage and by borrowers from the construction loan fund, have been examined and approved. Policies covering fire insurance, workmen's compensation, public liability, automobiles, etc., in the approximate amount of \$35,000,000 have also been handled.

Protection and Indemnity Insurance.

As mentioned in the annual report for the fiscal year 1929, the name and good will of the United States Protection and Indemnity Agency (Inc.) were sold to the Marine Office of America, effective July 1, 1929. Subsequent to that date the new owners furnished protection and indemnity coverage for Shipping Board vessels on a commercial basis.

Protection and indemnity claims which were pending at the time of sale are now being settled or otherwise disposed of by the insurance department of the Merchant Fleet Corporation, with the assistance of the Bureau of Law of the Shipping Board when necessary. When taken over these claims were estimated to total \$11,000,000, but they will be liquidated for much less than that amount.

FINANCE DEPARTMENT

During the fiscal year the bonding division which handled fidelity bonds for the Merchant Fleet Corporation was abolished, its work being absorbed by other offices of the finance department. Otherwise the organization and activities of the department, which were fully described in the previous annual reports, were practically unchanged, although its pay roll was reduced during the fiscal year.

Cash Discount and Interest.

Due to the sale of the United States Lines and to reduction in the number of bank accounts, cash discount and interest earnings decreased in the fiscal year 1930 in comparison with preceding years. Careful attention was given to these matters, however, in order that

maximum earnings might be obtained, with the result that cash discounts totaled about \$86,000 and interest on bank balances totaled approximately \$260,000 during the year.

Cash Accounts.

During the fiscal year 37 of the cash accounts maintained by the Merchant Fleet Corporation at the beginning of the year were discontinued. As of June 30, 1930, 118 cash accounts were being maintained, of which 14 were carried in the United States Treasury, 38 were subagency accounts, and 66 were miscellaneous accounts in commercial banking institutions throughout the world.

Approximately \$15,900,000 was deposited in the United States Treasury during the year in pursuance of the policy inaugurated several years ago, of transferring to the Treasury all funds in commercial banking accounts not immediately essential to operating activities.

Collection of Past-Due Accounts.

During the fiscal year 98 past-due accounts, amounting to \$9,214,000 were collected, settled, or adjusted, and at the end of the year there remained 221 such accounts, totaling \$28,793,000. This balance exceeds the number at the end of the preceding fiscal year by reason of the fact that 67 accounts were transferred from the books of the United States Lines late in the fiscal year 1930.

Credit Investigations.

At the request of various departments of the Shipping Board and the Merchant Fleet Corporation 345 credit investigations were made during the year. This total included 58 credit reports on prospective purchasers of vessels, and 24 reports on applicants for loans from the construction loan fund.

Housing Properties.

At the close of the fiscal year, the Shipping Board still owned 12 properties in New Jersey, which could not be conveyed because of uninsurable titles. Certain utilities, park spaces, etc., in various localities were also held, pending completion of conveyance agreements with municipalities.

The Noreg Realty Co., Brooklawn, N. J., and the Federal Home Building Co., Lorain, Ohio, which were organized to hold title to housing projects constructed in those places by the Shipping Board, were dissolved during the year. The only other such company which remains in existence at the present time is the Fairview Realty Co., which was incorporated to hold title to a housing project in Camden, N. J., and has been continued for the reason that complete disposition has not yet been made of property in that location.

Securities.

The volume of ship sales and the large number of construction loans made during the fiscal year resulted in a large increase in the face value of notes and other securities held by the Merchant Fleet Corporation. At the close of the fiscal year these securities totaled about \$84,000,000, an increase of approximately \$16,500,000 over the total at the beginning of the year. In addition, collateral securities to the value of nearly \$4,200,000 were at hand.

Payments made on the principal of these securities as well as payments of interest thereon, materially exceeded the amounts collected in preceding years.

Consolidated Cash Statement.

A consolidated cash statement, summarizing the financial activities of the United States Shipping Board and the Merchant Fleet Corporation during the fiscal year ended June 30, 1930, is given in Table VII of the appendix.

GENERAL COMPTROLLER'S DEPARTMENT

This department functioned during the fiscal year without any material change in its organization plan, but a reduction in personnel was accomplished. The condition of both general and operating accounts has been improved, particularly the latter, as is evidenced by the fact that complete accounts are at hand for approximately 80 per cent of the voyages terminated during the year.

Aside from routine accounting and auditing activities for the Merchant Fleet Corporation, the department made material progress in closing the accounts of the United States Lines, assisted in the compilation of data for use in proceedings before the war claims arbiter for evaluating German vessels seized during the World War, and formulated the new accounting procedure to be followed by managing operators under lump-sum operating agreements.

The balance sheet as of June 30, 1930, and the profit and loss statement for the fiscal year 1930 are included in the appendix as Tables VIII and X, respectively.

APPENDIX

APPENDIX

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1930

Name	Dead-weight tons	Gross tons	Sale price	Purchaser
STEEL CARGO VESSELS				
<i>Vessels sold for unrestricted operation</i>				
Cape Henry.....	7,371	4,628	\$81,000.00	A. H. Bull Steamship Co. Am-Russ Steamship Corporation. American Scantic Line (Inc.). Jersey-American Steamship Co. Luckenbach Steamship Co. (Inc.). Chas. R. McCormick Steamship Co. Mooremack Gulf Lines (Inc.). Joseph F. O'Boyle.
Shooters Island.....	7,249	4,755	89,979.00	
Carplaka.....	7,825	5,104	153,000.00	
Englewood.....	7,323	4,746	102,381.00	
Radnor.....	11,590	7,699	201,000.00	
Western Ally.....	8,514	5,834	171,100.00	
Lake Elkwater.....	4,050	2,730	31,000.00	
Crainereck.....	3,364	2,292	27,250.00	
Cranenest.....	3,364	2,292	30,000.00	
Crawl Keys.....	3,364	2,306	25,250.00	
Sag Harbor.....	3,535	2,431	39,000.00	
Total (11).....	67,549	44,817	950,960.00	
<i>Vessels sold for restricted operation on trade routes</i>				
American Scantic Line (vessel to replace ship in service which became total loss):				American Scantic Line (Inc.). Tampa Inter-ocean Steamship Co.
Cliffwood.....	7,840	5,104	143,000.00	
Gulf West Mediterranean Line:				
Carlton.....	7,825	5,127	110,000.00	
Cody ¹	7,825	5,104	110,000.00	
Lafcomco ¹	7,825	5,662	110,000.00	
Ogontz.....	7,825	5,662	110,000.00	
Jomar ¹	7,825	5,104	110,000.00	
Prusa.....	7,825	5,113	110,000.00	
Sabale.....	7,825	5,593	119,000.00	
Sapinero.....	7,825	5,106	110,000.00	
Total (9).....	70,440	47,375	1,023,000.00	
<i>Vessels sold with privilege of transfer to foreign registry</i>				
Cedar Spring.....	3,610	2,343	31,000.00	Paul Hansen. Arth. H. Mathiesen. Johann G. Ohsol.
Calispell.....	3,560	2,379	30,000.00	
Goodspeed.....	3,525	2,305	31,000.00	
Grove.....	3,525	2,310	29,000.00	
Glen Ridge.....	7,385	5,104	99,000.00	
Albdo.....	7,249	4,768	90,000.00	
Bellingham.....	7,493	4,837	66,000.00	
Chebaulip.....	7,420	4,820	92,000.00	
Dallas.....	7,323	4,746	82,000.00	
Galesburg.....	7,323	5,138	80,000.00	
Mastuda.....	7,495	4,841	69,000.00	
Puget Sound.....	7,482	4,838	61,000.00	
Lake Pablus.....	4,155	2,606	35,000.00	
Lake Fausdale.....	4,155	2,698	35,000.00	
Lake Farley.....	4,155	2,599	32,000.00	
Lake Favonia.....	4,155	2,592	32,000.00	
Lake Festina.....	4,100	2,559	33,000.00	
Eastern Cross.....	6,799	4,390	73,000.00	
Eastport.....	6,695	4,385	68,000.00	
Lake Ferrona.....	4,155	2,598	32,000.00	
Lake Fandon.....	4,155	2,606	31,000.00	

¹ Vessels on which agreement of sale had been executed but in which title had not been transferred as of June 30, 1930.

TABLE I.—Vessels sold and vessels disposed of otherwise than by sale during the fiscal year ended June 30, 1930—Continued

Name	Dead-weight tons	Gross tons	Sale price	Purchaser
STEEL TANKER				
Brandywine.....	7,047	4,969	\$60,000.00	Hillecote Steamship Co.
MISCELLANEOUS				
Bayport, 150-foot steel ocean-type tug.....			56,398.00	W. G. Coyle & Co. (Inc.).
Privateer, wooden launch.....			50.00	State of Virginia.
Grand total (100).....	645,820	425,012	4,269,718.00	

DISPOSITION OF VESSELS OTHER THAN BY SALE

Name	Dead-weight tons	Gross tons	Sale price	Transferee
Transferred to other Government departments:				
Cargo—Henry County.....	4,155	2,592	Without exchange of funds.	Navy Department.
Tug—Reindeer, harbor type, wood construction.			do.	Do.
Launches—				
Nabarg, 37 feet 8 inches, wood construction.			do.	Treasury Department.
Tornever, 37 feet 8 inches, wood construction.			do.	Do.
Standard, 36 feet, wood construction.			do.	Do.
Creeper, 40 feet, wood construction.			do.	Commerce Department.
Motorlor, 49 feet 7 inches, wood construction.			do.	War Department.

ADDITIONS TO SHIPPING BOARD FLEET

Name	Dead-weight tons	Gross tons	Purchase price	Transferred from—
Acquired from other Government departments:				
Cargo—				
Dauperata.....	8,785	5,720	Without exchange of funds.	War Department.
Tollard.....	8,765	5,874	do.	Do.
Worcester.....	8,627	5,718	do.	Do.
Launches—				
Privateer, 106 feet, wood.....			do.	Navy Department.
Texas, 24 feet, wood.....			do.	Treasury Department.

13 vessels retransferred from War Department account having been found unsuited to requirements of the Inland Waterways Corporation.

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TABLE II.—*Vessel property controlled by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1930*

[This report is based on information received through July 2, 1930, affecting status of vessels as of June 30, 1930]

	Total		Contract		Requisitioned	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....	2	17,000				
Cargo.....	447	3,858,272	356	3,022,548	79	731,001
Refrigerators.....	10	70,277	5	41,967	5	28,310
Tugs.....	3					
Unfinished cargo.....	1	9,400	1	9,400		
Total steel.....	463	3,954,949	362	3,073,915	84	759,311
Concrete vessels: Tankers.....	1	7,500	1	7,500		
Wood vessels: Tugs.....	6		6			
Total.....	470	3,962,449	369	3,081,415	84	759,311

	Purchased		Seized		Acquired from other departments	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:						
Passenger and cargo.....			2	17,000		
Cargo.....	11	2,798	1	11,925		
Refrigerators.....						
Tugs.....					3	
Total.....	11	2,798	3	28,925	3	

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

TABLE III.—*Status of vessels controlled by United States Shipping Board Merchant Fleet Corporation as of June 30, 1930*

[This report is based on information received through July 2, 1930, affecting status of vessels June 30, 1930]

	Number	Dead-weight tons
Vessels in hands of operators or charterers:		
Cargo—		
Operating in specified services.....	154	1,370,310
Idle status with managing operators.....	14	132,222
United States Army service.....	1	7,840
Under bareboat charter.....	15	129,833
Tugs—		
Steel (bareboat).....	3	-----
Wood (in service with reserve fleet).....	6	-----
Total in hands of operators or charterers.....	193	1,640,205
Vessels inactive with Merchant Fleet Corporation:		
Cargo—		
Tied up.....	261	2,198,939
Spot with Operations Department.....	3	28,528
Passenger, tied up.....	2	17,000
Refrigerators, tied up.....	10	70,277
Tankers, concrete, tied up.....	1	7,500
Total inactive fleet.....	277	2,322,244
Total fleet.....	470	3,962,449

SUMMARY OF TOTAL FLEET

	Active		Inactive		Total	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo.....	184	1,640,205	261	2,227,467	448	3,867,672
Passengers.....	-----	-----	2	17,000	2	17,000
Refrigerators.....	-----	-----	10	70,277	10	70,277
Tankers, concrete.....	-----	-----	1	7,500	1	7,500
Tugs.....	9	-----	-----	-----	9	-----
Total.....	193	1,640,205	277	2,322,244	470	3,962,449

TABLE IV.—Managing operators and charterers of Shipping Board vessels as of June 30, 1930

Name of line (and operator)	Address	Num-ber of ves-sels	Dead-weight tons	Form of agreement
America France Line (Cosmopolitan Shipping Co., Inc.)	42 Broadway, New York City	10	86,694	Operating Agreement, 1924
American Brazil Line (Colombian Steamship Co., Inc.)	50 Battery Place, New York City	4	30,644	Do.
American Canadian Line (Delaware Steamship Corporation)	50 Broadway, New York City	14	121,737	Do.
American Gulf Orient Line (Texas Oceanic Steamship Co., Inc.)	Whitney Central Building, New Orleans, La.	8	94,605	Do.
American Hampton Roads Line (Southgate-Nelson Corporation)	Law Building, Norfolk, Va.	4	31,530	Lump sum agreement, 1924.
American Pioneer Line (Roosevelt Steamship Company, Inc.)	11 Broadway, New York City	22	239,570	Operating agreement, 1924.
Do.	do.	1	10,670	Operating agreement, 1924.
American Republics Line (C. H. Sprague & Son, Inc.)	93 Broad Street, Boston, Mass.	13	106,160	Operating agreement, 1924.
American West African Line, Inc. (Barber Steamship Lines, Inc.)	17 Battery Place, New York City	1	8,378	Operating agreement, 1924.
Dixie Mediterranean Line (Dixie Steamship Company, Inc.)	Whitney Central Building, New Orleans, La.	5	124,898	Operating Agreement, 1924.
Dixie U. K. Line (Dixie Steamship Co., Inc.)	do.	14	177,271	Do.
Export Steamship Corporation	do.	11	31,300	Operating agreement, 1924.
Gulf West Mediterranean Line (Tampa Inter-Ocean Steamship Co.)	New Cunard Building, 25 Broadway, New York City	1	31,300	Operating agreement, 1924.
Merrill, Chapman & Scott Corporation	17 Battery Place, New York City	3	30,070	Operating agreement, 1924.
Mississippi Valley European Line (Mississippi Shipping Co. Inc.)	1340-1316 Hibernia Bank Building, New Orleans	4	122,602	Operating agreement, 1924.
Mobile Oceanic Line (Waterman Steamship Corporation)	First National Bank Building, Mobile, Ala.	13	109,230	Operating agreement, 1924.
Orolo Lines (Consolidated Navigation Co.)	First National Bank Building, Baltimore, Md.	3	24,018	Operating agreement, 1924.
Pacific South African Line (South African Dispatch Line)	235 Pine Street, San Francisco, Calif.	16	147,977	Operating agreement, 1924.
Southern States Line (Lykes Bros.-Ripley Steamship Co., Inc.)	925 Whitney Central Building, New Orleans, La.	2	18,573	Do.
Texas Mediterranean Line (Texas Oceanic Steamship Co., Inc.)	925 Whitney Central Building, New Orleans, La.	6	53,339	Do.
Texas Star Line (Lykes Bros.-Ripley Steamship Co., Inc.)	925 Whitney Central Building, New Orleans, La.	9	83,195	Do.
Texas Okay Line (Texas Oceanic Steamship Co., Inc.)	Washington, D. C.	1	7,840	Lean basis
War Department	Washington, D. C.	1	7,840	Operating Agreement, 1924.
Yankee Line (Rogers & Webb)	110 State Street, Boston, Mass.	5	42,959	Operating Agreement, 1924.
Total		3187	1,640,205	

¹ Line sold—vessels in process of delivery.

² Tugs.

³ Does not include 6 tugs and 12 barges operated by the reserve fleet.

TABLE V.—Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1930

	Number of services	Number of vessels
European.....	24	109
Mediterranean.....	5	11
South American.....	5	17
Far East and long voyage.....	4	31
Grand total.....	38	168

NOTE.—For names of lines in each trade see following pages.

TABLE V.—Services maintained by the United States Shipping Board Merchant Fleet Corporation as of June 30, 1930
EUROPEAN TRADES

Line and operator	From—	To—	Frequency of sailings	Number of vessels
Orion Lines (Consolidated Navigation Co.)	Baltimore, Hampton Roads, New York	Glasgow, Belfast, Dublin, Avonmouth Cardiff	Every 10 days	13
Do.	Baltimore, Hampton Roads, Boston	Liverpool, Manchester	2 per month	
Do.	Baltimore, Hampton Roads, and/or New York	Manchester, Cork	do.	
American Diamond Lines (Black Diamond Steamship Corporation)	Boston, Philadelphia, Baltimore, Norfolk	Rotterdam	Every 20 days	14
Do.	New York	do.	Every 10 days	
Do.	Boston, Philadelphia, Baltimore, Hampton Roads	Antwerp	do.	
American Hampton Roads Line (Southgate-Nelson Corporation)	Philadelphia, Baltimore, Hampton Roads, Boston	London, Leith, Dundee	Monthly	4
Do.	Philadelphia, Baltimore, Hampton Roads, Boston, Portland	London, Hull	do.	
America France Line (Cosmopolitan Shipping Co., Inc.)	Baltimore, Philadelphia, New York	Havre, Dunkirk	Weekly	10
Do.	Philadelphia, New York	Bordeaux, St. Nazaire	Monthly	
Yankee Line (Rogers & Webb)	Baltimore, Hampton Roads, Boston	Hamburg, Bremen	do.	
Do.	Philadelphia, Boston	do.	do.	
Davie U. K. Line (Davie Steamship Co., Inc.)	New Orleans	London, Hull, Leith	Every 2 weeks	5
Do.	do.	Liverpool, Manchester	do.	
Do.	do.	Glasgow, Belfast, Dublin, Avonmouth	Every 3 weeks	14
Texas U'kay Line (Texas Oceanic Steamship Co.)	Texas ports	London, Hull, Leith	Monthly	
Do.	do.	Liverpool, Manchester	Every 2 weeks	9
Mobile Oceanic Line (Waterman Steamship Corporation)	Mobile, Pensacola, Gulfport	London (also Antwerp or Rotterdam)	Every 2 per month	
Do.	do.	Liverpool, Manchester	do.	
Do.	Pensacola, Tampa, Gulfport, Mobile	Hamburg, Bremen, Rotterdam	Monthly	14
Southern States Line (Lykes Bros-Ripley Steamship Co., Inc.)	New Orleans	Bremen, Hamburg, Rotterdam (Antwerp)	2 per month	16
Do.	Texas ports (Lake Charles and Tampa)	do.	4 per month	
Mississippi Valley European Line (Mississippi Shipping Co.)	New Orleans	Havre, Antwerp	2 per month	4
Texas Star Line (Lykes Bros-Ripley Steamship Co., Inc.)	Houston, Galveston	Havre, Antwerp, Rotterdam	do.	6
Total				109

¹ Steamers also call at Philadelphia, Baltimore, Hampton Roads twice a month and at Boston once a month.

MEDITERRANEAN TRADES

Gulf West Mediterranean Line (Tampa Inter-Ocean Steamship Co.), ² Do.....	Gulf and South Atlantic, Galveston to Wilmington. do.....	Portuguese/Spanish Atlantic. Spanish Mediterranean, North Africa (west of Bizerta). French Mediterranean, west coast Italy. Adriatic/Greek Levant/Constantinople/North Africa (west of Bizerta). French Mediterranean, west coast Italy.	1 per month. 2 per month. Monthly do. do. do.	4
Dixie Mediterranean Line (Dixie Steamship Co., Inc.) Do.....	New Orleans, East Gulf and South Atlantic.			5
Texas Mediterranean Line (Texas Oceanic Steamship Co.) Do.....	Gulf and South Atlantic, Galveston to Wilmington. ³ Texas Ports and South Atlantic.			2
Total.....				11

SOUTH AMERICAN TRADES

American Republics Line (C. H. Sprague & Son, Inc.) Do..... Do..... Do..... Do.....	Boston, New York. Philadelphia, Hampton Roads, South Atlantic. New York do. Philadelphia, New York, South Atlantic.	River Plate ports. Brazil and River Plate. Santos, River Plate. Pernambuco and Bahia. Para-Victoria range.	Monthly. do. Every 21 days. Monthly do.	13
Total.....				17

FAR EAST AND LONG-VOYAGE TRADES

American Pioneer Line (Roosevelt Steamship Co., Inc.) Do..... Do..... Do.....	North Atlantic ports New York do. Gulf ports.	Far East. India. Australia. Far East.	Monthly. do. do. do.	23
American Gulf Orient Line Do.....				8
Total.....				31

² This line in process of sale.
³ Operated jointly with Texas Mediterranean Line (Texas Oceanic Steamship Co.).

TABLE VI.—An analysis of the total vessel property acquired by the U. S. Shipping Board showing disposition of same as of June 30, 1930

Type	Total acquired from all sources		Conversion in type	Distributed		Vessels sold		Vessels lost		Vessels transferred to Government departments		Scrapped		Vessels owned June 30, 1930	
	Num-ber	Dead-weight tons		Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons	Num-ber	Dead-weight tons
Cargo steamers:															
Steel.....	1,621	10,098,868	-7 cargo converted to tankers; -3 cargo converted to cools carriers; -5 cargo converted to passenger; +11 transports converted to cargo.	1,517	10,119,093	990	6,754,967	57	338,031	23	109,743			447	3,853,272
Steel (uncompleted).....	1	9,400		1	9,400										
Wood.....	307	1,123,400		307	1,127,960	263	982,553	22	82,910	4	6,088	18	65,408	1	9,400
Composite.....	18	63,750		18	63,750	13	63,750								
Concrete.....	4	13,500		4	12,666	2	6,078	2	6,378						
Total.....	1,851	11,308,918		1,847	11,342,709	1,273	6,808,368	81	423,519	27	175,831	18	65,408	448	3,867,672
Tankers:															
Steel.....	143	1,394,180	+7 cargo converted to tankers.	150	1,447,512	138	1,315,862			12	131,680				
Wood.....	1	4,700		1	4,700	1	4,700								
Concrete.....	8	60,000		8	56,282	3	19,939	1	7,600	3	21,313			1	7,500
Total.....	152	1,458,880		159	1,508,524	142	1,340,531	1	7,600	15	152,993			1	7,500
Passenger steamers:															
Steel.....	57	626,967	+5 cargo converted to passenger.	62	625,492	55	550,205	2	18,910	3	38,377			2	17,000
Iron.....	1	4,000		1	4,000	1	4,000								
Total.....	58	630,967		63	629,492	56	554,205	2	19,910	3	38,377			2	17,000
Refrigerator steamers.....	19	161,400		19	141,495	5	40,380	1	5,324	3	25,314				
Transports, steel.....	33	233,604	-11 transports converted to cargo.	22	127,520	5	33,800			17	33,790			10	70,277
Colliers, steel.....	19	103,728		19	104,792	19	104,792								
Coolie carriers, steel.....	8	11,395	+3 cargo converted to coolie carriers.	8	11,395	3	11,395								
Tugs:															
Steel.....	84			84		58								3	
Wood.....	77			77		64								6	
Wood (incompleted).....	1			1		1								6	
Total.....	162			162		123		1		29				9	

TABLE VI.—An analysis of the total vessel property acquired by the United States Shipping Board, showing disposition of same as of June 30, 1930—Continued

VESSELS PURCHASED BY UNITED STATES SHIPPING BOARD

	Total vessels acquired by purchase		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1930		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo:	49	286,277	28	142,155	8	42,669	2	8,965	11	92,798	49	286,587
Steel.....	1	2,800	1	2,800							1	2,800
Wood.....												
Total.....	50	289,077	29	144,955	8	42,669	2	8,965	11	92,798	50	289,387
Tankers, steel.....	5	31,150	5	31,150							5	31,150
Passenger:												
Steel.....	1	8,200	1	8,200							1	8,200
Iron.....	1	4,000	1	4,000							1	4,000
Total.....	2	12,200	2	12,200							2	12,200
Colliers, steel.....	10	33,378	10	33,118							10	33,118
Tugs:												
Steel.....	26		10				16				24	
Wood.....	2		1		1						4	
Total.....	28		11		1		16				28	
Barges, wood.....	8		5								3	
Grand total.....	103	365,805	62	221,400	9	42,669	18	8,965	14	92,798	103	365,898

VESSELS TRANSFERRED FROM OTHER GOVERNMENT DEPARTMENTS TO UNITED STATES SHIPPING BOARD

	Total vessels acquired by transfer		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1930		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo, steel.....	1	3,500	1	3,500							1	3,500
Passenger, steel.....	2	7,504	2	7,504							2	7,504
Transports, steel.....	2	14,500	2	13,080							2	13,080
Tugs:												
Steel.....	6		2				1		3		6	
Wood.....	2		1				1				2	
Total.....	8		3				2		3		8	
Barges, wood.....	9						2		7		9	
Grand total.....	22	25,504	8	24,064			4		10		22	24,064

EX-ENEMY VESSELS SEIZED

	Total vessels seized		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of June 30, 1930		Total distributed	
	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo:												
Steel.....	52	309,257	40	229,531	6	37,349	5	40,165	1	11,925	52	318,970
Wood.....	2						2				2	
Total.....	54	309,257	40	229,531	6	37,349	7	40,165	1	11,925	54	318,970
Passenger, steel.....	29	302,291	22	210,013	2	10,910	3	38,377	2	17,000	29	285,300
Transports, steel.....	9	39,629					9	38,739			9	38,739
Tugs, steel.....	1										1	
Barges, steel.....	3		3								3	
Sailing vessels:												
Steel.....	7	24,264	6	22,050	1	2,214					7	24,264
Wood.....	2						2				2	
Total.....	9	24,264	6	22,050	1	2,214	2				9	24,264
Grand total.....	105	675,441	72	461,594	9	59,473	21	117,281	3	28,925	105	687,273

	Total receipts.....	77,885,435.08				1,622.64	365,814.64	2,533,820.64
	Transfer of funds.....	16,908,370.13						9,864,136.24
	Total.....	210,370,525.94	10,909.78	1,771.80		20,682.02	365,814.64	82,814,029.89
DA	Disbursements:							
DA	Construction, repairs, and/or betterments—							
DB	Vessels.....	341.57						
DB	Major reconditioning expense.....	14,161.61						
DC	Real estate and/or equipment.....	2,363,881.41						
DC	Dieselization expense.....	2,368,380.59						
DD	Total construction, repairs, and/or betterments.....	44,277,578.59						
DE	Operations out-go, vessels—							
DE	Operation of vessels, expense.....	7,840,964.97						
DE	Vessel repairs.....	640,363.63						
DE	M. & I. insurance expense and losses.....	1,942,077.42						
DE	Marine insurance expense and losses.....	417,100.70						
DE	Marine insurance premiums.....	787,010.61						
DE	P. & I. insurance premiums.....	55,420,881.42						
DJ	Total operations out-go, vessels.....	873,658.96						
DJ	Laid-up vessels expense.....	543,791.05						
DJ	Real estate operation and rental expense.....							
DL	Other disbursements—							
DL	Fuel purchased for storage and issue to vessels.....	487,040.75						
DL	Warehouse charges.....	652,425.79						
DL	Appropriations returned to U. S. Treasury.....	12,681.58	10,909.78	1,771.80				
DL	Miscellaneous disbursements.....	20,912,248.31						
DL	Total other disbursements.....	22,064,306.45	10,909.78	1,771.80				30,884,100.00
DU	General administrative expense—							
DU	Administrative salaries.....	3,514,747.33				10,570.01	276,653.69	
DU	Other general expense.....	696,717.85				8,775.80	42,517.95	
DU	Total general administrative expense.....	4,211,465.18				19,345.81	319,176.00	
DRB	Refunded receipts—							
DRB	Sales of vessels, tugs, and/or barges.....	88,421.43						
DRB	Sales of assets other than vessels, tugs, and/or barges.....	180.17						
DRF	Operation of vessels, revenue.....	1,262,366.52						
DRJ	Interest earned.....	2,395.56						
DRL	Miscellaneous receipts.....	2,922,595.19						
DRM	Insurance premiums.....	31,386.11						
DRM	Total refunded receipts.....	4,307,214.98						1,171,659.97
DRB	Total disbursements.....	89,738,006.54	10,909.78	1,771.80		19,845.81	319,176.00	21,855,759.97
DRF	Transfer of funds.....	16,908,370.13						
DRM	Unexpended balance as at June 30, 1930.....	103,672,938.27				1,836.21	46,658.64	61,258,269.02
DRM	Total.....	210,370,525.94	10,909.78	1,771.80		20,682.02	365,814.64	82,814,029.89

TABLE VII.—Summarized consolidated cash statement, by appropriations, for the fiscal year ended June 30, 1930.—Continued

		United States Shipping Board Merchant Fleet Corporation							
Code	Caption	Operating fund	1923 claims appropriation 1927-1929	Liquidation fund 1930	Sales receipts		Discharge fund	Repossessed ships and trade routes	Insurance fund
					In suspense	In suspense			
	Disbursements—Continued.								
	Refunded receipts—								
DRB	Sales of vessels, tugs, and/or barges.....			\$71,502.73	\$16,818.70				
DRC	Sales of assets other than vessels, tugs, and/or barges.....			139.83	40.84				
DRF	Operation of vessels, revenue.....	\$1,202,305.52							
DRJ	Interest earned.....	17.20							
DRL	Miscellaneous receipts.....	1,750,903.22		2,117.61	2.76				\$237.90
DRM	Insurance premiums.....								31,386.11
	Total refunded receipts.....	3,013,288.94		73,759.67	16,862.30				31,644.10
	Total disbursements.....	64,039,687.73	\$19,584.30	73,759.67	16,862.30	\$2,307,366.73			1,374,782.15
	Transfer of funds.....	26,352,234.70	\$120,654.81	2,036,409.15	8,909,535.47	101,282.74			378,397.26
	Unexpended balance as at June 30, 1930.....	26,078,134.19	1,602,512.18	63,530.85		234,760.94			9,314,934.67
	Total.....	96,530,031.42	1,622,098.98	2,173,739.67	8,926,417.77	2,643,410.41	5,000,000.00		11,088,114.08

TABLE VIII.—Balance sheet as at June 30, 1930

ASSETS

Cash and unrequisioned appropriations available for general purposes		\$26,214,485.71
Cash and unrequisioned appropriations available for operation of vessels taken back from purchasers		5,000,000.00
Cash, insurance fund merchant marine act, 1923		9,314,934.87
Cash and unrequisioned appropriations available for settlement of claims appropriation act, fiscal year 1923		1,602,512.18
Cash and unrequisioned appropriations, United States Shipping Board		47,874.85
Construction loan and Dieselization funds		99,093,693.51
Accounts receivable	\$30,637,072.23	
Less:		
Payable offsets	\$1,049,050.64	
Claim offsets	14,640,023.78	
Reserve for doubtful or uncollectible accounts	11,708,115.28	
	27,397,189.70	
Accounts receivable due insurance fund, merchant marine act, 1923		3,239,882.53
Accounts receivable of managing operators		633,433.61
Notes receivable		870,346.70
Less:		
Claim offset	\$60,277.13	
Reserve for doubtful or uncollectible notes	167,927.33	
	228,204.46	
		1,940,290.59
Operating supplies		2,707,014.64
Surplus material for sale		3,074,847.00
Land, structures, and equipment for sale		5,000.00
Mortgages receivable and securities		4,310,780.02
Less:		
Claim offsets	1,708,469.00	
Reserve for estimated value	1,590,755.00	
	3,300,224.00	
		1,010,556.02
Accounts and notes receivable for ship sales		41,597,516.95
Less:		
Payable offsets	137,833.42	
Reserve for uncollectible accounts and notes	911,943.26	
	1,049,776.68	
		40,547,740.27
Real estate and equipment used in operations		12,176,306.82
Estimated recoverable value of claims in favor of United States Shipping Board		212,590.42
Fleet (at appraised value)		77,244,818.00
Deferred accounts and commitment charges		9,947,671.63
Total		<u>295,784,104.15</u>

LIABILITIES

Accounts payable and unclaimed wages	\$3,184,828.67	
Less receivable offsets	972,552.87	
		2,212,275.80
Accounts payable of managing operators		4,274,568.70
Deposits on sales and other contracts not consummated		255,844.97
Less receivable offsets		150,257.33
		105,587.64
Suspense credits (receipts from ship sales contracts not fulfilled by purchasers)		78,612.42
Less receivable offsets		64,073.86
		14,538.56
Commitments (other than Dieselization)		5,793,860.18
Reserve for protection and indemnity insurance claims and losses		3,878,807.38
Reserve for operating claims		3,945,220.43
Dieselization commitments and accounts payable		2,708.28
Reserve for claims settlements		1,602,512.18
Reserve, insurance fund merchant marine act, 1923		3,846,910.69
Accounts payable, insurance fund merchant marine act, 1923		1,845,593.32
Unearned premiums, insurance fund merchant marine act, 1923		755,894.27
Reserve for operation of vessels taken back from purchasers		5,000,000.00
Net worth, as at June 30, 1930		262,506,150.67
Total		<u>295,784,104.15</u>

SCHEDULE 1.—Cash and unrequisioned appropriations available for general purposes as at June 30, 1930

Cash available for general purposes, before adjustment—cash in United States Treasury, in banks, in hands of managing operators, and in transit to depositories	\$27,363,118.82
Unrequisioned appropriations:	
United States Shipping Board, 1929	\$52,136.32
United States Shipping Board, 1930	348,918.73
	431,055.05
Plus amount to be transferred from Dieselization fund subsequent to June 30, 1930, representing reimbursement of net Dieselization charges disbursed from operating fund	20,311.84
Total	<u>27,814,485.71</u>

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Less amount to be transferred from operating fund, subsequent to June 30, 1930 representing excess of sales receipts over liquidation expense requirements:		
Total excess sales receipts, fiscal year 1930.....	\$8,000,000.00	
Less amount transferred to unrequisioned funds United States Treasury construction loan fund, June 27, 1930.....	7,000,000.00	
		<u>\$1,600,000.00</u>
Total cash and unrequisioned appropriations available for general purposes as at June 30, 1930.....		26,214,485.71

SCHEDULE 2.—*Reconciliation of cash and unrequisioned appropriation balances as shown by the balance sheet with treasurer's cash and appropriation statement as at June 30, 1930*

Total cash and unrequisioned appropriation balances per treasurer's statement, June 30, 1930..... \$103,672,938.27

Balance-sheet application of the above total:

Cash and unrequisioned appropriations available for general purposes (Schedule A-1-1).....	\$26,214,485.71	
Cash, operating contingencies fund (Schedule A-1-2).....	5,000,000.00	
Insurance fund, merchant marine act 1928 (Schedule A-1-3).....	9,314,934.67	
Claims fund, cash and appropriation fund established by Fleet Corporation appropriation act for the fiscal year 1923 (Schedule A-2).....	1,602,512.18	
United States Shipping Board, 1929, cash and appropriation balance (Schedule A-3).....	1,336.21	
United States Shipping Board, 1930, cash and appropriation balance (Schedule A-3).....	46,638.64	
Amount set aside for construction loan fund as authorized by section 11 of the merchant marine act of 1920 and amendment thereto approved Mar. 4, 1927 (Schedule A-4-1).....	61,258,269.92	
Amount established as a fund for the Dieselization of vessels (Schedule A-4).....	234,760.94	
Total cash and unrequisioned appropriations per balance sheet of June 30, 1930....		<u>103,672,938.27</u>

SCHEDULE 3.—*Cash and unrequisioned appropriations available for expenses of United States Shipping Board as at June 30, 1930*

Cash:		
Available for salaries and expenses, fiscal year 1930.....	\$26,559.31	
Available for printing and binding, fiscal year 1930.....	3,264.69	
Total cash.....		<u>\$29,824.00</u>
Unrequisioned appropriations:		
Salaries and expenses, fiscal year 1929.....	1,195.92	
Printing and binding, fiscal year 1929.....	140.28	
Salaries and expenses, fiscal year 1930.....	15,814.64	
Printing and binding, fiscal year 1930.....	1,000.00	
Total unrequisioned appropriations.....		<u>18,150.85</u>
Total cash and unrequisioned appropriations United States Shipping Board.....		<u>47,974.85</u>

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1930

	Original appropriation	Returned to U. S. Treasury surplus or reappropriated	Net appropriation	U. S. Shipping Board	U. S. Shipping Board Merchant Fleet Corporation
For fiscal years ended prior to July 1, 1929: U. S. Shipping Board— Acts of Sept. 7, 1916; June 12, 1917; July 1, 1918; July 19, 1919; June 5, 1920; Mar. 4, 1921; June 16, 1921; June 12, 1922; Feb. 13, 1923; June 4, 1924; Mar. 8, 1925; Apr. 22, 1926; Feb. 11, 1927 and May 16, 1928.....	\$5,650,360.41	\$688,112.95	\$4,962,253.46	\$4,962,253.46	
U. S. Shipping Board Merchant Fleet Corporation— Act of Sept. 7, 1916, permanent fund..... Acts of Feb. 13, 1923; June 7, 1924; Mar. 3, 1925; Apr. 22, 1926; Feb. 11, 1927; and May 16, 1928, current maintenance and operations..... Acts from June 15, 1917 to June 12, 1922, emergency shipping fund..... Act of June 12, 1922, claims, damage charges, and miscellaneous adjustments..... Acts of Apr. 17, 1917; and July 1, 1918, national security and defense (presidential allotments)..... Acts of Apr. 22, 1926; Feb. 11, 1927, and May 16, 1928; operation of trade lines expurchasers (expenditures on approval of President of the United States).....	50,000,000.00 148,900,000.00 3,863,553,000.00 50,000,000.00 29,512,428.27 20,000,000.00	..... ..... 37,689,497.61 11,745,816.10 4,524,107.72 20,000,000.00	..... 50,000,000.00 148,900,000.00 3,825,863,502.39 38,284,314.90 24,988,318.55	..............................	..............................
Total U. S. Shipping Board Merchant Fleet Corporation.....	3,661,365,426.27	73,959,420.43	3,587,405,005.84		\$3,587,406,005.84
Total for fiscal years ended prior to July 1, 1929.....	3,667,015,792.68	74,647,533.38	3,592,368,259.30		
For fiscal year ended June 30, 1930: U. S. Shipping Board— Act of Feb. 20, 1929— S. S. commissioners..... Printing and branding..... All other expenses.....	84,000.00 10,000.00 265,750.00	..... ..... .....	..... ..... .....	84,000.00 10,000.00 265,750.00	...............
Total U. S. Shipping Board.....	359,750.00	.....	359,750.00	359,750.00	.....
U. S. Shipping Board Merchant Fleet Corporation— Act of Feb. 20, 1929— Current maintenance and operations..... Operation of trade lines, expurchasers (expenditures on approval of President of the United States).....	11,134,250.00 5,000,000.00	..... 5,000,000.00	11,134,250.00	.....	.....
Total U. S. Shipping Board Merchant Fleet Corporation.....	16,134,250.00	5,000,000.00	11,134,250.00	.....	11,134,250.00
Total for fiscal year ended June 30, 1930.....	16,494,000.00	5,000,000.00	11,494,000.00	.....	.....

TABLE IX.—Gross appropriations and allotments from inception to July 1, 1930—Continued

	Original appropriation	Returned to U. S. Treasury surplus or reapropriated	Net appropriation	U. S. Shipping Board	U. S. Shipping Board Merchant Fleet Corporation
For fiscal year ending June 30, 1931:					
U. S. Shipping Board—					
Act of Apr. 19, 1930—					
Seven commissions.....	\$84,000.00		\$84,000.00		
Printing and binding.....	12,000.00		12,000.00		
All other expenses.....	300,000.00		300,000.00		
Total U. S. Shipping Board.....	396,000.00		396,000.00	\$396,000.00	
U. S. Shipping Board Merchant Fleet Corporation—					
Act of Apr. 19, 1930—					
Current maintenance and operations.....	5,950,000.00		5,950,000.00		
Operation of trade lines, ex-purchasers (expenditures on approval of President of the United States).....	5,000,000.00		5,000,000.00		
Total U. S. Shipping Board Merchant Fleet Corporation.....	10,950,000.00		10,950,000.00		\$10,950,000.00
Total for fiscal year ending June 30, 1931.....	11,346,000.00		11,346,000.00		
Gross appropriations and allotments.....	3,604,855,702.68	\$79,697,833.38	3,615,208,259.30	5,718,003.46	3,609,490,255.84

TABLE X.—Estimated operating profit and loss, fiscal year 1930

[Amounts shown in italics represent losses]

	Num- ber of vessels	Cargo tonnage	Estimated revenue	Estimated voyage expense	Adjust- ment	Repairs	Insurance	Advertis- ing	Administra- tion ex- pense	Total ex- pense	Profit or loss		
		Tons				Mainte- nance							
Freighters.....	876	6,361,275	\$42,752,657	\$20,441,955	\$39,000	\$449,743	\$5,844,500	\$56,772,903	\$80,337,411	\$123,000	24,822,807	712,648,552	719,270,250
Coal trade.....	27	176,747	474,910	69,876	948	85	61,303	13	65,331	27	1,224,653	84	749,745
Chartered vessels.....	120		290,443	30			96,291	25	59,156	14	155,447	39	134,995
Inactive vessels (custody Merchant Fleet Corpora- tion):	923	6,528,022	43,517,910	6642,832	787,856	448,579	384,716	988,797	219,263	38	2,932,200	05	54,099,371
Operations.....													10,581,460
Sales.....													1,103,549
Miscellaneous revenue and expense.....													447,762
Total.....	923	6,528,022	46,028,895	1446,028	895	14					1,421,837	45	57,072,520

¹ Number of vessels at end of fiscal year.

TABLE XI.—Names and compensation of employees of the United States Shipping Board in the service on June 30, 1930

Name	Designation	Legal residence	Rate per annum
James L. Ackerson	Special expert	Ohio	\$10,000
E. H. Adarnitz	Examiner	Pennsylvania	2,000
C. O. Arthur	Director, Bureau of Regulation	Indiana	6,500
Edward J. Barnes	Assistant clerk	District of Columbia	1,260
J. W. Barnett	Technical assistant	Ohio	5,600
Juanita Berry	Junior stenographer	South Carolina	1,560
Zelda Blank	Senior typist	District of Columbia	1,560
Ruth Bowman	Junior clerk	Missouri	1,560
Robert L. Boyd	Laborer	District of Columbia	1,140
Minerva Bradley	Clerk	Michigan	2,000
Harry S. Brown	Examiner	Massachusetts	3,200
Olive Brownell	Senior typist	District of Columbia	1,440
Mabel G. Carragher	File clerk	Massachusetts	1,620
Lora S. Cass	Senior stenographer	Oklahoma	2,040
Lettie B. Chapman	Clerk	District of Columbia	1,680
Jean Colwell	Junior clerk	Michigan	1,680
H. I. Conc.	Commissioner	Florida	12,000
Emma E. Cornes	Clerk	Ohio	1,440
Edward P. Cotter	Head foreign port surveys	Connecticut	3,800
Blanche M. Curry	Senior stenographer	District of Columbia	1,620
Maude Darracott	do	South Carolina	1,740
Albert D. Davis	Cabinetmaker	Virginia	2,200
Frances M. Davison	Clerk	Oklahoma	1,800
Maude S. Dawson	do	Nebraska	1,800
Thomas H. Deckelman	Assistant examiner	Maryland	2,600
Albert H. Denton	Commissioner	Kansas	12,000
Ernest M. Dew	Senior clerk	Ohio	3,100
Margaret E. Dowden	Clerk	District of Columbia	2,000
Miriam G. Eggen	Senior typist	Minnesota	1,440
Dan P. Eldridge	Clerk to commissioner	District of Columbia	3,100
Daniel W. Eskridge	Head porter	do	1,380
Margaret E. Evans	Junior clerk	Ohio	1,500
Caroline D. Flanner	Senior clerk	District of Columbia	2,500
Frederick H. Flinn	Assistant chief clerk	New Jersey	2,300
Maybelle Fry	Telephone operator	District of Columbia	1,440
Samuel Goodacre	Secretary	do	7,000
Charles B. Gray	Examiner	Pennsylvania	3,200
Alfred H. Haag	Special expert	Maryland	8,000
Amelia E. Hauser	Junior statistical clerk	District of Columbia	1,440
Olive M. Handerson	Clerk	Virginia	1,500
Lillian M. Hildebrand	Senior stenographer	Maryland	1,980
Nettie J. Hipple	do	Pennsylvania	1,860
Samuel R. Howell	Head domestic port surveys	Tennessee	3,700
Dora F. Imbler	Junior clerk	Oregon	1,440
James Jackson	Unskilled laborer	Virginia	1,320
Larkin King	Laborer	District of Columbia	1,260
Lottie P. King	Assistant section chief	Maryland	1,740
Olive V. King	Clerk	District of Columbia	1,980
William H. Knox	Junior clerk	do	1,440
Edward J. Kohlbrenner	Clerk-sorter	Virginia	1,440
Leon A. LeBuffe	Clerk	South Carolina	1,920
Thomas Lisi	Junior statistical clerk	Rhode Island	1,440
Henry C. Littlefield	Division chief	Alabama	3,900
James J. Lucey	Examiner	Massachusetts	2,300
Mania R. McCue	Secretary to Director Bureau of Research	Virginia	1,800
William S. McGinnis	Special expert	Pennsylvania	4,600
Bessie C. Mallicote	Stenographer	District of Columbia	1,740
Julius Manns	Laborer	do	1,140
Lucy A. Marsac	Stenographer	Washington	1,620
Effie S. Mehan	Junior statistical clerk	Massachusetts	1,440
Jefferson Myers	Commissioner	Oregon	12,000
Alf W. Nelson	Port examiner	Minnesota	2,600
Margaret E. Nolan	Senior typist	New Mexico	1,440
Alice F. Nollner	Senior stenographer	District of Columbia	1,620
T. V. O'Connor	Chairman	New York	12,000
Maurice J. Pierce	Chief clerk	Tennessee	3,700
Edward C. Plummer	Commissioner	Maine	12,000
Logan Presler	Clerk	Ohio	2,000
Fred A. Quinn	Examiner	Pennsylvania	3,200
Lee E. Ranck	Clerk	do	2,040
John G. Reekert	Assistant purchasing agent	District of Columbia	2,600
Katherine C. Renz	Telephone operator	do	1,440
Joseph H. Rhoderick	Clerk	do	1,680
Lloyd R. Roberts	Chief, filing section	Iowa	2,800
Blanche E. Rudd	Assistant clerk	District of Columbia	1,440
Anna Ruth Ryan	Senior typist	Michigan	1,440
Evelyn M. Sackett	Senior stenographer	New York	1,920
Samuel S. Sandberg	Commissioner	California	12,000
Samuel D. Schell	Assistant secretary	Maryland	4,600

TABLE XI.—Names and compensation of employees of the United States Shipping Board in the service on June 30 1930—Continued

Name	Designation	Legal residence	Rate per annum
Ralph I. Schneider	Examiner	Wisconsin	\$2,900
Marcella R. Schuler	Stenographer	Ohio	1,440
Donald W. Shannon	Multigraph operator	District of Columbia	1,620
Audra F. Shoemaker	Senior typist	Nebraska	1,440
Roland K. Smith	Commissioner	Louisiana	12,000
Virginia M. Stetson	Junior library assistant	Virginia	1,620
Marietta A. Stevens	File clerk	Indiana	1,440
Elizabeth Sullivan	Junior office draftsman	Pennsylvania	1,440
Walter H. Swank	Reporter	Nevada	2,300
Anna Tiede	Clerk to commissioner	California	3,100
Thelma E. Trusch	Senior typist	District of Columbia	1,440
Marie C. Van Arnum	Telephone operator	do.	1,440
Emma Von Toerne	Senior stenographer	Wisconsin	2,040
Margaret M. Wagner	Stenographer	New York	1,620
May Wagner	Senior typist	District of Columbia	1,560
Hert P. Ware	Examiner	Maryland	3,200
George West	Underclerk	California	1,320
Cornelia M. Willong	Senior stenographer	New York	1,680
William M. Woods	Accountant	Massachusetts	2,700
Virginia E. Woodward	Clerk	Maryland	1,680
Walter Ziwn	Senior typist	Pennsylvania	1,680

Names and compensation of employees of the United States Shipping Board who were separated from the service during the fiscal year ended June 30, 1930

Name	Designation	Legal residence	Rate per annum	Date of separation
Adolph Amende	Reporter	Alabama	2,300	Aug. 23, 1929
Lillian M. Brown	Senior typist	New York	1,440	Dec. 24, 1929
Raymond J. Connolly	Assistant statistical clerk	Massachusetts	1,560	Mar. 3, 1930
Marie L. Hagemuller	Senior typist	Missouri	1,440	Jan. 31, 1930
Mary M. Kidwell	Junior statistical clerk	Kansas	1,560	Dec. 3, 1929
William T. Lathan	Cartographer	District of Columbia	1,920	July 15, 1929
John Nicolson	Special expert	New York	7,500	Feb. 3, 1930
Jeanne Tullis	Senior typist	Maryland	1,440	Feb. 23, 1930
Landon W. Voorhees	Assistant to the secretary	District of Columbia	2,700	Dec. 25, 1929



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