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Eighth Annual Report

OF THE

UNITED STATES SHIPPING BOARD

Fiscal Year Ended
June 30
1924

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THE UNITED STATES SHIPPING BOARD

T. V. O'Connor, *Chairman.*
Edward C. Plummer, *Vice Chairman.*
William S. Benson, *Commissioner.*
Bert E. Haney, *Commissioner.*
William S. Hill, *Commissioner.*
Meyer Lissner, *Commissioner.*
Frederick I. Thompson, *Commissioner.*
Carl P. Kremer, *Secretary.*

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LETTER OF TRANSMITTAL

UNITED STATES SHIPPING BOARD,
Washington, D. C., December 1, 1924.

To the Congress:

In compliance with section 12 of the shipping act, 1916, we have the honor to transmit herewith the eighth annual report of the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation covering the fiscal year ended June 30, 1924.

T. V. O'CONNOR, *Chairman.*
EDWARD C. PLUMMER, *Vice Chairman.*
W. S. BENSON, *Commissioner.*
BERT E. HANEY, *Commissioner.*
WILLIAM S. HILL, *Commissioner.*
MEYER LISSNER, *Commissioner.*
F. I. THOMPSON, *Commissioner.*

PART I

UNITED STATES SHIPPING BOARD

UNITED STATES SHIPPING BOARD

ORGANIZATION

On July 1, 1923, the Shipping Board consisted of the following members: Edward P. Farley (chairman), from the interior, appointed (recess) June 20, 1923, to serve for the unexpired term of A. D. Lasker, resigned; T. V. O'Connor (vice chairman), Great Lakes, appointed June 9, 1921, term five years, qualified June 15, 1921; Edward C. Plummer, Atlantic coast, term three years, qualified June 14, 1921; Frederick I. Thompson, Gulf coast, qualified June 13, 1921, term two years, reappointed June 9, 1923, and served under recess appointment until January 28, 1924, when he was appointed for a term of six years; Meyer Lissner, Pacific coast, term one year, qualified June 16, 1921, reappointed June 13, 1922, term six years; W. S. Benson, Atlantic coast, term one year, qualified June 13, 1921, reappointed June 13, 1922, term six years; Bert E. Haney, Pacific coast, appointed July 1, 1923, qualifying July 2, 1923, serving under recess appointment until January 28, 1924, when he was reappointed for the unexpired term of four years from June 9, 1921.

On January 28, 1924, Edward P. Farley resigned as chairman of the board. On the same date an appointment was tendered to and accepted by William S. Hill, from the interior, to serve the unexpired term of Albert D. Lasker, resigned, qualified February 1, 1924, term to expire June 8, 1927.

On February 5, 1924, T. V. O'Connor, vice chairman, was designated by the President of the United States to act as chairman of the board, vice Edward P. Farley, resigned, and on February 7, 1924, Commissioner Edward C. Plummer was elected vice chairman.

On June 8, 1924, the term of Commissioner Edward C. Plummer expired. On May 23, 1924, reappointment was tendered to and accepted by Mr. Plummer, term to expire June 8, 1930. He qualified June 3, 1924.

During the fiscal year the board held 124 meetings, in addition to a number of special hearings conducted either by the board or by committees thereof.

GENERAL

In the last annual report of the board it was set forth that, upon failure to obtain direct governmental assistance for American flagships, the board had projected a number of consolidations of existing trade routes and had advertised for sale the vessels necessary to maintain these routes, with the provision that the purchasers of such vessels should give a guarantee of the continued operation of such routes by American ships. The board felt that, where such routes could not be disposed of, it was the duty of the board to eliminate duplication, set up the most economical method of operation possible, and continue to bear, out of appropriations, the losses incurred until such time as conditions improved, or other factors changed so as to make possible the liquidation of the fleet and the conservation of these strategic trade routes.

Policy Sales.

As a result of the board's policy of making concession in the price of vessels to purchasers who would guarantee to maintain them on specific routes for a period of years, the board sold during the year 10 vessels with a guarantee of operation.

The *City of Los Angeles*, an ex-German vessel, seized at the outbreak of war, employed until after the armistice as a transport and later reconditioned for service to South America, was sold to the Los Angeles Steamship Co. for operation between Los Angeles and Honolulu. The propelling machinery of this vessel had, through age and continuous service, reached such a stage that it would have been necessary for the board either to expend a considerable sum for new machinery or else to withdraw the vessel from service. The technical experts of the Fleet Corporation recommended that the vessel be not reengined at Government expense.

Under the terms of purchase the Los Angeles Steamship Co. was obligated to spend not less than $425,000 for the installation of new machinery. It is understood that, in fact, more than twice this amount was expended. The board secured by this sale not only the maintenance of an excellent service between two important ports, but the continuance upon the active list of an efficient vessel of the type which our merchant marine seriously lacks.

Seven ships of the so-called 502-foot class, large, medium-speed freight vessels with a limited, but extremely comfortable, passenger accomodation, were sold to the Dollar Steamship Line for operation in a round-the-world service. The operation of this line is guaranteed for a period of five years, and the purchaser is giving a sailing every two weeks. This is the first round-the-world passenger service under the American, or any other flag, and will be of most valuable aid to American commerce.

The W. R. Grace Co. purchased from the board two vessels for operation from Pacific coast ports to the west coast of South America. In their contract they agreed to supplement these two vessels with ships from their own fleet in such a manner that a service of four vessels between Pacific ports and the west coast of South America was guaranteed for a period of five years. Upon the inauguration of this service the Shipping Board was able to withdraw the other vessels which it was operating on the route, and either lay them up or divert them to other services.

Ship Operation.

On July 1, 1923, there were 38 managing agents operating vessels under the M. O. 4 contract. On the same date the board was operating 356 freight and passenger vessels. It became necessary gradually to reduce the number of active vessels until on June 30, 1924, there were 317 vessels in operation.

Liquidation, in the immediate future, of any considerable portion of the Government's fleet having proven to be impossible under existing conditions, it became apparent to the board in the fall of 1923 that the maintenance of an excess number of operating agents was no longer justified, they having been maintained largely in the hope that the vessels might be later transferred to them as owners or charterers.

The board, therefore, determined as per resolution of November 30, quoted below, to place the operation of its vessels more completely on a basis of economy and efficiency by increasing the control of the owner and reducing the managing agents status more nearly to that of loading agents operating lines for the Shipping Board, the trade names of which lines were to be the property of the board. This resolution was intended to provide, first, for the consolidation of routes to avoid overlapping or duplication; second, the elimination and consolidation of managing operators to reduce the number to approximately 25, with possible further reductions later; third, revamping of the operating agreement to provide for an adequate fixed fee which shall be the sole compensation of the operator and entirely dependent upon the volume of gross receipts, thus establishing an incentive for the operator to obtain full cargoes; fourth, to eliminate duplicate organizations in the handling of these vessels while retaining the supervision necessary to protect the Government's interests; fifth, to establish closer supervision by the owner to safeguard insurance, fuel, repair bills, etc.; sixth, to eliminate all fixed allowances; seventh, prohibit subsidiary corporations, except where specifically authorized; eighth, provide against foreign affiliation.

The resolution of November 30 is as follows:

Resolved, That the principle of consolidation applied in the resolution of October 12, 1923, with reference to Shipping Board services from the North Atlantic to the United Kingdom and Ireland, having in view the concentration of cargoes and eliminating competition between agents of the board, is hereby approved; but the details of that resolution are hereby revoked;

Resolved further, Managing Operating Agreement No. 4 (M. O. 4) at present in force, shall be modified as follows, and, when thus modified, shall be the basis for operating freight vessels of the board except such vessels as are, or may be hereafter, operated by the United States Lines:

(1) The only compensation the agent may receive shall be an adequate fixed commission on freight earnings, which commission shall be subject at will to reductions by the United States Shipping Board when it is shown, in the judgment of the board, that such commission gives the managing agent an excessive earning for the services rendered by him and, in addition, such compensation as may be determined by the board in the case of minimum cargoes; all other items of commissions or fees shall be abolished.

(2) The practices of granting agents "allowances" or lump sums, respectively, for husbanding the ship, for deck and engine room supplies, and for subsistence, shall be abolished; and thereafter the agent shall account to the board for all such expenditures, and shall confine them within limits to be fixed by the board.

(3) The trade name under which a line or route is operated with vessels of this board shall be subject to the approval of this board, and shall not contain the name of any such operating agent, and which trade name shall be the property of the Shipping Board.

(4) Any agent receiving, directly or indirectly, any profit or benefit from services rendered or supplies furnished the vessels of the board, operated by him, shall credit the amount of such profits on the commissions otherwise payable to him. No agent, as representative of the United States Shipping Board, shall trade with any individual, firm, or corporation where he may have an interest, except first with the approval of the United States Shipping Board.

(5) Except with the approval of the board, no managing agent shall be employed who operates, either as agent, owner or charterer, foreign-flag vessels competing with lines operated by or for the United States Shipping Board.

Consolidations.

In accordance with its determination to reduce overlapping and duplicate services and to curtail the expense of several shore staffs, as well as to obtain a greater flexibility with the tonnage in service, the board determined to consolidate as many as possible of the services operating between the same general ranges of territory. The initial step had been taken in this regard when in the advertisement of April 28, 1923, 18 general trade routes were suggested. At that time the board held itself open to bids for the whole or parts of these trade routes, so that any prospective purchaser of tonnage might offer to maintain service upon any route that he desired.

The detailed work in connection with this policy of consolidating duplicate or parallel services proceeded during the fiscal year, with

the result that at the close of the year three routes had been consolidated and there was every indication that the remainder would be completed in a short time. The policy followed by the board was to secure, if possible, an amalgamation of the several operating agencies into one organization, thereby conserving the experience and business-getting connections of all operators. Where this could not be brought about it was necessary, in the discretion of the board, to select the operator whose past record and whose known ability gave the best assurance of faithful and efficient work as an agent of the United States Shipping Board.

The Emergency Fleet Corporation.

The shipping act, 1916, provided for the creation of a corporation, owned and controlled by the board, to which could be delegated the technical details of operation of the board vessels. The merchant marine act, 1920, specifically authorized the Shipping Board to exercise its authority where not otherwise provided either directly or through the Emergency Fleet Corporation. The board, therefore, had delegated to the Emergency Fleet Corporation certain powers by resolution of September 30, 1921, to the following effect:

Whereas the merchant marine act, 1920, provides that the power and authority thereby vested in the United States Shipping Board may be exercised either directly by the board, or by it through the United States Shipping Board Emergency Fleet Corporation, except as therein otherwise specifically provided; and

Whereas in the opinion of the Shipping Board the executive and personnel organization of the Emergency Fleet Corporation has been completed to such a standard of efficiency as to make it desirable that the United States Shipping Board should exercise through the United States Shipping Board Emergency Fleet Corporation various administrative powers and functions, thus making it possible for the United States Shipping Board to devote its attention to study and determination of the broad and constructive questions of policy relating to the maintenance, development, and encouragement of the American merchant marine, under the powers and duties imposed upon the United States Shipping Board by law: Therefore be it

Resolved, That it is the sense of the United States Shipping Board that its chairman should retire as president and that its members should retire as trustees of the said United States Shipping Board Emergency Fleet Corporation, and that there should forthwith be elected a separate president and a separate board of trustees for the said United States Shipping Board Emergency Fleet Corporation; and be it further

Resolved, That the power and authority vested in the Shipping Board by the merchant marine act, 1920, shall, until otherwise ordered by the board, be exercised by it through the United States Shipping Board Emergency Fleet Corporation in the following matters, and to the extent and in the manner hereinafter provided:

1. The operation, maintenance, repair, and reconditioning of vessels provided that no established line shall be discontinued, or new line established, or allocation of passenger vessels made, without the approval of the United States Shipping Board.

2. The completion or conclusion of any construction work upon vessels which has heretofore been begun or has been authorized by the United States Shipping Board.

3. The sale of vessels (except to aliens) at such prices and on such terms and conditions as the United States Shipping Board may prescribe.

4. The operation and sale of housing projects, real estate, railroad and other similar property, subject to confirmation by the United States Shipping Board before any final contract of sale is made.

5. The operation and sale of dry docks; all sales to be subject to such terms and prices as may be established by the United States Shipping Board.

6. The custody and sale of all other property and materials.

7. All accounting for the United States Shipping Board Emergency Fleet Corporation.

8. Insurance and matters pertaining to the same.

9. The operation of all piers and pier facilities, provided that no pier or pier facilities shall be leased without prior authorization from the United States Shipping Board.

10. The leasing and rental of office, warehouses, docks, and storage facilities.

11. All matters incidental to any of the foregoing, including the execution of contracts, charters, bills of sale, leases, deeds, and other instruments necessary or convenient to the exercise of the power and authority hereby conferred upon the United States Shipping Board Emergency Fleet Corporation; and be it further

Resolved, That an accurate record shall be made of the proceedings of every meeting of the United States Shipping Board Emergency Fleet Corporation and a summary thereof transmitted to the chairman and each commission of the United States Shipping Board, and that notices of meetings of the board of trustees of said Emergency Fleet Corporation be duly sent to each member of the United States Shipping Board; and be it further

Resolved, That the control of the United States Shipping Board Emergency Fleet Corporation shall remain with the United States Shipping Board, and that the president and each of the trustees of the United States Shipping Board Emergency Fleet Corporation be and hereby are required to deposit with the secretary of the United States Shipping Board their several resignations, for acceptance at the pleasure of the United States Shipping Board, and to deliver to the secretary of the United States Shipping Board their several qualifying shares of stock in the United States Shipping Board Emergency Fleet Corporation, duly indorsed in blank for transfer.

In the late fall of 1923 President Coolidge selected L. C. Palmer as president of the United States Shipping Board Emergency Fleet Corporation, and Mr. Palmer assumed his duties on January 7, 1924.

It has been the desire of the board, as far as possible, to place the operation of its vessels on a basis approximating commercial precedent and practices. For this purpose it was felt that the officials of the Emergency Fleet Corporation in the conduct of its business should be given a free hand as ministerial officers, reporting to the Shipping Board as to a board of directors, fixing the broad general policies to be followed. On January 10, 1924, the Shipping Board therefore passed a resolution amending that of September 30, 1921.

The board vested in the Emergency Fleet Corporation detailed duties which were specified in the resolution as follows:

1. The selection, employment, or removal of all officers and employees of the Emergency Fleet Corporation and their compensation shall be under the control of the board of trustees and/or officers of that corporation in the manner provided for in the by-laws of said corporation: *Provided, however*, That the salaries and other compensation of the officers and of the trustees shall be subject to the approval of the board: *And provided further*, The employment of counsel and all litigation shall remain under the control of the Shipping Board, which shall assign to the Emergency Fleet Corporation such attorneys as may be needed by the president of the Emergency Fleet Corporation for the proper conduct of its business.

2. The management, operation, maintenance, and repair of vessels, including ordinary reconditioning of vessels.

3. The establishment and operation of lines and routes which the Shipping Board, under the powers conferred upon it by section 7 of the merchant marine act, 1920, has heretofore authorized and directed or may hereafter authorize and direct. No established line shall be discontinued or new line established or allocation of passenger vessels made without the approval of the United States Shipping Board.

4. The completion or conclusion of any construction work upon vessels which has heretofore been begun or has been authorized by the United States Shipping Board.

5. The sale of vessels (except to aliens) at such prices and on such terms and conditions as the United States Shipping Board may prescribe or approve.

6. The operation and sale of housing projects, real estate, railroad, and other similar property, subject to confirmation by the United States Shipping Board before any final contract of sale is made.

7. The operation and sale of dry docks; all sales at such prices and on such terms and conditions as the United States Shipping Board may prescribe or approve.

8. The custody and sale of all other property and materials.

9. All accounting for the Emergency Fleet Corporation.

10. The insurance of vessels and other property in its custody, and matters pertaining to insurance, subject, however, to the control and supervision of the board with respect to the placing of insurance.

11. The operation of piers and pier facilities owned or leased by the Shipping Board and at present used by its vessels, and the operation of such other piers and pier facilities as may be transferred to it by the Shipping Board.

12. The disbursement and expenditure of all moneys arising out of operation, and such other funds as may be allotted to it from appropriations heretofore made to the Shipping Board, or which may hereafter be made the Shipping Board, and also moneys arising from appropriations hereafter made by Congress for the exclusive use of the Emergency Fleet Corporation.

13. The leasing and rental of offices, warehouses, dock and storage facilities deemed essential by it for its business and for its terminal facilities; but no lease for a period exceeding one year shall be made without the consent of the Shipping Board.

14. The settlement, including payments or collections, of all matters arising out of the above-mentioned powers before or after the date of this resolution.

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15. All matters incidental to any of the foregoing powers, including the execution of contracts, charters, bills of sale, leases, and other instruments necessary or convenient to the exercise of such powers are hereby conferred upon the Emergency Fleet Corporation.

Investigation by Select Committee of Congress.

On March 6, 1924, the House of Representatives appointed a select committee of seven members to inquire into the operations, policies, and affairs of the United States Shipping Board and the Emergency Fleet Corporation.

The committee consisted of Wallace H. White, jr., Maine, chairman; Wm. B. Bankhead, Alabama; Tom Connally, Texas; Henry Allen Cooper, Wisconsin; Ewin L. Davis, Tennessee; Frederick R. Lehlbach, New Jersey; Walter F. Lineberger, California.

The investigating committee made a request upon the Shipping Board for a large quantity of data to aid them in their work. The committee commenced hearings on March 22, 1924, and discontinued the hearings in Washington June 11, 1924. During this time the committee had taken testimony from most of the commissioners of the board and from numerous officials of the Fleet Corporation. They considered it more advantageous to conduct during the summer an investigation of the European affairs and administration of the Fleet Corporation, and accordingly went abroad, accompanied by Commissioners Haney and Plummer. The committee has announced its intention to recommence hearings in Washington upon its return to the United States.

The President's Committees.

On March 12, 1924, the President appointed two committees which were to report to him upon subjects assigned to them touching the promotion of the American merchant marine. One of the committees comprised the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the president of the Emergency Fleet Corporation, and the chairman of the Shipping Board, who was designated as chairman of the committee. This committee was charged with the study and recommendation of types and numbers of vessels required for our merchant marine, with a view of adequately caring for our commerce in time of peace and serving as a necessary auxiliary in time of war. As part of their report they were to recommend the necessary renewals to the merchant marine to maintain sufficient strength to meet its requirements from the standpoint of commerce, Army, and Navy requirements.

The second committee consisted of the Secretary of Commerce, chairman; the chairman of the Interstate Commerce Commission; the president of the Baltimore & Ohio Railroad; the president of the American Steamship Owners' Association; the chairman of the

United States Shipping Board; and the president of the Emergency Fleet Corporation.

This committee was to study and report upon steps looking toward better coordination and cooperation between rail and water transportation agencies.

Recommendations.

The merchant marine act, 1920, provides that the Shipping Board shall, in its annual report, make such recommendations as it believes would be of value to the American merchant marine. The following are accordingly submitted:

Codification of the navigation laws should be pushed to an early conclusion and the necessary steps taken to simplify them and remove any conflict.

The United States should pay a Naval Reserve retainer to American citizens during such times as they are serving on board American ships engaged in foreign trade, such retainer to be conditioned upon their being willing to serve in the naval forces in time of war.

All earnings from American shipping in foreign trade and all profits derived from the sale of American vessels should be exempt from taxation, provided the amount of tax exempted is expended in new vessels constructed in American shipyards.

All transportation of an official nature which is paid for by the Government, whether of property or person, should be done by American vessels, unless the exigencies of the public service clearly require otherwise. The military departments especially should secure as much as possible of their transportation from the commercial marine, and they should be authorized to contract for a period up to 10 years for such transportation, in order that private owners might embark upon the construction of vessels especially for such transportation.

In the carriage of mails the Appropriation Subcommittee having to do with the Post Office Department should hear representatives of the Navy Department and of the United States Shipping Board, and should make appropriations with a view to covering subventions sufficient to create and to maintain in a few principal lines the uneconomic but highly desirable type of fast passenger-carrying vessels.

A joint transportation body composed of representatives of the Interstate Commerce Commission and the United States Shipping Board should be authorized to coordinate all activities involving through transportation by both rail and water. Preferential arrangements and contracts between American railroads and foreign lines should be prohibited by law.

Conferences and agreements between carriers themselves and between carriers and shippers which look to the stabilization of rates

and the provision of an improved and adequate service should be encouraged.

A strong reaffirmation of policy should be made by the Congress to the effect that the United States is determined, either publicly or privately, to maintain permanently a merchant marine commensurate with the needs of the country from the standpoint of commerce and national defense, and that strategic trade routes will not under any circumstances be abandoned.

Encourage the adoption internationally of a uniform system of measurement of vessels. Work with all recognized bodies toward the simplification and standardization of shipping documents such as charter parties and bills of lading. Simplify as much as possible the paper work required by United States laws in connection with the entry and clearance of American vessels in American ports.

BUREAU OF TRAFFIC

The Bureau of Traffic has been active in respect to the duties of the Shipping Board arising under the provisions of sections 7, 8, 19, 21, 22, 27, and 28 of the merchant marine act, 1920; and, through its division of regulation, under provisions of sections 14, 15, 16, 17, 18, 19, 21, and 22 of the shipping act, 1916.

Activities under section 7, merchant marine act, 1920, having special reference to the study of trade routes and the maintenance of service on appropriate trade routes, have been very marked during the past fiscal year because of the problems incident to the consolidation by the Shipping Board of services maintained by it in foreign trade. As a result of these activities the number of operating agents has been reduced, and the services have been grouped and reduced from 78 to 71. The details of these groupings and services are set forth more specifically in another part of this report.[1]

The bureau has also been active in respect to the duties of the board arising under section 8, merchant marine act, 1920, relative to promoting, encouraging, and developing ports and transportation facilities in connection with water commerce over which it has jurisdiction, including the investigation of territorial regions and zones tributary to ports, taking into consideration the economies of transportation and the natural direction of the flow of commerce. It has actively participated in hearings conducted by the Interstate Commerce Commission relative to matters affecting transportation by rail between ports and interior points, when these have had a bearing upon the export or import ocean movements in the commerce of the United States. It has also been active in considering

[1] See Appendix, Table V; also President's report E. F. C., pp. 46–47.

problems relative to ports in their competitive quests for participation in the ocean-borne trade of the United States, and therefore necessarily involving the movements of commodities from points in the interior to such ports, to the end that such movements should follow the natural direction of the flow of commerce by rail, etc., as determined by physical and economic factors.

The rail haul of commodities from interior points to tidewater is, of course, under the jurisdiction of the Interstate Commerce Commission, but because of its relation to the ocean movements of such commodities, when an ocean haul is involved, this bureau has participated actively in cases pending before the Interstate Commerce Commission, involving such movements. An instance of this activity has been a motion before the commission for the enforcement of the principle that when railroads maintain water terminals at ocean ports they shall not be permitted to absorb in their line-haul rate the cost of services at such water terminals, but shall set forth as a separate factor in quoting rates the part thereof intended to cover such terminal services. This plan leaves it to the option of the shipper to use other water terminals at the same port and thus creates a fair competitive relationship between the rail-water and other water terminals at the same port, thus encouraging the development of efficient privately owned or municipally owned terminals, operating independently of railroad interests. It is an important item in the development of the merchant marine that shippers shall have access to all terminals at a port, without prejudice.

Another instance where this bureau has participated in hearings before the commission has been in applications which have been made under section 4 of the interstate commerce act for leave to quote rail rates between the Atlantic and the Pacific coasts lower than rates between intermediate points on the same route. Interest in this rail question was taken by the board because of its bearing upon ocean rates by vessels between the Atlantic and the Pacific coasts.

The Board leaves to the officials of the Emergency Fleet Corporation all routine traffic items incident to the operation of the fleet. When, however, such items involve problems and policies affecting the American Merchant Marine in general, or seriously affecting shippers, the Board has acted in the matter direct, through its Bureau of Traffic. Many instances have occurred when the requests of shippers have had merit, and this Bureau and the Fleet Corporation have promptly cooperated to meet requirements. Instances have occurred, however, when prospective shippers have complained of inadequacy of tonnage to meet requirements, and

when tonnage has been tendered it has developed they are unwilling to contract definitely to furnish cargo.

Section 27 of the merchant marine act, 1920, provides, in substance, that merchandise transported from one point in the United States to another point in the United States having a water link in the journey must be transported in a vessel entitled to operate in coastwise trade. The section provides, however, in substance that in certain cases the Interstate Commerce Commission may qualify foreign vessels on the Great Lakes to participate in the trade by recognizing, under certain circumstances mentioned, that such foreign vessels are operating on through routes for which routes tariffs have been filed, and such routes are in part over Canadian rail lines and their own or other connecting water facilities. The Interstate Commerce Commission has in fact recognized certain routes which include movement by water on the Great Lakes, as a result of which Canadian vessels compete with American vessels in the transportation of our domestic commerce. This bureau has investigated this condition and has participated in hearings before the Interstate Commerce Commission, having in view the elimination of this foreign competition in our domestic trade. The inequity of subjecting vessels under the American flag to greater expense of operation through stringent requirements of law and then permitting foreign vessels to compete with them on an equal basis, in the transportation of our domestic commerce, is obvious. If the condition is not otherwise corrected, it is the purpose of the bureau to recommend legislation having that end in view.

Certain duties of the board under section 19, merchant marine act, 1920, have been assigned to this bureau. Through the cooperation of the Department of Commerce a plan has been developed having in view the indorsement on ship's papers of certain contracts for the retention under American registry of certain vessels receiving aid from the United States. Provisions for such covenants are made when approvals are given under section 23, merchant marine act, 1920, and in connection with loans from the construction loan fund, to the end that vessels receiving such benefits shall be retained as a part of the American merchant marine. Such covenants binding a present owner in whose favor the benefits were granted can be readily made; the plan developed has in view binding a transferee of the vessel by an indorsement on the ship's papers as above set forth.

The Bureau of Traffic has been active under section 21, merchant marine act, 1920, relative to shipping requirements of the Philippine Islands and to the adequacy of tonnage in the commerce between continental United States and those islands, having in view, at the proper time, an extension of the coastwise laws of the United States to the Philippine Islands as contemplated by section 21. The board,

however, has not yet recommended the application of the coastwise laws to traffic between the Philippine Islands and other portions of the United States.

Under the provisions of section 28, merchant marine act, 1920, no railroad is permitted to quote an export or import rate between a point in the interior and a port of the United States lower than the domestic rate between the same points unless the commodity involved, in its movement by water between a foreign port and a port of the United States has been transported in a vessel documented under the laws of the United States. The section, however, provides for a suspension of the act during periods when the Shipping Board is of the opinion that adequate shipping facilities between the points involved are not afforded by vessels under the American flag and certifies this fact to the Interstate Commerce Commission. Soon after its enactment the board made such a certification, and the act was suspended by the commission. In February, 1923, however, the board certified to the Interstate Commerce Commission that adequate shipping facilities under the American flag then existed, with respect to certain trade routes and certain commodities, and as a result the suspension then in force was removed by an order of the Interstate Commerce Commission, effective on the date named therein. The result would have been to secure to American vessels the advantage of the patronage of exporters and importers in preference to their patronage of foreign tonnage.

Soon after the step thus taken by the board, legislation was proposed amending section 28 and hearings thereon were held by the Committee on Merchant Marine and Fisheries of the House of Representatives. These hearings were very extended and the interests of the board, in respect to the exposition of the law and the examination of the facts presented by many citizens who appeared before that committee, were conducted in behalf of and under the supervision of the Bureau of Traffic. The fact that section 28 had been made effective resulted in activity by merchants and manufacturers throughout the country which was wholly lacking in connection with hearings conducted by the board prior to its certification to the Interstate Commerce Commission. The annual report for the fiscal year ending June 30, 1923, records the efforts of this board through public hearings held by it at Chicago, Ill., Portland, Oreg., Seattle, Wash., San Francisco, Calif., and Los Angeles, Calif., to obtain from the shipping public full information as to its requirements in all branches of trade. The attendance and evidence given at those hearings were very meager compared with the attendance and evidence given before the committee of Congress.

As a result of these congressional hearings it became apparent, entirely apart from the question of the adequacy of shipping facilities under the American flag, that the immediate enforcement of section 28 might result in complications both to shippers and as between competing ports, for several reasons, including the fact that existing rail rates and traffic conditions between points in the interior and the various ports involved had not been coordinated with the general policy laid down by Congress in section 28. In consequence of the conditions thus revealed the board withdrew its certification of February 27, 1924, and as a result the section was again suspended by the Interstate Commerce Commission.

Division of Regulation

Activity by the division under its functions as indicated in previous annual reports was continued during the year ended June 30, 1924, as follows:

Carriers' Conferences and Contracts.

Thirty active freight and passenger conferences submitted agreements or filed copies of minutes of tariffs in conformity with the requirements of section 15 of the act. In addition, 19 subconferences functioning as subsidiaries of major conferences filed minutes and tariffs with the division of regulation. All new conference agreements submitted during the year were approved by the board with certain modifications designed to protect the interest of American flag vessels or to obviate practices not consistent with the regulatory provisions of the shipping act. No notable change occurred in the general conference situation during the year, the conference organizations and the ocean rate situation being generally stable.

Fifty-eight agreements other than conference agreements, as evidenced by copies and memoranda filed with this division by carriers and other persons subject to the act, were approved by the board during the year. The larger number of these relate to arrangements between carriers for through billing and division of through rates. Seven other memoranda of oral agreements were examined and submitted to the standing committee for consideration and approval by the board.

Formal Docket.

This docket, embracing proceedings under section 2 of the shipping act, bringing into issue rates, regulations, and practices of common carriers subject to the jurisdiction of the board, was availed of by shippers and port authorities in five instances, that number of new complaints being filed during the year. Three of these complaints proceeded to hearing, and one, namely, Judson L. Thomson

Manufacturing Co. *v.* Eastern Steamship Lines (Inc.), involving rates on iron and steel rivets from Boston to New York, was completed by adoption by the board of the division's proposed report. In addition to the new complaints above referred to, action on the formal docket was taken with respect to four others which were pending at the close of the last annual report.

Informal Docket.

Fifty-nine informal complaints were docketed during the year ended June 30, 1924, in pursuance of the rules and practices adopted by the board. These and the 14 pending at the close of the previous year were given attention by the division in its intermediary capacity in an effort to bring about amicable adjustment of the controversies involved. The results accomplished on this docket were encouraging, and in several instances the division was able to avert the filing of formal complaints by bringing the complaining shipper and the carrier to an agreement of facts upon which the division has predicated an opinion of the principles which should govern. In the majority of the informal cases concluded settlement satisfactory to both parties was brought about. At the close of the period covered by this report 11 complaints are pending on this docket.

Tariffs.

Pursuant to section 18 of the act and tariff regulations of the board, governing the publication, posting, and filing of schedules, there were transmitted to and filed with the tariff section of this division during the period covered by this report 1,021 freight and passenger tariffs. A general stabilization in the rates, fares, and charges of common carriers by water in interstate commerce has been apparent from our examination of the tariffs filed during the year. One hundred and sixty-nine water carriers filed with the board tariffs of their own issue or participated in schedules filed in their behalf by other carriers or agents under authority of powers of attorney and concurrences lodged with this division under the board's tariff regulations. There were also maintained 17 agency files under authority of instruments issued in favor of tariff-publishing agents by water carriers subject to the board. Six hundred and twenty-nine powers of attorney and concurrences were effective in the division's files at the close of the year.

The public-tariff files maintained in this division were availed of increasedly during the year by shippers, carriers, trade organizations, and traffic representatives from the various Government departments, commissions, and bureaus.

General.

Approximately 600 General Circulars No. 2 were executed by water carriers and by forwarders, wharfingers, warehousemen, and other

furnishing terminal facilities in connection with common carriers by water upon request for information regarding details of their organization and operation. This number includes revision by parties who had previously submitted replies to questions requested in this circular. The information thus collected forms the basis for determining the exact status of carriers and others in relation to the regulatory provisions of the shipping act and has been of incomparable value in the functioning of this division. A compilation of the data gathered by means of this circular to date is as follows:

1. Water carriers whose services have been discontinued	404
2. Intrastate water carriers operating on rivers, lakes, or oceans	210
3. Water carriers operating in interstate commerce on the inland waters of the United States, either river, lake, or canal (excluding the Great Lakes)	124
4. Operators of towage, lighterage, or ferriage service	306
5. Water carriers engaged in interstate tramp service	303
6. Water carriers engaged in foreign tramp service	262
7. Water carriers subject to the jurisdiction of the Interstate Commerce Commission	30
8. Water carriers operating on regular routes in interstate commerce on the high seas or the Great Lakes subject to the jurisdiction of the board	169
9. Water carriers operating on regular routes in foreign commerce of the United States subject to the jurisdiction of the board	306
10. Water carriers engaged in exclusively proprietary service	222
11. Forwarders and other persons subject to the jurisdiction of the board	135

By reference to classes 8, 9, and 11 it will be noted that on June 30, 1924, there were 169 interstate carriers, 306 foreign carriers, and 135 forwarders and other persons subject to the board.

BUREAU OF OPERATIONS

The Bureau of Operations embraces principally the division of industrial relations, including the sea service; the division of docks and wharves, which includes the administration of all piers transferred to the board; the study of relative costs of operation under American and foreign flags; investigation of navigation laws and rules thereunder; harbor and river improvements; the study and administration of rules affecting shipping in foreign trade.

Industrial Relations Division

The activities of the industrial relations division have continued with little change since the publication of the Seventh Annual Report. In general, it is engaged in the study of marine and dock labor problems incident to the stabilization of labor affecting the American merchant marine. The division holds itself out to the

employer and employee as an impartial agency in connection with disputes and matters generally affecting the relations between the employer and employee. The existence of an agency which gives unbiased study to these questions of human relationship has done much to promote efficiency with economy among the ship and dock workers.

The board has favored the policy of collective bargaining with labor wherever possible, and has encouraged a fair and impartial attitude toward organized labor. Wherever changed conditions warranted it has favored readjustment of marine and dock labor wages accordingly.

During the latter part of the fiscal year the division conducted various conferences with the Marine Engineers' Beneficial Association, the Ocean Association of Marine Engineers, the Masters, Mates, and Pilots' Association, the Neptune Association, and the International Seamen's Union, as well as keeping in close touch with the local longshore conferences in the different ports.

Wage Increases.

On July 1, 1923, an increase of from 10 to 15 per cent was granted to licensed marine personnel on Shipping Board vessels and the hourly rates for longshoremen or dock labor were increased in October, 1923, in the north Atlantic ports from 70 cents to 80 cents per hour, excepting Norfolk, where the rate was increased from 65 cents to 75 cents. In New Orleans, Galveston, and Houston the rate was increased from 65 cents to 80 cents per hour, and in January, 1924, the rate prevailing in Pacific coast ports was increased from 80 cents to 90 cents per hour. No increases were granted in the ports of Mobile, Gulfport, and Pensacola.

Strikes.

During the fiscal year there have been no strikes in the ship labor field. Disputes have arisen from time to time, but in each instance have been settled in conferences with representatives of the men. In the longshore labor field there was some difficulty at the ports of New Orleans, Mobile, and Norfolk, the most serious being at New Orleans, when on September 13, 1923, the longshoremen at this port demanded an increase in the hourly wage rate, which demand being denied resulted in a strike lasting approximately a month and involving some 2,000 men. This strike hampered all marine activities in the port of New Orleans for about two weeks. At Norfolk a strike occurred on October 6, 1923, after a demand for higher wages had been denied. The result of this strike was not so severe as in the case of New Orleans. At Mobile, Pensacola, and Gulfport about 1,200 men stopped work on October 1, 1923, following a demand for higher wages.

Sea Service.

At the beginning of the fiscal year this bureau maintained offices at 12 of the principal ports of the United States. This number was increased to 14 during the year through the establishment of an office at Los Angeles (San Pedro) and the reopening of the Newport News office, which was closed for economic reasons in 1923.

During the last fiscal year the bureau has placed on American vessels a total of 383 officers and 84,227 unlicensed men, of which 77.5 per cent were American citizens. This shows a decrease in total placements of 17,290 men from the year 1923, and also a decrease of 3.9 per cent in the percentage of Americans employed through the bureau. The reduction in the number of placements is attributed to the lower average number of American vessels in active service during the year. The decline in the percentage of competent Americans available for sea service from the high point reached in 1921 is principally due to improved economic conditions ashore.

Another important factor was the lack of a suitable rating in the vessel's crew which could be filled with inexperienced young Americans to eventually replace those leaving the sea for various reasons. The door has been opened to American boys who have no sea training by substituting two American-born deck boys for one ordinary seaman at a nominal wage and without material increase in operating cost. This system was introduced and became effective as of June 10, 1924, and no report of actual results is available for this fiscal year, but it can be said that it will assist tremendously in the board's policy of Americanization. The following table shows the number and rating of all men placed by each local office during the year:

Total placements, Sea Service Bureau, June 30, 1923, to June 30, 1924

	Boston	New York	Philadelphia	Baltimore	Norfolk	Savannah	New Orleans	San Francisco	Portland	Seattle	Galveston	Mobile	San Pedro	Newport News	Total
Masters	0	0	7	0	0	0	3	0	0	0	0	0	0	0	10
First officers	2	0	7	0	2	2	0	0	3	5	0	1	0	0	22
Second officers	4	2	13	4	1	3	0	0	9	4	0	0	0	0	40
Third officers	5	0	21	7	0	3	7	0	15	8	0	0	0	0	66
Fourth officers	0	0	0	1	0	12	0	0	0	0	0	0	0	0	13
Cadet deck officers	0	4	0	0	0	0	0	0	0	0	0	0	0	0	4
Carpenters	14	247	26	17	13	0	34	33	22	12	11	5	0	0	434
Carpenters' mates	0	16	0	0	1	0	0	1	0	0	0	0	0	0	18
Boatswains	40	365	73	69	12	24	96	58	110	31	56	26	3	0	963
Boatswains' mates	0	13	2	0	0	0	0	0	0	9	0	0	5	0	29
Quartermasters	14	113	9	11	15	0	39	71	6	114	1	0	1	0	394
Able seamen	1,013	15,010	1,940	1,921	727	284	2,160	1,288	1,856	1,509	1,285	598	54	8	29,653
Ordinary seamen	392	2,291	838	663	706	96	1,065	294	531	745	533	278	22	52	8,506
Deck apprentices	0	0	3	0	1	0	0	2	1	0	0	0	0	0	7
Radio operators	0	0	2	42	9	2	0	0	58	0	0	0	0	0	113
Chief engineers	0	1	10	0	1	2	0	0	0	1	0	0	0	0	15
First assistant engineers	0	8	22	0	4	2	0	0	1	0	0	0	1	0	38
Second assistant engineers	0	22	26	3	3	5	0	0	2	2	0	0	5	0	68
Third assistant engineers	6	37	42	5	0	5	2	1	5	5	0	0	2	0	110
Fourth assistant engineers	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Cadet engineer officers	0	0	0	0	0	0	0	0	0	82	0	0	0	0	82
Refrigerator engineers	0	7	3	0	0	0	0	10	0	4	0	0	0	0	24
Electricians	0	32	0	0	0	0	0	22	0	19	0	0	0	0	73
Deck engineers	3	8	0	6	0	0	12	12	1	14	1	0	0	0	57
Pump men	53	48	38	14	2	1	6	14	0	0	2	3	2	0	183
Oilers	235	2,500	390	393	246	97	445	359	600	370	224	144	17	7	6,027
Watertenders	8	498	38	126	6	68	174	86	25	138	65	53	0	0	1,285
Storekeepers	1	34	31	2	8	0	2	2	0	5	0	0	0	0	85
Firemen	423	4,039	750	964	610	105	724	433	554	680	337	218	19	52	9,908
Wipers	259	1,635	468	564	122	77	729	298	474	358	395	203	29	15	5,626
Coal passers	108	2,806	157	238	355	1	14	63	30	10	0	15	0	25	3,822
Engineer apprentices	0	0	0	0	7	0	0	0	0	0	0	0	0	0	7
Junior officers	0	8	3	15	0	0	17	2	2	10	0	0	0	0	57
Chief steward	22	200	26	8	43	24	5	4	92	6	0	0	2	0	432
Second steward	8	118	2	0	6	3	0	0	7	2	0	0	0	0	146
Chief cooks	75	614	85	157	75	24	178	98	169	45	82	66	0	4	1,672
Second cooks	110	966	164	256	50	35	290	13	196	39	148	76	2	2	2,347
Third cooks	6	33	1	0	4	7	4	9	0	11	0	0	0	0	75
Bakers	0	55	4	0	3	0	1	1	0	0	0	2	0	0	66
Butchers	0	9	0	0	0	0	0	1	0	0	0	0	0	0	10
Storekeepers	0	15	0	0	0	0	0	1	0	3	1	0	0	0	20
Mess men	297	647	0	0	42	79	45	17	42	60	4	5	13	0	1,251
Mess boys	111	3,824	716	988	575	26	1,031	457	655	108	530	247	16	37	9,321
Pantrymen	11	29	8	2	3	2	8	2	2	8	5	3	0	1	84
Miscellaneous	16	592	37	7	66	0	3	67	265	353	1	0	0	39	1,446
Total	3,236	36,847	5,962	6,483	3,718	989	7,094	3,719	5,733	4,770	3,681	1,943	193	242	84,610

[1] Percentage Americans, 77.5 per cent.

Docks and Wharves Division

The activities of the docks and wharves division have been characterized by the taking over of the Norfolk Army base and the Charleston Army base, respectively, in accordance with section 17 of the merchant marine act of 1920. These properties have added greatly to the terminal facilities of the Shipping Board and when fully developed will complete the board's chain of terminal facilities on the Atlantic seaboard.

Boston Army Base.

The Boston Army base, which was transferred to the Shipping Board in May, 1921, under permit signed by the Secretary of War, was operated by the board until November 30, 1923. During this period of operation the board was unable to put this terminal on a paying basis, due in large part to the fact that the board, being a Government agency, was restrained from engaging in a general warehouse business. At the beginning of this fiscal year the board looked favorably upon the matter of leasing this terminal to private interests, and accordingly, on October 18, 1923, an agreement was made with the Atlantic Tidewater Terminals (Inc.) to take over and operate that portion of the Boston Army base under the control of the Shipping Board, effective December 1, 1923. This lease with the Atlantic Tidewater Terminals (Inc.) runs for a period of five years, with an option of renewal, and provides that the lessee will pay the board two-thirds of the profits resulting from operation after operating expenses have been deducted. It is further provided that in the event of a deficit in operation such deficit will be borne by the lessee. It is expected that by the close of the first year of operation the terminal will be operating on a profitable basis.

Brooklyn Army Base.

Piers 3 and 4 of the Brooklyn Army base were transferred to the board in April, 1921, on a permit signed by the Secretary of War. This property was operated by the Shipping Board from the date of acquisition until November, 1923. During this period the board derived substantial benefit from these piers. It was felt that if operated by private capital the terminal could be made to pay more than had been received during Shipping Board operations, and accordingly a lease agreement was entered into in October, 1923, with the Atlantic Tidewater Terminals (Inc.). The terms of the lease correspond with those in the Boston lease, with the exception of the revenue feature, which in the case of Brooklyn provides that the board is to receive $150,000 guaranteed flat rental; the next $50,000 resulting from operation, after expenses have been paid, accrues to the lessee, and the net profit remaining after the distribu-

tion of this $200,000 and expenses is distributed 66⅔ per cent to the board and 33⅓ per cent to the lessee.

The first six months of operation of this terminal by the Atlantic Tidewater Terminals (Inc.) shows a substantial profit somewhat in excess of the revenues derived during Shipping Board operation.

Hoboken Terminal.

The Hoboken Terminal, formerly owned and operated by the Hamburg-American Steamship Co. and the North German Lloyd Steamship Co., was transferred to the board in fee simple by various Executive orders.

There are at the terminal five piers—Nos. 1, 2, 3, 4, and 6—No. 5 having been destroyed by fire in August, 1921. Pier 1 is used by the Munson Steamship Line in South American freight and passenger service. Pier No. 2 is used by the Cosmopolitan Shipping Co. in trans-Atlantic freight service; Piers 3 and 4 are used by the United States Lines in trans-Atlantic passenger service; and Pier 6 is used by the Shipping Board for tugs and harbor craft.

This terminal is the only terminal property which has not been leased to private capital for operation, with the exception of the Norfolk Army base, which was transferred to the board the latter part of June, 1924.

One-quarter of a million dollars was allotted during the fiscal year for extensive repairs. The necessity for expending this amount was due largely to the fact that during the period this terminal was operated by the War Department no repairs or maintenance work was engaged in and when received by the board the entire property was in very poor shape. Slips have been dredged, piers have been painted, services put in order, roofs relaid, new floors put in, and other major and minor repairs effected.

Philadelphia Army Supply Base.

The Philadelphia Army supply base was turned over in its entirety by the War Department to the Shipping Board under War Department permit dated April 13, 1921. This property consists of Piers A, B, and C. These piers were operated by the Shipping Board from April, 1921, to August, 1922, at a profit of approximately $5,000 per month. In August, 1922, this base was leased to the Merchants Warehouse Co., of Philadelphia, Pa., for a term of five years in consideration of $100,000 per year for Pier B and 50 per cent of the gross receipts derived from operating Piers A and C. Operation by the Merchants Warehouse Co. is carried on under the name of the Philadelphia Tidewater Terminal Co. This company operates the base as a regular commercial terminal. It maintains dockage for vessels, storage for cargo, loading of freight cars, and all other such services which are provided by a commercial terminal. It became

apparent that extensive repairs would have to be made and during the year the board allotted approximately $300,000 for that purpose.

Charleston Army Base.

The Charleston Army base was transferred to the board by an Executive order, dated November 6, 1923, in fee simple, the board taking possession December 15, 1923. Negotiations were immediately entered into, however, with the Charleston Port Utilities Commission, and on March 10, 1923, the property was transferred by agreement to the Charleston Port Utilities Commission for operation pending the consummation of a lease.

The base needs extensive repairs and betterments, the most urgent of these repairs being the flooring in the wharf and in the pier sheds. It is thought that this can be done as needed until the entire base is utilized to capacity. The terminal has had practically no repairs since it was built and certain reconditioning will now be necessary. It is estimated that from $300,000 to $500,000 should ultimately be spent at Charleston in reconditioning before the property can be used to its fullest extent.

Norfolk Army Base.

The Norfolk Army base was transferred to the board by an Executive order signed by the President, dated June 27, 1924. The actual possession and control will not take effect until September 1, 1924.

Staff Division

The work performed by the technical staff of the bureau of operations is of an analytical nature and has to do with the investigation of trade routes and the promulgation of rules affecting shipping in foreign trades as well as conducting such special studies of a technical nature as may be required from time to time.

BUREAU OF CONSTRUCTION

The Bureau of Construction has been active on items of work permanently assigned to it under the regular organization of the board and by special resolutions passed from time to time. Among the work done during the past fiscal year has been the following:

It has supervised the activities of the board on applications under section 9, shipping act, 1916, for the transfer of vessels from American registry to foreign registry. A detailed statement of all such transfers authorized by the board during the past year appears in tabulated form in another part of this report. (See p. 42.) The usual test in determining the action of the board is the value of the vessel to the American merchant marine as a whole as distinguished from its value to its owner. One who has been receiving the benefits

of American registry in the ownership of his vessel does not possess a natural right to have the transfer to foreign registry made regardless of our national interests. The fact, therefore, that vessels can be operated more economically under foreign registry than under the American flag is not a sufficient reason for its transfer. In some instances, especially with small vessels, these transfers have been asked for under circumstances where suspicion has existed that the main object of the transfer has been the operation of the vessel in the illegal transport of liquor from foreign ports to American waters, and in these cases their transfer has been denied. When, however, a vessel is not of a type and kind essential to the American merchant marine and there is reasonable cause, financial or otherwise, for its transfer, the application is granted, if not prejudicial to our national interests. Section 9 also requires the approval of the board to a sale to foreigners of vessels under American registry and this bureau has also had supervision of these applications. Instances where such sales have been permitted are set forth in another part of this report. (See p. 42.)

The construction loan fund, maintained by the board under the provisions of section 11, merchant marine act, 1920, has been under the immediate supervision of the committee on construction loans of the board. This fund has a balance to its credit (June 30, 1924) amounting to $57,900,000. As a part of the work of supervision, legislation was promoted during the last session of Congress (H. R. 6202) which resulted in the amendment of section 11, merchant marine act, 1920, by an act dated June 6, 1924, under the provisions of which amendment the use of the fund was broadened so that loans from it may now be made not only to aid in the construction of new vessels, but also for the outfit and equipment of vessels already built, with engines, machinery, and commercial appliances of the most modern, the most efficient, and most economical kind. Under the provisions of the new act, minimum limitations are now imposed on the board's discretion as to the interest payable on such loans. During any interest period in which the vessel is operated exclusively in coastwise trade, or inactive, the rate of interest shall be not less than 5¼ per cent per annum. But for any interest period during which the vessel is operated in foreign trade the rate may be as low as 4¼ per cent per annum, but not less than that rate. The board may prescribe rules for determining the amount of interest payable under the provisions of the act. The limitation imposed by the new act on the amount which can be loaned is one-half of the cost of the vessel to be constructed or one-half the cost of the equipment for a vessel already built; provided, however, if security is furnished in addition to the mortgage on the vessel the

board may increase the amount loaned, but such additional amount shall not exceed one-half the market value of the additional security furnished; and in no case shall the total loan be for a greater sum than two-thirds of the cost of the vessel to be constructed or two-thirds of the cost of the equipment and its installation for vessels already built.

In the supervision of this fund the board is as exacting with respect to security for the repayment of the loan as a private banker would be under similar circumstances. The only substantial advantage accruing to the borrower from this fund is the longer period for the payment of and the lower rate of interest on the loan, as authorized by law.

During the fiscal year ending June 30 the following loans have been authorized: One to the Cherokee-Seminole Steamship Corporation, a subsidiary of the Clyde Steamship Co., of $2,666,000 to aid in the construction of two combination freight and passenger vessels, to be operated chiefly in coastwise trade; one to the Robert E. Lee Steamship Corporation, a subsidiary of the Old Dominion Steamship Co., of $1,000,000 to aid in the construction of a combined freight and passenger vessel, also to be operated chiefly in coastwise trade; one to the Coamo Steamship Corporation, a subsidiary of the New York and Porto Rico Steamship Co., of $1,500,000 to aid in the construction of a combined freight and passenger vessel, to be operated in services between ports in continental United States or between any such ports and ports in South America, Central America, or the West Indies. An application was also filed during the year by the Eastern Steamship Lines of Maine for a loan of $1,825,000 to aid in the construction of two steamers in the passenger service between New York and Boston, which application is under favorable consideration. In all these cases careful attention was of course given to the financial status of the borrowing company, and in each case where the loan was made to a subsidiary the parent company was required to join in the execution of the bond and other securities.

Duties of the board under the provision of section 12 of the shipping act, 1916, relative to the study of the best type of vessels produced by American yards and foreign yards, respectively, and their relative cost has been a part of the work of this bureau. To promote the use of internal combustion engines in American vessels, not only was section 11, merchant marine act, 1920, amended as above mentioned, so as to permit loans to private owners for that purpose, but the same act authorizes the board to reequip vessels of its own fleet with internal combustion engines and to expend in this work of conversion an amount not exceeding $25,000,000, which amount it is

authorized to transfer from the construction loan fund for this purpose. The act provides that any vessel thus converted by the board shall not be sold at any time within the period of five years from the date the installation of the new machinery is completed unless it is sold for a price not less than the cost of the installation thereof, and of any other work of reconditioning done at the same time, plus an amount not less than $10 for each dead-weight ton of the vessel, as computed before such reconditioning is commenced, less 5 per cent of such amount per annum as depreciation from the date of the installation of the date of sale.

Upon the passage of the act of June 6, 1924, the board took immediate steps to give effect to the provisions of the act by appointing a committee of experts to study the various types of internal combustion engines, with special reference, not merely to selecting an acceptable type for use in the American merchant marine, but to create competition in the development of various types and to promote the manufacture of such engines in the United States, together with the development of skilled workmen in this field, among the citizens of the United States.

In the last annual report of the board, reference was made to the work done under the supervision of this bureau during the fiscal year ending June 30, 1923, in the reconditioning of the steamship *Leviathan*, and the item closed with the statement that the vessel would make its first trans-Atlantic voyage, as reconditioned, commencing July 4, 1923. In accord with that program, the *Leviathan* sailed from New York on July 4, 1923, and has since been operated on the trans-Atlantic route between New York and the United Kingdom, one of the largest and finest liners in the North Atlantic service. Believing that the American merchant marine possesses too few passenger vessels capable of competing with the great liners under foreign flags, this bureau recommended to the board the preparation of plans, having in view the construction of two fine new passenger vessels, and authority was given it to have such plans prepared; not, however, to proceed with the construction of the vessels, without further authority from the board. This bureau has employed Messrs. Gibbs Bros. (Inc.), of New York, to prepare plans, and they are now engaged in that work. The vessels if built will be of the general type of the steamship *George Washington*, but on an improved and enlarged scale. They will be equipped with internal combustion engines.

The bureau has been active during the current fiscal year in support of the American Bureau of Shipping and in promoting its recognition by foreign governments. All vessels in aid of whose construction loans were made from the construction loan fund and

also those in respect to whose construction benefits were claimed under section 23, merchant marine act, 1920, have been required by this board to be classified by the American Bureau of Shipping. During the year the Government of France gave notice that it would not recognize the classification certificates issued by the American bureau and that certain American vessels visiting French ports, although holding such certificates, would have to go into dry dock for inspection by French officials. This bureau, basing its action on the fact that the American Bureau of Shipping under the provisions of section 25, merchant marine act, 1920, is given official recognition by Congress, secured the cooperation of the Department of State, and through that department made satisfactory adjustments with the French Government, having in view the recognition of the classification certificates issued by the American bureau.

Duties of the Shipping Board in relation to the approval or disapproval of types and kinds of vessels in aid of whose construction applications have been filed for benefits under section 23, merchant marine act, 1920, have been performed by this bureau. In determining the acceptability of such vessels, the reasonable need of having them as an addition to the American merchant marine has been an important if not the controlling factor. The approval of a particular type of vessel at one time does not necessarily assure the approval of the same type at another time, for the need of vessels of various kinds at different periods, of course, varies. When ample tonnage of a particular kind exists there would be no reason for the Government to waive taxes due it to aid in the construction of vessels of the same kind.

BUREAU OF LAW

The work done by the Bureau of Law during the past fiscal year relates to items regularly assigned it, and also to items assigned to other bureaus, particularly the Bureau of Traffic and Bureau of Construction, in respect to which the Bureau of Law has performed stated and sustained duties.

The work of the Bureau of Law concerns itself particularly with the paternal and general relationship of the Shipping Board to privately owned and privately operated vessels, looking forward to the time when the operation of vessels under the American flag engaged in foreign trade will be more largely under the control of private interests, thus relieving the Government of the direct operation of vessels and permitting it to gradually withdraw from that field.

While the Shipping Board has no direct jurisdiction over rail rates, these have such an important bearing on ocean traffic that the merchant marine act (sec. 8) directs the board to study railroad

problems in this relationship. While these studies are conducted primarily by the Bureau of Traffic, and the supervision of all such work is with that bureau, counsel to the Bureau of Law, at the request of the Bureau of Traffic, has been attending hearings before the Interstate Commerce Commission in Washington and elsewhere. An illustration of the relationship of the rail haul with ocean traffic is presented in what are commonly known as "Fourth section" cases before the Interstate Commerce Commission. The fourth section of the Interstate Commerce Commission act authorizes that commission, in proper cases, to approve a rail rate between two points though less than the rate between two other points less distant apart on the same rail route. Under this provision the Interstate Commerce Commission has control over intercoastal rail shipments between the Atlantic and Pacific coasts and can permit special intercoastal rates. The Shipping Board has limited control over intercoastal ocean rates between the two coasts. While, therefore, the board has no jurisdiction in the rail problem, its interest in the ocean haul justifies its appearance before the Interstate Commerce Commission with the view of equitable and proper coordination of the two bodies in the intercoastal commerce of the United States.

The negotiation of terms and development of proper contracts for loans from the construction loan fund maintained by the board under section 11, merchant marine act, 1920, have been largely intrusted by the Bureau of Construction to the Bureau of Law. Work in this field has included the consideration of applications not granted. It has been found necessary to safeguard the interests not only of the Government, in connection with these applications, but of the general public also, against those who initiate programs for new steamship lines and services, file applications for these loans, and actively solicit stock subscriptions, when no assurance is given them, even in tentative form, that loans will be made.

The bureau has also served the Bureau of Construction from time to time in matters relating to section 9 of the shipping act, 1916. Among these have been applications for the approval of the sale of American vessels to foreigners, and the transfer of vessels of American registry to foreign registry; and also items under section 30, subsection O of the merchant marine act, 1920, relating to applications for the approval of sales of vessels subject to preferred mortgages. The consent of this board is required by the ship mortgage act in order to protect the mortgagee, whose attitude to the security afforded by the mortgage is influenced largely by the character and general standing of the owner of the vessel; hence, by the terms of the act the board must decline to approve such sales unless the consent of the mortgagee is obtained.

Instances of foreign discrimination against American shipping have been examined. The bureau has assisted the Bureau of Construction in cooperation with the Department of State in securing a revision by the French Government of its refusal to recognize classified certificates issued by the American Bureau of Shipping, notwithstanding France recognizes similar certificates issued by similar associations of other foreign countries.

Work on foreign discriminations has included discriminations by foreign Governments and officials, and to some extent to discriminations by foreign merchants and steamship companies, against American vessels in foreign trade. Information from operators concerning experiences of their vessels in foreign waters has been solicited and their cooperation assured. These discriminations are not always apparent in express provisions of law but result also from the administration of laws which on their face seem entirely fair. An instance of this is as follows: Merchants making shipments from the United States to Australia have it made to their interest to route the shipments by Canada and Vancouver and, in practice, by British steamships, in preference to routing them by American railroads to one of our Pacific ports and thence to Australia by American vessel. The practice arises from the fact that in assessing custom duties on imports the Australian customs officials add to the value of the goods on which the rates are assessed the cost of their transport from the point of origin of shipment to the point of export.

The ruling of customs officials in Australia, however, has been that the point of export is not the port where the commodity commences its ocean haul, but the point on the border where the goods leave American territory. Hence a shipment from the Middle West is subject to less duty in Australia if shipped north into Canada and thence to Vancouver and then to Australia than if shipped by American rail through an American port, for the customs tariff is assessed only on the cost of the rail transport to the Canadian border, whereas if the shipment is made by American rail to one of our Pacific ports the duty would be assessed on the total rail cost across the continent. This bureau has this problem actively in hand in conjunction with other problems arising from competitive relations between American and Canadian railroads and steamships, work on which is being done in cooperation with the Bureau of Traffic.

Items of apparent foreign discrimination are sometimes presented which are without merit, for instance, complaint is made that laws of Mexico have in view the elimination of all foreign vessels from participation in the domestic trade of that country. As the discrimination is made against all foreign vessels, in favor of its

national vessels, the case does not present proper ground of complaint; certainly not by the United States, as the same principle is applied in our own coastwise laws.

This bureau has worked with the standing committee of the board for administering the provisions of section 23, merchant marine act, 1920, which section assures to owners of certain vessels exemptions from certain taxes on profits arising from operation and from sales in certain cases, when an amount equivalent to such taxes plus an additional sum twice the amount of such taxes is invested by the owner in the construction of new vessels. This work has included an application of the American-Hawaiian Steamship Co. for the approval of the type and kind of vessel proposed to be built, which approval of type and kind by the board is required by section 23, and also the approval, under special circumstances, of a proposed sale of the vessel, before its completion, to the Matson Steamship Co. After prolonged negotiations the approval of the board was given, and as a result there will be built in an American shipyard for passenger service under the American flag a vessel costing $6,000,000, whose construction would not have been possible but for the assistance and cooperation thus given by the Government under the provisions of this section. When completed the vessel will be operated between Hawaii and San Francisco.

Section 23 has not been as productive in promoting the construction of new vessels as was anticipated by Congress. This fact is due chiefly to the depressed condition of trade. It is also due in part to the fact that although Congress enacted that the policy of section 23 should remain in force for 10 years from the date of the act (June 5, 1920), an interpretation was given it by the Treasury Department that as section 23 made specific reference to the revenue act of 1918, in defining the taxes involved, it became obsolete with the enactment of the revenue act of 1920, notwithstanding the latter act included taxes similar to those defined in section 23 and from which that section provided, in the case mentioned, citizens should be exempt. An amendment by Congress would be appropriate to give full effect to the policy of section 23 for the term mentioned in the act, viz, 10 years, by extending its provisions to appropriate taxes still in force, and thus further promote construction of new vessels in American shipyards, many of which yards have very little work now on hand.

In order to receive benefits under section 23, the type and kind of vessel proposed to be built must be approved by this board; this aspect of the work is supervised by the Bureau of Construction. The legal and financial aspect, including matters relating to the setting up of trust funds, as contemplated by the section, have received the attention of counsel to the Bureau of Law.

The committee on conference agreements, to which is referred the approval or disapproval of agreements between common carriers by water or other persons subject to the shipping act 1916, and which are filed with the board under the provisions of section 15 of the shipping act 1916, has also used counsel to the Bureau of Law, cooperating with the division of regulation in its consideration of such agreements. The duties of the board in respect to these agreements are performed independently of the interests of the fleet operated by it through the Emergency Fleet Corporation, and with special reference to the interests of the privately owned and privately operated American merchant marine, and this board has at times disapproved proposed agreements having great value to the immediate parties thereto, including the Fleet Corporation, because in conflict with this policy, which conforms to the spirit of section 19 of the merchant marine act, subsection 4, which provides that vessels owned by the United States shall not be given any preference or favor over those vessels documented under the laws of the United States and owned by persons who are citizens of the United States.

The present organization of the board assigns to the Bureau of Law the conduct and supervision of hearings to be conducted by the board in respect to matters over which the board may enter orders as provided in sections 19 and 22 of the shipping act 1916.

The bureau has been intrusted with the general supervision of the work of revision and codification of the navigation laws of the United States, in which work the board has been engaged. The general principle controlling the work of revision and codification of the navigation laws has been to make these provisions of law more accessible to mariners and to have many provisions now archaic repealed and other provisions changed so as to eliminate some of the handicaps under which American vessels labor in their competition with foreign vessels in foreign trade. In order to insure the code having intrinsic merit and to demonstrate to Congress the thoroughness of the work done, an extensive examination of the Federal statutes has been in progress during the year, having in view gathering together all statutes or parts of statutes relating to the work. Under the system which prevails in Federal legislation this task is complex and difficult because any enactment of Congress, within its jurisdiction, no matter in what bill the enactment may appear, and however unrelated it may be to the subject of that bill, has the full force of law. This fact necessarily extends the examination of statutes to statutes which are not themselves maritime in their subject or general scope. Many of these original statutes have to be combined with other original statutes amending them, so as to properly present the law thus remaining in effect.

The navigation laws are dependent for their proper enforcement upon other departments of the Government than the Shipping Board and the Bureau of Navigation of the Department of Commerce. The duties imposed on these other departments were examined sufficiently to determine which of them were thus interested and in what respect; those interested have been invited and they have consented to cooperate in this work. Among these bureaus are the following: United States Coast and Geodetic Survey; United States Coast Guard; Post Office Department; Inland and Coastwise Waterways Service; Department of Justice; Bureau of Immigration; Division of Customs; Bureau of Insular Affairs; Hydrographic Office, of the Navy Department; Department of State; Bureau of Navigation, of the Department of Commerce; Interstate Commerce Commission; Bureau of Standards, of the Department of Commerce; Bureau of Mines, of the Department of Agriculture.

In March, 1924, and after a long interval, this work of coding and revision of the navigation laws was fully resumed. At the present time a regular staff is employed upon it and is devoting its whole time to the work.

In addition to concentration on navigation laws as above mentioned, the Bureau of Law, in connection with the committee on legislation of the board, has given special attention to all bills pending in Congress having any bearing either on the functions of the Shipping Board or upon the interests of the American merchant marine. One class of bills with which it has dealt during the year has been those which seek to recover claims which have been rejected by the Shipping Board, and in some instances by the courts. A similar class of private legislation has also been attempted by those commonly known as "pioneer purchasers" of ships from the Shipping Board during 1919 and 1920 (when prices were at their peak) for relief from the results of their purchases. In all these cases we have sought to develop the principle that such private bills should not be approved; that if the facts presented have merit, general legislation should be enacted so that all persons who have rights based on similar facts may receive the benefits of the justice or generosity of Congress.

BUREAU OF FINANCE

The Bureau of Finance, which has been designated within the year 1924, handles matters pertaining to finance.

It is working on the collection of claims in conjunction with the treasurer's department, the division of deferred liquidation, and the legal department.

A part of its duty is in the administration of the construction loan fund by investigating the financial status of applicants for loans from this fund.

It cooperates with the Bureau of Construction in the administration of the Dieselization bill.

It handles all matters pertaining to finance referred to it by the Shipping Board.

BUREAU OF RESEARCH

As stated in previous reports, the Bureau of Research conducts special studies and investigations for other departments of the organization and current studies on commerce, marine insurance, port facilities, and general shipping information. This work is carried on by the division of inquiry, division of statistics, and Port Facilities Commission.

Division of Inquiry

The division of inquiry maintains files on foreign and domestic shipping, commerce, shipbuilding, economic conditions, wage scales, port conditions and port activities, port facilities, information concerning steamship companies of the world, and essential information as to shipping and allied interests throughout the world.

During the year there was prepared a study on section 34 of the merchant marine act, 1920, besides numerous smaller reports on various subjects.

Vessel Section.

During the fiscal year 1924 there was established the vessel section for the purpose of compiling physical data of all ships of all countries of the world relating to ownership, flags, size, tonnage, age, speed, materials, machinery, and capacity. This involves recording data from various national registers on 25,000 merchant vessels. This information is being mechanically tabulated and will form the basis of studies and analyses on the world's merchant shipping as to efficiency and depreciation as well as to employment requirements of the various trade regions.

Division of Statistics

During the fiscal year ended June 30, 1924, more than 100 special surveys were completed to meet requirements of the board, the Emergency Fleet Corporation, the Department of Commerce, the War Department, the Interstate Commerce Commission, various commercial organizations, and many others desiring information relative to the volume of our commerce in cargo tonnage, the flow of cargo tonnage between origin and destination, and the distribution of this

tonnage among the carrier vessels of the several nations whose ships were employed in handling our trade. Among the most important of the deliberations in which these surveys were utilized were the consideration of foreign treaties in Senate committee hearings; conferences in connection with the application of section 28, merchant marine act, 1920; transcontinental rate hearings before the Interstate Commerce Commission; and adjustments of trade routes and consolidations.

In addition to these special studies, 56 regular periodical reports have been issued on water-borne foreign and intercoastal freight and passenger traffic, with analyses of carriers engaged and classification of commodities moved.

Port Facilities.

Previous annual reports have recorded the new arrangement made with the War Department under section 8 of the merchant marine act, 1920, whereby port facilities activities are continued in conjunction with the work of the Board of Engineers for Rivers and Harbors, which board is especially charged by law with the development of ports. The law also requires that the board advise local authorities with regard to the proper design, construction, and equipment of terminals. The cooperation with the War Department has continued during the year. The several employees of the Shipping Board who for the two previous fiscal years were engaged in the port work have continued these duties.

The annual reports of the last several years recorded the publication and issue of Port Series No. 1 on Portland, Me., and No. 2 on Boston, Mass., and gave a statement of progress with regard to the other ports of the series. During the past fiscal year No. 3 on Mobile and Pensacola, No. 4 on Philadelphia, Camden, and Wilmington, and No. 5 on New Orleans have been published and made available to interested parties. Eight other reports have been completed and sent to the printer and should be ready for distribution at an early date. These include Savannah and Brunswick; the Florida ports, namely, Jacksonville, Miami, Key West, South Boca Grande, and Tampa; Pascagoula and Gulfport; the Sabine ports; the Galveston Bay ports, including Houston; Los Angeles, San Diego, and San Luis Obispo; the Columbia River ports; and the Puget Sound ports.

The last annual report estimated the percentage of completion of the entire series at 60. The present estimate is 80 per cent. With one exception, the reports on which little or no work has been done are those of comparatively minor importance. The following table, drawn on similar lines, shows the status as to completion of individual reports as of the end of this fiscal year.

Serial number of volume	Ports	Percentage of completion July 1, 1924	Serial number of volume	Ports	Percentage of completion July 1, 1924
[1] 1	Portland, Me	100		Santa Cruz, Calif	15
[1] 2	Boston, Mass	100	[2] 13	Los Angeles, Calif	100
[1] 3	Mobile, Ala	100		San Diego, Calif	100
	Pensacola, Fla	100		San Luis Obispo, Calif	100
[1] 4	Philadelphia, Pa	100	[2] 14	Port Arthur, Tex	100
	Chester, Pa	100		Sabine, Tex	100
	Camden, N. J	100		Beaumont, Tex	100
	Wilmington, Del	100		Orange, Tex	100
[1] 5	New Orleans, La	100	[2] 15	Norfolk, Va	80
[2] 6	Galveston, Tex	100		Portsmouth, Va	80
	Houston, Tex	100		Newport News, Va	80
	Texas City, Tex	100	[2] 16	Baltimore, Md	60
[2] 7	Seattle, Wash	100		Washington, D. C	20
	Tacoma, Wash	100		Alexandria, Va	10
	Everett, Wash	100	[2] 17	Hawaiian Ports	75
	Bellingham, Wash	100	[2] 18	New London, Conn	25
	Grays Harbor, Wash	100		Bridgeport, Conn	15
[2] 8	Jacksonville, Fla	100		New Haven, Conn	15
	Fernandina, Fla	100		Norwalk, Conn	15
	Miami, Fla	100		Stamford, Conn	40
	Key West, Fla	100	[2] 19	Pascagoula, Miss	100
	Tampa, Fla	100		Gulfport, Miss	100
	South Boca Grande, Fla	100	20	Gloucester, Mass	0
[2] 9	Charleston, S. C	90		Beverly, Mass	0
	Wilmington, N. C	90		Salem, Mass	0
[2] 10	Savannah, Ga	100		Lynn, Mass	0
	Brunswick, Ga	100		Newburyport, Mass	0
[2] 11	Portland, Oreg	100		Portsmouth, N. H	0
	Astoria, Oreg	100	21	San Juan, P. R	90
	Vancouver, Wash	100		Ponce, P. R	90
12	San Francisco, Calif	60	22	New Bedford, Mass	0
	Oakland, Calif	60		Fall River, Mass	0
	Berkeley, Calif	60		Newport, R. I	0
	Richmond, Calif	60		Providence, R. I	15
	Upper San Francisco Bay, Calif	15	23	Panama Canal ports	0
	Monterey, Calif	15	24	New York	30

[1] Available for distribution. [2] Now in Government Printing Office.

It has been decided to enlarge the port series work by the inclusion of the principal Great Lakes ports. The exact form of these reports will probably differ from that used for seacoast ports, but the variation will only be such as is made necessary by the difference in lake shipping practices.

The last annual report made reference to the report for the fiscal year 1922 to the extent that it treated of a special report to the chairman of the Shipping Board with relation to port conditions at South Atlantic and Gulf ports, and the fact that in accordance with the authority conferred upon him by section 8 of the merchant marine act the conditions believed to exist at South Atlantic and Gulf ports were brought to the attention of the Interstate Commerce Commission, which upon is own motion instituted an inquiry.

During the fiscal year 1923 the preliminary findings of the Interstate Commerce Commission were reviewed by the Shipping Board and the commission was asked to extend its inquiry to North Atlantic ports. The matter is still pending.

During the past fiscal year special studies have been made of freight rates and terminal charges at various ports; also of export and import traffic movements for the use of the Emergency Fleet

Corporation in connection with section 28 of the merchant marine act, 1920.

LEGAL DEPARTMENT

General Counsel.

During the fiscal year ending June 30, 1924, the personnel of the legal department has been greatly reduced in number and the work conducted under the sole direction and supervision of one general counsel instead of two who during the previous year had divided the work between them.

In order that the general counsel might direct and supervise properly, with reduced personnel, the handling of the great volume of contracts, opinions, and litigation involved, attend all meetings of the board of trustees, advise on the many legal questions arising at such meetings, and be ready at all times to consult with and advise the Shipping Board and commissioners individually, the organization has been perfected in every way possible, to the end that responsibility should be properly distributed and fixed, speedy action secured, and close coordination of the activities of the Washington office with district and foreign offices, other divisions of the Shipping Board, and with the Department of Justice be obtained.

The general form of organization has not been changed except that in October, 1923, the department of claims ceased to function as a separate department or division, its reduced personnel being finally absorbed by the legal department and its uncompleted work distributed among the department's attorneys. Economy of time and money has been affected by perfecting the method of keeping records, thus securing better distribution and closer check on the department's work. That this result has been accomplished appears from the volume of work handled as hereinafter reported. The pay roll of the department has been reduced from $830,180 on June 30, 1923, to $646,061 at the end of the present fiscal year, a reduction of $184,119.

The legal department consists of three main divisions—litigation; contracts, opinions, recoveries, and special assignments; and admiralty. The work performed by the department will be considered under these three main divisions.

Litigation Division.

The legal department maintains a corps of attorneys in the office at Washington whose duty it is to prepare for trial and carefully follow up all of the procedure of cases in litigation. It also maintains district counsel at Seattle, Portland, San Francisco, New York, and Philadelphia for the purpose of maintaining in those places attorneys who are more familiar with the local practice and who can actually take part in the trial of a majority of the suits. However,

the litigation division at Washington is compelled to assign men from the home office specially to take part in litigations of very large moment in almost all of these districts. We have the Skinner & Eddy litigation at Seattle, the Bethlehem Shipbuilding litigation at Philadelphia, the Atlantic Corporation litigation in New Hampshire and Massachusetts, and at New York we have have the Downey Shipbuilding litigations, Standard Shipbuilding litigations, Green Star Line litigations, and others.

In New Jersey and Delaware we have the Pusey & Jones litigation, and in Virginia the Virginia Shipbuilding litigation. All of these cases involve immense detail and a familiarity with a very large record. In addition to that, the litigation division, besides its ordinary work, takes part in litigation before the Court of Claims and the Supreme Court of the United States. While the Department of Justice is in charge of these cases, in many cases the legal department takes over the entire litigation though the appearance is in the name of the Department of Justice, the attorneys assigned being appointed special assistants to the Attorney General for that purpose. This is done not only in the cases before the Court of Claims and the Supreme Court, but also in those before the districts courts and the court of appeals. The most important cases now before the Court of Claims in which the legal department is giving assistance are the cases involving just compensation for the requisition of ships under construction. There are eight of these suits. Besides the above there are important cases involving cancellation of contracts and damages brought on that account, and questions arising out of requisition charters. These cases are numerous and very important and difficult, and special assignments are made from the legal department for that purpose.

The legal department has actually handled the entire conduct of three cases before the Supreme Court during the last year as well as assisted in the conduct of others. This is all in addition to overseeing and managing all of the cases of ordinary litigation arising in the districts mentioned above and furnishing such other assistance as may be required either from the several district counsels or district attorneys for the district in which the litigation is carried on.

In the appendix (Table XIII) will be found under Exhibit A a tabulation showing the number of cases in which the Fleet Corporation or the United States was defendant or so interested as to necessitate the assumption of the defense by the legal department; Exhibit B, a tabulation of the cases in which the United States or Fleet Corporation was the plaintiff; Exhibit C, a tabulation of the bankruptcy and receivership cases. All of the cases tabulated are exclusive of any cases which come under the admiralty division.

A study of the tabulations shows that a total of 633 cases, involving $447,445,713.18, were handled during the year. Of the suits brought against the Government, 98, involving $18,574,371.27, were disposed of, the amount paid by way of judgment or settlements being $1,708,287.70. Of the cases in which the Government was the plaintiff, 16 cases were disposed of, involving $1,719,236.73, and $1,393,757.82 was received. Of the bankruptcy and receivership cases, 26 were disposed of, totaling $1,400,935.05, and $60,690.38 was received.

A great deal of the litigation was of such nature that a mere tabulation of figures gives no idea of the amount of work involved in the conduct of the litigation.

Contracts, Opinions, Recoveries, and Special Assignments Division.

This division continued to handle all of the legal business of both the Emergency Fleet Corporation and the Shipping Board not particularly assigned to the other divisions. A brief summary of the work for the year is as follows:

1. Preparation, revision, and approval of contracts, proposals, bids, bonds, bills of sale, leases, approximately 265.

2. Written opinions prepared at the request of other departments of the Shipping Board and Emergency Fleet Corporation—238.

3. Miscellaneous, such as preparation of resolutions, attorneys' accounts, salary garnishments, personal injuries, special counsel fees, approval of managing agents' accounts, review of proposed legislation—790.

This division also handled accounts in favor of the Government totaling $97,855,694.34. Although many of these cases were ultimately transferred to the litigation division, they all had to be examined, summarized, and pressed for collection prior to that transfer.

For the purposes of this report the claims asserted against the Government will be handled under the heading of this division, although many of the attorneys in the litigation division handled some of the claims. On June 30, 1923, there were pending five claims in the total sum of $2,023,875.30 which had been undisposed of by the department of claims. There were also a number of miscellaneous claims of a character different from those handled by the department of claims, which, together with those filed during the year, including five above mentioned, made a total of 98 claims handled by the department during the year in the sum of $14,684,-842.42. During the fiscal year 50 claims finally acted upon were for the sum of $8,499,937.87, leaving pending 48 claims totaling $6,184,904.55.

The housing projects remaining undisposed of at the beginning of this year were all completed with the exception of that of the Atlantic Heights Corporation. This is still involved in litigation. In other cases the purchasers have failed to complete this purchase of a few individual lots.

Admiralty Division

The admiralty division during the fiscal year disposed of 465 collision cases, 78 salvage cases, 76 lien cases (these consisted of claims asserted against ships for supplies or repairs furnished on the order of a charterer or an agreed purchaser in possession), and 519 miscellaneous cases, such as demurrage, general average, freight claims, cargo claims other than those of a P. & I. nature, or a total of 1,128 cases. The cases against the board disposed of numbered 690 and amounted to over $12,000,000, and were settled for a little more than $2,000,000. The cases in favor of the board disposed of totaled 438, involved the sum of $2,389,000, and were settled for the sum of $700,000. During the year there were referred to the admiralty division 775 new cases, involving the sum of $9,388,000. There were referred back to the marine insurance department 304 cases, involving the total sum of $76,900. These were sent back under a new arrangement for the settlement of insurance cases involving less than $1,000. In addition to the foregoing, the admiralty division prepared opinions and participated in the settlement of a good many cases which were handled by other departments of the board and which were settled without litigation.

No admiralty cases in which the board was involved were decided by the Supreme Court during the fiscal year. There are several cases now before the court in which the board is interested. Three of these involve construction of the suits in admiralty act. There are other cases in which petitions for certiorari have been or will be filed in which the board prevailed in the circuit court of appeals. One case was decided by the House of Lords during the year, namely, the *West Camak-Rowan* collision. In that case the House of Lords reversed the court of sessions in Scotland and held the *West Camak*, the board's vessel, free from fault. This case was important not because of any precedent but because of the amount involved, about half a million dollars. A number of cases have been argued before the various circuit courts of appeal which have not yet been decided. In one circuit alone there are six such cases involving important legal principles.

SECRETARY

Sale of Vessels to Aliens and (or) Transfer to Foreign Registry.

Section 9 of the shipping act, 1916, as amended, makes it unlawful to sell, transfer, or mortgage, or, except under regulations prescribed by the board, to charter any vessel purchased from the board or documented under the laws of the United States to any person not a citizen of the United States, or to put the same under a foreign registry or flag without first obtaining the board's approval. The section further provides appropriate penalties for the violation of its provisions.

In the exercise of the powers conferred by this section, the board required a prescribed application form to be executed by those desiring to sell to an alien or transfer a vessel to a foreign registry or flag. The applicant is required, in executing the application form, to give all the details of the vessel's construction, the reason for requesting transfer of ownership or registry, and why it is not desirable to retain the vessel under the American flag. A statement must be made as to the trade in which the proposed purchaser or transferee will employ the vessel, thus enabling the board to determine upon the merits of each case, whether the sale and (or) transfer should be authorized or the vessel retained under the United States flag.

Each applicant must be supported by a sworn affidavit that the purpose of the sale and (or) transfer is not to avoid the laws of the United States. Transfers are authorized with the provision that there are no liens, encumbrances, or other charges against the vessel. If there are liens, encumbrances, or other charges the approval of the mortgagee or lienor must be obtained and an affidavit to that effect filed with the board. It is further provided that the sale and (or) transfer be effected within a period of six months, and that the vessel shall not engage in any trade contrary to the laws of the United States.

In case of the violation of section 9 of the shipping act, 1916, as amended, or the violation of any of the provisions or conditions which the board places in the orders granting permission to sell to aliens and (or) transfer to foreign registry, the matter is referred to the Department of Justice for prosecution of the party or parties responsible for the violation.

During the year July 1, 1923, to June 30, 1924, inclusive, the board authorized the sale and (or) transfer of 84 vessels of 190,823.25 gross tons. In addition, 1 dipper dredge, 2 barges, 1 hull, and 2 yachts, all undocumented, and 1 harbor launch of unknown tonnage,

were authorized to be transferred, making a total of 91 vessels sold and (or) transferred, distributed as follows:

Registry	Number of vessels	Gross tonnage	Registry	Number of vessels	Gross tonnage
Belgian	2	8,412	Italian	15	67,617.98
Bermudian	1	16	Japanese	1	1,030.12
British [1]	12	9,984.49	Mexican	3	277.37
Canadian [2]	13	5,829.78	Nicaraguan	2	156.17
Cuban	2	42.87	Norwegian	2	6,424
Danish	7	24,564.66	Panaman	3	2,823.58
Danzig (free city)	2	13,798	Portuguese	4	1,327
Dominican	1	27	Spanish	1	42.60
French	3	5,555.93	Turkish	2	210
German	2	23,951.05	Venezuelan [4]	4	117.39
Honduran [3]	7	8,993.26			
Irish	2	9,622	Total	91	190,823.25

[1] 1 undocumented hull, unknown tonnage; 1 undocumented yacht, unknown tonnage.
[2] 1 undocumented dipper dredge, unknown tonnage; 2 undocumented barges, unknown tonnage.
[3] 1 undocumented yacht, unknown tonnage.
[4] 1 harbor launch, unknown tonnage.

There have been a number of violations of section 9 of the shipping act, 1916, as amended, during the year. In all these cases the Shipping Board has instituted a thorough investigation of the alleged violation of the law in order to determine the party or parties responsible therefor. The investigations in many of these cases have been completed, and such evidence as the board has been able to secure in connection therewith has been transmitted to the Department of Justice for appropriate action.

Various requests have also been received from the United States Coast Guard Service, Treasury Department, for information as to vessels seized by that department for violation of law.

Section 30, subsection O (a), of the merchant marine act, 1920, 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 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 Shipping Board, and that the board shall refuse such approval unless the mortgagee consents to such surrender.

In carrying out the provisions of this section of the merchant marine act, the board, during the past fiscal year, has authorized the surrender of the outstanding marine documents of eight (8) vessels documented under the laws of the United States, and the issuance of bonds on one vessel of the United States secured by a first mortgage in favor of an alien.

PART II

UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION

UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION

PRESIDENT, FLEET CORPORATION

From July 1 to September 16, 1923, the office of president of the Fleet Corporation was vacant, the executive duties of that office being performed during that period by Vice President Henry. From September 18, 1923, to January 4, 1924, the office was filled by Mr. E. P. Farley, also chairman of the Shipping Board. On January 7, 1924, the Shipping Board appointed Leigh C. Palmer president of the corporation.

The activities of the president's office, apart from the usual coordination of the several departments and a general supervision over the affairs of the corporation, have been directed mainly toward the improvement of the Shipping Board services, the reduction of unnecessary personnel throughout the organization, and, generally, the promotion of efficiency with economy.

The most important undertaking, from the viewpoint of practical shipping operations, was the consolidation of overlapping and more or less competitive lines on various trade routes, which undertaking was nearing completion at the close of the fiscal year. Apart from the economies made necessary by a reduced budget, these consolidations may be expected to effect a general improvement in operating conditions, especially in increased flexibility of the services, reduction of vessels' turn-around, more efficient organization for securing cargo, and a closer supervision over the many details of day-to-day expenses of vessel operation.

It is believed that the consolidation of lines constitutes the first essential step toward placing them on a practical business footing, and that in due time most of them may be expected to arrive at such a condition as will result in their sale or lease to private operators, or, failing that, will permit of an accurate evaluation of the differential that exists in the operating costs of American and foreign lines. This will afford a basis for the determination of the amount of Government aid that should be given American vessels in order that the otherwise unsalable lines may be taken over and maintained by private citizens of the United States.

Concurrently with the reorganization of the lines there have been placed in effect modified managing-operating agreements whereunder the sole compensation of the operator is a commission on the gross freight revenue, all extras in the form of fixed fees and allowances being eliminated. It is expected that the new agreement will operate as an incentive to the operator to obtain increased and better cargoes, in his own interest as well as that of the Shipping Board, and to minimize his operating expenses, for upon his record in these respects his future will largely depend.

In connection with the reorganization of the lines and their services, special attention has been given to the improvement of the district organizations and foreign agencies of the corporation with a view not only to making them more efficient in guarding the Shipping Board's interests but also to aiding and cooperating with the operators in every proper way in the promotion of the services.

The following is a list of the consolidations completed by the Fleet Corporation with the dates of ratification:[1]

EUROPEAN SERVICES

Line and operator	From—	To—
North Atlantic-United Kingdom (May 1, 1924)		
Oriole Lines (Consolidation Navigation Co.)	Baltimore, Norfolk, Philadelphia.	Glasgow (Avonmouth, Cardiff).
Do	Baltimore, New York	Cork, Dublin, Belfast (Londonderry).
Do	Baltimore, Norfolk, Boston	Liverpool.
Do	Baltimore, Norfolk, New York.	Manchester (Avonmouth, Cardiff).
American Merchant Line (J. H. Winchester & Co.).	New York	London.
Do	Baltimore, Norfolk	London, Hull, Leith.
Do	Philadelphia, Boston	Do.
North Atlantic-Scandinavia and Baltic		
American Scantic Line (Moore & McCormack).	North Atlantic ports	Scandinavian and Baltic ports.
North Atlantic-Continent		
Black Diamond S. S. Co. (Sept. 27, 1924)	Philadelphia, New York	Rotterdam.
Do	New York	Do.
Do	Philadelphia, New York	Antwerp.
Do	Boston, Baltimore, Norfolk	Antwerp, Rotterdam.
Cosmopolitan Shipping Co. (Sept. 18, 1924)	Baltimore, Philadelphia, New York.	Havre, Dunkirk.
Do	Philadeplhia, New York	Bordeaux, St. Nazaire.
South Atlantic-United Kingdom and Continent (Oct. 14, 1924)		
Palmetto Line (Carolina Co.)	Jacksonville, Charleston, Savannah.	Liverpool, Manchester.
Do	do	Bremen, Hamburg.
Do	Tampa, Jacksonville, Charleston, Savannah.	London, Rotterdam, Antwerp.

[1] Services ratified subsequent to June 30, 1924, added during period of preparation of annual report.

EUROPEAN SERVICES—Continued

Line and operator	From—	To—
Gulf-United Kingdom (Aug. 4, 1924)		
American Dixie Line (United Gulf S. S. Co. Inc.).	New Orleans, Galveston	London.
Do	Galveston (Houston)	Liverpool, Manchester.
Do	New Orleans	Do.
Do	do	Glasgow, Belfast, Avonmouth.
Mobile Oceanic Line (July 19, 1924) (Waterman S. S. Corporation).	Mobile, Pensacola, Gulfport	London.
Do	do	Liverpool, Manchester.
Gulf-Continent		
Southern States Line (July 25, 1924) (Lykes Bros. S. S. Co.).	New Orleans	Rotterdam.
Do	do	Bremen, Hamburg.
Do	Galveston, Houston	Bremen, Hamburg, Rotterdam.
Mississippi Valley European Line (July 18, 1924) (Mississippi Shipping Co.).	New Orleans	Havre, Antwerp.
Texas Star Line (July 26, 1924) (Daniel Ripley & Co).	Houston, Galveston	Do.
Mobile Oceanic Line (July 19, 1924) (Waterman S. S. Corporation).	Mobile, Pensacola, Gulfport	Hamburg, Bremen.
Do	do	Havre, Antwerp, Rotterdam.

MEDITERRANEAN SERVICES (SEPTEMBER 5, 1924)

American Export Lines (Sept. 5, 1924) (Export S. S. Corporation).	North Atlantic range, Norfolk to Portland.	Greece, Constantinople-Black Sea and Levant.
Do	do	Malta-Alexandria-Syrian coast and Greece.
Do	do	West coast Italy and French Mediterranean.
Do	do	North Africa and other Mediterranean and Adriatic ports as cargo offers.
Gulf-West Mediterranean Line (July 25, 1924) (Tampa Inter-Ocean S. S. Co.).	Gulf and South Atlantic, Galveston to Wilmington.	Portuguese-Spanish Atlantic.
Do	do	Spanish Mediterranean, north Africa (west of Bizerta).
American Premier Line (Aug. 4, 1924) (United Gulf S. S. Co., Inc.).	do	French Mediterranean, west coast Italy.
Do	do	Adriatic-Greek Levant-Constantinople-Malta-North Africa (east of Bizerta).

SOUTH AMERICAN SERVICES

American Delta Line (July 18, 1924) (Mississippi Shipping Co.).	New Orleans and other Gulf ports (excluding Mobile).	Brazil and River Plate ports.
American Dispatch Line (July 28, 1924) (Munson S. S. Line).	Mobile and other Gulf ports (excluding New Orleans).	River Plate ports.

FAR EAST AND LONG VOYAGE SERVICES

American Pioneer Line (Sept. 8, 1924) (Atlantic Gulf & Oriental S. S. Co.)	North Atlantic ports	China and Japan.
Do	do	Philippines and Dutch East Indies.
Do	Gulf	Far East (China, Japan, and Philippines).
American South African Line (A. H. Bull & Co.).	Port Arthur and New York	South and east African ports.
American-West African Line (Oct. 22, 1924) (A. H. Bull & Co.).	New York (Gulf via New York when inducements offer).	Azores, Canary Islands, Madeira, and West Africa.

The intercoastal services of Mittnacht & Co. and of the North Atlantic & Western Co. were eliminated on April 3 and April 7, 1924, respectively.

As will be noted in their appropriate place throughout this report, a great many practical improvements with important economies have been effected, largely as a result of experience and closer attention to details. There is much yet to be accomplished along these lines and the corporation is proceeding steadily with this work.

The earnest cooperation and loyalty of spirit manifested by the personnel throughout the organization has been most gratifying.

Trustees.

Under the by-laws and certificate of incorporation the board of trustees of the Emergency Fleet Corporation consists of seven members. At the beginning of the fiscal year there were two vacancies on the board, the membership consisting of the following five:

W. J. Love, vice president of Emergency Fleet Corporation and general manager of the United States Lines;

J. E. Sheedy, vice president;

Sidney Henry, vice president;

R. V. Sollitt, assistant to the chairman of the Shipping Board;

W. B. Keene, vice president.

On September 17, 1923, E. P. Farley was elected a trustee, and on September 18 was elected president of the corporation. On September 27, 1923, R. V. Sollitt resigned as a trustee, and simultaneously C. F. Buck and J. H. Philbin were elected to fill the two vacancies existing. On December 31, 1923, C. F. Buck resigned as trustee and T. L. Clear was elected to fill the vacancy. E. P. Farley resigned as president and trustee on January 4, 1924, and on January 7, 1924, L. C. Palmer was elected president and trustee. W. J. Love resigned as trustee on March 15, 1924, and on April 17, 1924, H. I. Cone was elected to fill the vacancy.

At the close of the fiscal year, June 30, 1924, the officers of the corporation were as follows:

L. C. Palmer, president, chairman of the board of trustees.

J. E. Sheedy, trustee, vice president, in charge of operations.

Sidney Henry, trustee, vice president, in charge of finances.

W. B. Keene, trustee, vice president, in charge of traffic.

H. I. Cone, trustee, vice president, administrative assistant to the president.

J. H. Philbin, trustee, manager ship sales department.

T. L. Clear, trustee, treasurer.

Carl P. Kremer, secretary.

During the year the board of trustees met regularly each week, frequently twice or thrice a week, all meetings being held in Washington, D. C.

OPERATIONS

At the end of the fiscal year 1923–24 the organization, under the supervision of the vice president in charge of operations, comprised the following: Operating department, maintenance and repair department, purchases and supplies department, contract department, piers and wharves department, construction department, stevedoring committee.

In the course of the year the fuel department was made a division of the purchases and supplies department and the laid-up fleet department was transferred to the department of ship sales.

Operating Department

Executive.

During the past fiscal year the operating department had substantially the same organization as that of the previous year. It comprises the following subdivisions: Executive, vessel operation division, vessel personnel division, bunker and disability division (including foreign agencies), radio division, inventory division, and files division.

The activities of the department, in addition to its routine duties, have been directed mainly toward the discovery and correction of faults, losses, and extravagances in the day-to-day work of the vessels of the fleet with a view to the reduction of operating costs to the minimum consistent with efficiency. This work involves the analysis of voyage revenue and expense reports submitted by the managing agents, the detection of erroneous or exorbitant cargo-handling charges, port expenses, and other operating costs; inspection of the deck engineer's and steward's departments of ships upon their arrival at their home port for the discovery and correction of any unsatisfactory conditions as to physical operation or upkeep; and in general, a close cooperation with the managing agents to bring about improvements and economies.

Toward the close of the year a system was initiated for the compilation of records of turn-around performances, cargo-handling costs, port charges, etc., of the individual operators for the purpose of rendering quarterly comparative statements of these details for each trade; and the first statement, for the period January 1 to March 31, will be shortly completed.

The tariff act of September 22, 1922, imposed a 50 per cent ad valorem duty on all repairs or equipment purchased in foreign ports, subject to remission by the Secretary of the Treasury on evidence to the effect that the vessel was forced to put into a foreign port to make repairs in order to reach her port of destination. This was construed by the Treasury Department as applying only in cases where

vessels put into a port of refuge and not to repairs, however necessary, which might be made after a vessel reached her foreign port of destination. After representations had been made to the Treasury officials as to the effect of the act and their interpretation thereof, a modification was secured whereunder any repairs made or equipment purchased at a foreign port or destination, would be subject to remission or refund of duties upon satisfactory evidence that they were rendered necessary by stress of weather or other casualty encountered before or at the foreign port of destination, and on evidence that such repairs or equipment had to be procured before the vessel could proceed with safety to an American port.

Vessel Operation Division.

This division performs the detailed work in connection with the study and analysis of revenue and expense reports. It keeps a complete record of arrivals and sailings of all vessels and sees to it that a revenue and expense report is rendered for each port of call.

Each set of revenue and expense reports is examined for the purpose, first, to see that they cover the proper period of time; second, that the classification of various items is correct; and third, any apparent excessive cost is reported to the executive department. This report has brought about a great improvement in the accuracy of classification of cost items, and it may be stated that the reports are now accurate within 5 per cent.

Performance Division.—The functions of this division include the following:

(*a*) Recommendation of vessels to be carried on the "spot" program for future assignment to managing agents.

(*b*) Determination in conjunction with the allocation department, of the suitability of vessels for allocation to various trades.

(*c*) Maintenance of records in connection with the above showing the maintenance cost of vessels held in a "spot" status and also records showing performance of all vessels deemed suitable for service.

(*d*) Reviewing of repair costs submitted by the maintenance and repair department on vessels under consideration for "spot" and on active steamers repairing prior to the beginning of the voyage, and determining whether these vessels are suitable for service before submitting recommendations to the vice president in charge of operations for approval.

(*e*) Maintaining records of delays sustained by vessels in foreign and in domestic ports.

(*f*) Maintaining records of all steamers placed in idle status and the particulars relating thereto.

(*g*) Maintaining data on all towboat activities, keeping a record of various movements for the account of Shipping Board vessels in domestic ports and the costs thereof.

(*h*) Recommending alterations of vessels to secure increased efficiency or to meet requirements of the salvage association or of particular trades.

In view of the possible requirements for additional tonnage in the event that section 28 of the merchant marine act should become effective, steps were taken to recondition additional vessels of the laid-up fleet until repairs to a total of 53 vessels were approved before the end of the fiscal year, though the work was not completed until later.

Early in the year a procedure was initiated by the traffic and operating departments whereby steamers remaining idle for more than six days from any cause were reported to the home office. The store allowances of such vessels were thereupon reduced during the idle period to two-thirds, and the crews likewise reduced, to minimize expenses. This action resulted in the saving of approximately $32,000 in the matter of stores. In order that certain ship repair work might be effected most economically on steamers in idle status, the employment of additional men or even of full crews, according to circumstances, was authorized, and the repair work was performed by the crews instead of by contract, at a saving of approximately $95,000.

Vessel Personnel Division.

The functions of this division are indicated by the enumeration of the following matters over which it has cognizance:

1. Wages.
2. Claims.
   (*a*) Wages and overtime.
   (*b*) Personal effects in connection with insurance division.
   (*c*) Personal injury in connection with U. S. P. & I.
3. Approval of officer personnel.
4. Discipline—suspension and reinstatement.
5. Disabled and sick seamen in connection with P. & I.
6. Transportation and repatriation of officers and crews.
7. Smuggling of liquor and unmanifested contraband.
8. Manning requirements.
9. Workaways, stowaways, and destitute seamen.
10. Crew list and service records.
11. Subsistence.
12. Nationality of crew.
13. Standardization of pursers' salaries.

Wages.—There has been no change in the wages of the unlicensed seagoing personnel during the past year, the present rates and working agreements for unlicensed members of the deck and engine crews having been made effective on May 14, 1923. Deck and engine officers, radio operators, and steward department personnel on cargo ships received increase in pay as of July 1, 1923; and agreements have been made for the continuation of the present scale of wages during the next fiscal year, the only change in working rules being an amendment, effective July 1, 1924, providing for the employment of night relieving officers for seven nights commencing the night following the vessel's arrival, the relieving officer to be paid $8 per night with hours from 5 p. m. to 8 a. m. Under the former agreement the employment of a night relieving engineer was authorized for the first three nights, and the mate standing the night watch was given the next day off.

Smuggling of liquor and unmanifested contraband.—Special attention has been given to the prevention of smuggling of liquor and other contraband aboard our vessels. Watchmen are posted in foreign ports and searches are made before sailing from foreign ports and during the voyage. Officers or members of the crew found to be implicated in the smuggling of liquor or contraband are debarred from further employment aboard Shipping Board vessels, and are held responsible for any fine that may be imposed.

Deck boys and engineering students.—To encourage Americans to enter the seagoing profession, authority has been granted to carry on each cargo vessel two deck boys, who replace one ordinary seaman of the regular complement. These deck boys must be American born, or naturalized through their parents, under 23 years of age, of good moral character, and of good physical development. Upon masters and officers is imposed the duty of training the deck boys and laying the foundation of discipline essential to the successful development of efficient seamen. Their training is such as to fit them for the ratings of ordinary and able seamen, and, as experience and ability are acquired and developed for the ratings of petty officers and eventually for promotion to officers. Deck boys are paid at the rate of $25 per month, with the customary subsistence.

A further similar innovation has been adopted of carrying students in engineering aboard our ships where living quarters are available. Such students are signed on as cadet engineers at the nominal rate of 25 cents per month. Applicants for these positions must bear certificates from the authorities (preferably the presidents) of the institutions they are attending, stating that they are bona fide students, and that there is an educational benefit directly connected

with their technical courses to be obtained from practical experience in the engine room.

Nationality of crew.—With a view to manning our vessels with Americans to as great an extent as practicable, the policy has been adopted for the deck and engineer's departments of giving preference, first, to American citizens; second, aliens holding intention papers; and, third, aliens eligible to citizenship. For the steward's department the chief steward must be an American citizen, but other members of that department are selected to fit the requirments of the particular trade routes, Americans being employed whenever practicable.

Bunker and Disability Division.

The operating department has maintained a close supervision of breakdowns of vessels at sea, furnishing relief to distressed vessels, and, in conjunction with the insurance and traffic departments, arranging for the diversion or towage of distressed vessels to suitable ports of refuge. By employing only Shipping Board vessels for towage in such cases the payment of salvage has been entirely avoided during the past year, and outside assistance has been required in only one or two major cases where it was physically impossible for Shipping Board vessels to render aid. In several cases vessels of the Navy Department and of the Coast Guard have rendered valuable assistance to our vessels. The number of major disabilities during the past year has been considerably reduced in comparison with former years.

Close attention has been paid to the matter of cargo damage arising from insufficient dunnage, improper stowage, or other lack of care or efficiency on the part of the agents, ship's officers, stevedores, etc., and considerable progress has been made in the correction of these evils, the cargo claims in the past two years resulting from negligence or incompetence having declined about one-fourth. The question of pilferage in certain ports also has been handled with gratifying results.

For several years this department has been accumulating data concerning the financial standing, shipping experience, honesty, and attitude toward American shipping of agents in all ports of the world, and this work is nearly completed. Considerable progress is being made in the elimination of unsatisfactory unfriendly representatives and in the appointment of Americans or, when that is not practicable, of reliable foreign agents.

During the past year bunker schedules submitted by managing agents have been given increased supervision, which has resulted in a decrease in the number of fuel shortages of our vessels; also much attention has been paid to the bunkering of coal-burning vessels on a

competitive basis, and to their bunkering at cheapest ports, which has resulted in considerable savings. In this connection, it may be noted that a coal-burning vessel in the United Kingdom and Baltic services now habitually bunkers at United Kingdom ports, where bunker coal is cheap, and thereby not only saves on the cost of bunkers but also by bunkering to capacity they eliminate the necessity for ballast for the homeward voyage.

Radio Division.

Apart from its routine duties in connection with radio communication, radio and gyro compasses, and automatic steering devices, the activities of this division during the fiscal year have been directed mainly toward investigations and experiments with new apparatus with a view to bringing our vessels' equipment up to the most modern and efficient standards. The radio installation of the *Leviathan* is probably the most efficient afloat in the expeditious manner of handling communications and in the flexibility of installation. Important improvements have been made in the navigation equipment aboard our vessels in the matter of gyro compasses, automatic steering devices, helm angle indicators, and course recorders. Automatic steering devices have been installed on all our passenger vessels and the original gyro compass installations made several years ago have been converted to an improved type.

A representative of this department attended a conference at Mexico City on May 27, 1924, held by the Pan American Union and attended by communication experts from practically all Central and South American countries. The original draft of the convention's report provided for the abolition of spark transmitting equipment, but on representations of our representative this was modified to permit the use of such apparatus for a period of five years. Since the spark apparatus installed in our vessels is conservatively valued at $3,000,000, the extension of time allowed for its use will be of great value in permitting an economical readjustment of our equipment to meet the new conditions.

Maintenance and Repair Department

Organization.

The department of maintenance and repair has jurisdiction over repairs, alterations, and reconditioning of vessels of the Shipping Board, except those of the United States Lines; performs inspections of vessels constructed under the provisions of section 23 of the merchant marine act of 1920; and exercises general supervision over the work of the fuel conservation section. The operations of the department in the districts are controlled through the district director and operating manager of the district from the

home office of the department in New York City, where an organization comprising the following staff sections is maintained:

Branch Office Section.

Exercises supervision over all districts in so far as maintenance and repair activities are concerned.

Turbine Section.

Exercises jurisdiction over the inspection, repair and alteration of all turbines, gears, electric drives, and existing Diesel installations with attendant auxiliaries, and specifies all materials to be used in connection with these items.

Passenger Ship Equipment Section.

Has jurisdiction over the outfitting of passenger vessels of the board coming under the control of this department and supervises the installation of galley and hotel equipment, interior decorations, furniture, drapery, carpets, linen, bedding, electric-light fixtures, flooring, plumbing fixtures, tiling, etc.

Technical Section.

Handles betterments and alterations to vessels and machinery, supplies information of an engineering nature to operating and other interested departments, inspects propellers and new shafting, and exercises jurisdiction over their design, and prepares specifications for major reconditioning jobs. A recent addition to this section is a Diesel unit to handle the work of converting steamers to Diesel drive.

Materials Section.

Specifies the materials to be used in board vessels, such as paints, rope, condenser tubes, boiler tubes, packing, etc.; consults and assists in the manufacture of mass purchases of materials; inspects these materials at the source of their manufacture and makes laboratory tests to determine whether materials meet specified requirements.

Stenographic, Clerical, and Files Section.

Handles all the clerical work of the home office and all matters pertaining to transportation, leave records, personnel records, etc.

Fuel Conservation Section.

Establishes operating standards for sea and port performances, controls engine department inspections and prepares analyses of voyage performances and advises interested departments and the managing agents concerned as to the results thereof; also formulates recommendations as to changes in material to effect decreased fuel consumption; and exercises general supervision for the Fleet Corporation over the fuel oil schools at the navy yard, Philadelphia, and the navy yard, Mare Island, Calif.

Personnel.—There has been little change in the personnel during the fiscal year, the total number of employees in the home office, all

districts of the United States, and foreign countries (except those in the European organization) engaged on maintenance and repair work being 218 (salary $622,240) as compared with 215 (salary $624,000) the previous year. It is expected that a material reduction will be made in the maintenance and repair roll during the ensuing year.

Repair costs.—The repair cost per dead-weight ton of all active vessels, except those of the United States lines, is indicated below:

	Fiscal year 1922–23	Fiscal year 1923–24
Maintenance	$2.43	$3.29
Reconditioning	.19	.10
Betterments	.55	.73
Marine losses	.61	.86
Operation of vessel expense	.38	.33
Total	4.16	5.31
Average tonnage	3,500,000	3,450,000

The increase in cost for the past year is due in part to alterations in the deck steam lines in 56 Hog Island type A vessels amounting to a total of $650,000, in part to repairs on cargo vessels placed in "spot" condition in anticipation of the necessity for increased services in the event of section 28 of the merchant marine act becoming effective and the cost of which is estimated to be $1,500,000, though the final returns are not yet complete. The figures for the last year include also repairs to the *Leviathan.* Damage repairs during the year were about $500,000 greater than the year before. In view of the extraordinary items referred to above, it can be said that the cost of ordinary repairs to our vessels during the past year was considerably lower than that of any previous year since the establishment of the Government fleet.

Passenger vessel repairs.—One of the outstanding items in connection with work on passenger ships during the past year has been the overhaul of the steamship *President Pierce* at the Mare Island Navy Yard, which involved a total expenditure of $419,122.24. This overhaul involved the complete retubing of all boilers, the renewing of all uptakes, a general overhaul of the turbines and auxiliary machinery, and a prosecution of betterments costing $80,000. Changes made in the oil burning equipment of this vessel have produced very gratifying results in the saving of fuel.

An overhaul of the steamship *President Taft* also was effected at the navy yard, Mare Island, during the period of March 6 to July 8, at a total cost of approximately $400,000. This overhaul was generally similar to that of the *President Pierce* and has produced equally gratifying results.

During the early part of July, 1923, a serious fire occurred in one of the boiler rooms of the steamship *President Wilson* which

necessitated damage repairs in excess of $50,000. This vessel was undergoing an overhaul at the close of the fiscal year, which is estimated to involve an expenditure of approximately $170,000.

During the year the steamship *Republic* (formerly the German passenger steamer *President Grant*) was reconditioned for service as a cabin vessel. The actual work of reconditioning was under the supervision of Gibbs Brothers (Inc.), but this department was called upon to procure and install the entire steward's equipment and the deck and engine room stores at a cost of approximately $250,000.

The largest single alteration carried out on the passenger vessels was that of installing additional refrigeration in the 10 passenger vessels operated by the Pacific Mail Steamship Co. and the Admiral Oriental Line. This work consisted of fitting two additional holds for refrigeration in each of the five Pacific Mail vessels and one additional hold in each of the Admiral Line vessels, thus providing an addition of about 20,000 cubic feet of refrigerating capacity on each of the Pacific Mail vessels and about 10,000 cubic feet on those of the Admiral Line. This work, which cost approximately $750,000, was performed between regular voyages and was completed about April 1, 1924.

Gyro pilot.—During the year the newly developed "Gyro Pilot" device (commonly called "Metal Mike") was installed on all passenger vessels of the fleet. This device, which detects any deviation of the vessel from her course and then automatically operates the steering gear to bring her back, eliminates the inaccuracies of hand steering and shortens the voyage, with consequent saving in fuel.

Diesel machinery.—During the past year the department continued making inspections of vessels sold by the Shipping Board to private interests for conversion to Diesel drive, and also of other privately owned Diesel-driven vessels as opportunity offered.

During the latter part of the year the department accumulated considerable data and made preliminary investigations in connection with the proposed conversion of a number of Shipping Board steamers to motor drive, and subsequently, when this proposition had been approved by congressional action, this department was designated to prepare the plans and specifications and, in general, to supervise the conversion.

Inspections under section 23 of the merchant marine act of 1920.—During the past year this department has been called upon by the Shipping Board to make inspections of the following vessels constructed under the provisions of section 23 of the merchant marine act of 1920:

Vessel	Type	Tonnage gross	Builder	Owner	Length O. A.	Breadth	Depth	Engines	Boilers
					Ft. In.	*Ft. In.*	*Ft. In.*		
Carabobo	Passenger	2,916	N. Y. Shipbldg. Corp.	Red "D" Line	320 0	48 0	21 10	Twin screw Parsons turbines.	Two single ended Scotch.
Birkenhead	Tanker	[1] 9,869	Moore S. B. Co	Vacuum Oil Co	425 0	57 2	33 1	3 cylinder triple expansion	3 Scotch.
R. J. Hanna	do	7,096	Union Contg. Co	S. O. Co. of Calif	435 0	56 0	33 6	do	3 single end Scotch.
W. S. Miller	do	6,984	Beth. S. B. Corp	do	435 0	56 0	33 6	do	Do.
W. S. Reem	do	9,838	do	do	500 0	68 0	38 0	2 triple expansion	Do.
F. H. Hillman	do	9,836	do	do	500 0	68 0	38 0	do	Do.
K. R. Kingsbury	do	7,252	do	do	440 0	58 0	41 0	1 quad. expansion	Do.
Charlie Watson	do	1,770	Union Contg. Co	do	250 0	37 0	21 0	2 Werkspoor Diesel, 550 B. H. P. each.	
H. M. Storey	do	9,838	Beth. S. B. Corp	do	500 0	68 0	38 0	2 triple expansion	3 single end Scotch.
H. T. Harper	do	3,804	Moore D. D. Co	do	330 0	46 0	27 0	2 Werkspoor Diesel, 850 B. H. P. each.	

[1] Dead weight.

Inspection of vessels sold for scrap.—During the year a number of vessels were sold with the understanding that the purchaser would scrap or destroy them within a specified time, and this department was designated to make the necessary inspections to see that the provisions of these contracts were carried out. Lists of vessels sold with special provisions will be found in the report of the department of ship sales.

Dry docks.—About January 1 this department took over from the department of ship sales the custody or inspection of all dry docks in which the Shipping Board had an interest, embracing the following:

Atlantic Works, Boston, Mass., 5,000-ton steel dock (under sales agreement).

Alderton Dry Docks (Ltd.), Brooklyn, N. Y., 10,000-ton wooden dock (under lease).

Robins Dry Dock & Repair Co., Brooklyn, N. Y., 10,000-ton wooden dock (under lease).

Sun Shipbuilding & Dry Dock Co., Chester, Pa., 10,000-ton wooden dock (under lease).

Bethlehem Shipbuilding Corporation, Sparrows Point, Md., 10,000-ton wood and steel dock (under sales agreement).

Bruce Dry Dock Co., Pensacola, Fla., 5,000-ton wooden dock (under sales agreement).

Alabama Shipbuilding Co., Mobile, Ala., 10,000-ton wood and steel dock (under sales agreement).

Alterations to vessels.—During the year alterations of vessels were held to a minimum, the majority being those in connection with a program of changes on passenger and freight vessels approved by the chairman November 28, 1922. Probably the most important of these was that of installing additional refrigerating spaces on the passenger vessels of the Pacific Mail Steamship Co. and the Admiral Oriental Line, previously described under the heading "Passenger ships." Another of the major items was that of changing the steam lines to the winches on Hog Island type A vessels. Difficulty had been experienced in the operation of these winches, due to insufficient steam supply, and consequently the cost of loading and discharging vessels had been unreasonably high. It had been impossible to operate all 10 winches at once, and consequently ships of this type could not handle cargo at a reasonable rate. It was necessary to operate two boilers at full rating and to put full pressure on the deck lines in order to run only six winches and the fuel consumption averaged 55 barrels per day under this condition. By modifying the steam lines at a cost of approximately $15,000 per vessel, the difficulty was overcome and the alteration will result in economies

in fuel, stevedoring costs, etc., which will eventually far outweigh its cost. This alteration was originally authorized on 30 vessels, but toward the close of the year the number was increased to a total of 91.

Improvements have been made also in the control valves on the deck winches of all the 535-foot passenger vessels, which have resulted in a saving for each vessel of about 13 tons of fuel oil per day while handling cargo. This change, which cost only about $1,800 per ship, obviated the necessity of installing larger auxiliary condensers, which would have cost approximately $11,000 per vessel.

Among other alterations and major purchases were the purchase of spare gears for turbine ships, the installation of new generators in passenger vessels, the retubing of the main condensers on passenger ships, the replacing of auxiliary feed pumps, fuel-oil transfer pumps, engine and fire room bilge pumps, and the removal of the steam and exhaust lines from holds, this latter item being a requirement of the United States Salvage Association.

Propellers and shafting.—New propellers for the steamship *George Washington* were designed and purchased. These propellers, with a diameter of 23 feet 3 inches, and weighing approximately 36,400 pounds each, are the largest ever constructed in the United States.

The design of new propellers for the steamship *Leviathan* is nearing completion. They will be of the three-blade type, replacing the four-blade type on this vessel, and designed to give somewhat increased speed with 6,000 less horsepower than was required with the old propellers of German design. It is contemplated installing them at the next docking of this vessel.

During the year the policy of designing and fitting propellers of higher efficiency was pursued whenever the necessity for substitution arose. Much attention was given to the designing and ordering of tail shafts for vessels of the fleet. Spare shafts have been provided for all passenger ships and placed at strategic points. The policy has been adopted of contracting with a single manufacturer for the furnishing of all propellers required for a period of six months. This expedites delivery of propellers, which sometimes are required at very short notice, and has resulted in a saving of approximately 20 per cent in cost. A similar contract affording similar economies in money and time has been made for tail shafts.

Reduction in registered tonnage of vessels.—The policy of installing tonnage openings on cargo vessels was pursued diligently during the year. This decreases the registered tonnage of the vessels and will result in savings in port dues, canal tolls, and similar charges based on registered tonnage.

Operators Handling their Own Repairs.

During the year the following operators were permitted to handle repairs to Shipping Board vessels operated by them: Admiral Oriental Line, Baltimore Steamship Co., Cosmopolitan Shipping Co., Export Steamship Corporation, Swayne and Hoyt (Inc.), Tampa Inter-Ocean Steamship Co., United States Lines. This policy was extended to the Consolidated Navigation Co., and J. H. Winchester Co. when they took over the consolidated services known, respectively, as the Oriole Lines and American Merchant Line. The advisability of continuing and extending this policy will depend upon the showing made by these operators, after due time, in comparison with that of other lines.

Turbines, etc.—Apparently all blading troubles on passenger vessels with Westinghouse and Bethlehem turbines have been solved, as no failures developed during the year. Spare rotors have been purchased for the ships fitted with Bethlehem turbines and placed on both coasts in readiness for emergencies. All passenger ship gears have functioned satisfactorily and so far have given indications of considerable future life. Spare gear elements have been purchased for all types of gears in the 535-foot passenger vessels.

The program initiated in the previous year of replacing the 50-kilowatt generator units on the passenger vessels has been practically completed except on Admiral Line vessels. The new units have given complete satisfaction.

The successful operation of the General Electric type of turbines on freight vessels continued throughout the year. The system previously adopted of interchanging rotors after reconditioning, when repairs are required, was continued with satisfaction. After four years of operation many rotors needed reblading, but there have been no failures at sea.

A program has been adopted of progressively replacing defective or worn out DA12 and DA16 gears with a new and improved type of gear elements, and spare gear elements of the new type have been purchased. A number of the gears in freight vessels are still operating satisfactorily after having passed the 200,000-mile guaranty limit, with indications of considerably longer life. A unique and successful emergency gear repair was effected during the turn-around period of a loaded ship. A set of high-speed gears, removed from another ship on account of the condition of the ahead faces of teeth, were reversed on their shafts, installed with a special pinion and are now in successful operation, driving ahead on the old astern faces.

Standards in the interest of economy in ship construction, ship operation, and port facilities.—The department of maintenance and repairs has cooperated during the year with the American marine

standards committee, formed under the auspices of the Department of Commerce, for the purpose of standardizing methods and materials of ship construction, ship repair, ship operation, and port facilities. Several members of the staff of this department have been made members of various subcommittees and have devoted considerable time to the furtherance of this most important work, which should result in great benefit to the American merchant marine in general.

"Spot" ships.—The program of preparing ships for "spot" was somewhat larger than in former years, more than 125 ships having been repaired at a total cost of approximately $3,000,000. Many of the vessels placed in "spot" condition required a considerable amount of work, owing to the fact that vessels prepared for "spot" in previous years were those requiring the least repairs.

Materials engineering.—The Federal Specifications Board, composed of representatives of the various Government departments and independent branches thereof, organized during the fiscal year ending June 30, 1922, in the general effort toward the standardization of specifications for use in governmental purchasing, has expanded its work. During the past fiscal year this board has been functioning through a large number of technical committees, each concerned with a class of material. Technical representation of the Fleet Corporation on about 35 of these committees has been through the materials engineer. As a result, special requirements of the corporation with respect to materials have been considered by the technical committees, and in other ways cooperation has been effected. Pending the issue by the Federal Specifications Board of specifications covering many of the materials used by the department of maintenance and repair, it has been necessary to assist the department of purchases and supplies, in a technical manner, in the purchase of materials. Especially has this been necessary in connection with much material used in reconditioning the steamship *Republic*, and it is estimated that the materials purchased for that vessel cost at least 10 per cent less than similar or inferior materials would have cost had open-market purchases been made.

In cooperation with the department of purchases and supplies, the policy of entering into semiannual or definite period contracts to cover certain materials used in large quantities, such as ships'-bottom paints, topside paints, lubricating oils, packings, etc., has been continued. Also the policy of obtaining certain other classes of materials, such as condenser tubes, chinaware, etc., used in large quantities, when the quantities desired can be definitely stated, has been pursued.

Fuel conservation.—During the fiscal year the fuel conservation section continued its activities along the lines indicated in the seventh

annual report. The committee appointed to direct this work remained the same as for the previous year, except that Mr. David Moffat Myers resigned and was succeeded by Mr. James Swan.

The fuel-oil-burning school conducted at the Philadelphia Navy Yard, through the courtesy and cooperation of the Navy Department, was continued and a total of approximately 500 engineers of the merchant marine had taken this course at the end of the year with great benefit to all concerned.

To extend the benefits of this instruction to engineers on the west coast, arrangements were made with the Navy Department for the establishment of a similar school at the navy yard, Mare Island, Calif., and this school was opened on May 26.

The fuel-conservation work was extended during the year to practically all active vessels of the Shipping Board. To stimulate interest in good performances an honor roll of chief engineers is published semiannually, and toward the close of the year the Shipping Board approved the granting of a bonus of $50 to engineers, not to exceed 50, whose names appear on this roll.

The work of the fuel-conservation committee has proved most valuable. While it is impossible to estimate closely the economies effected, owing to the fact that there would naturally have been some improvement in efficiency, it is probable that the measures carried out by the committee have resulted in a saving of at least $1,500,000 for the year. This has been accomplished at an expense of not more than $55,000. The work of the committee may be summarized briefly as follows:

(*a*) The establishment of performance standards for the various classes of vessels, which give the miles per ton of fuel that the vessel should make at different drafts and speeds, and the quantity of fuel that should be burned in port, thereby giving the operating personnel a definite goal at which to aim.

(*b*) The establishment of a system of inspection whereunder a competent practical engineer visits a vessel as soon as it arrives in port, inspects the engine department throughout, abstracts the operating logs, and compiles a voyage report, of which an analysis is made by a technical staff and from which an efficiency rating for the personnel and the operation of the vessel is determined.

(*c*) Education of operating personnel through the fuel schools mentioned above.

(*d*) In the case of an especially bad performer, the fuel conservation section has concentrated its attention on the vessel and in many instances has sent its engineer representatives on her voyages. In some instances this special study has brought about minor modifications in equipment or changes in methods of operation resulting in

the efficiency rating of the vessel being raised from around 60 per cent to 90 per cent or even better.

(*e*) The honor roll mentioned above.

(*f*) Standardization of furnace repairs and furnace fittings, resulting in increased life of furnaces and eliminating many useless modifications which would ordinarily be made according to the various ideas of the operating personnel.

Purchases and Supplies Department

Organization.—On December 1, 1923, the fuel department was consolidated with the department of purchases and supplies, the reorganized department comprising the following divisions: Fuel, purchasing, stores, sales, inland traffic, office supply, and custody and maintenance of Hog Island.

On May 20, 1924, the voyage supplies section, which had been under the direct supervision of the vice president in charge of operations, was transferred to the department of purchases and supplies and became the voyage supplies division.

Fuel Division.

The fuel division handles the details of contracting for the Fleet Corporation's requirements for fuel oil and bunker coal, supervises open-market purchases of bunker fuel, and directs the repair and operation of fuel-oil storage stations.

As far as operating conditions permit the policy of the corporation is to contract for bunker fuel requirements at the time that the market is considered to be at about its lowest point, and on the basis of the corporation's requirements, if and as required. Under these contracts the corporation is not committed to take any specific quantity of bunker fuel, but the supplier is permitted, if necessary, to specify the maximum quantity he will deliver.

Whenever possible the "fall clause," which gives the corporation the benefits of any reduction in the market price of bunker fuel occurring during the contract period, is incorporated in contracts made for fuel at European ports, but domestic concerns will not permit the inclusion of this clause.

While most of the bunker fuel contracts are made by the home office at Washington, the manager of the department of purchases and supplies personally conducts negotiations for contracts on the Pacific coast and in Europe, due to the fluctuation of the markets at those points and the desirability of dealing directly with the home offices of the suppliers, which in the case of the Pacific coast are located at San Francisco and Los Angeles and in the case of European ports at London.

The approximate total quantity and cost of the bunker fuel purchased during the year was as follows:

		Quantity	Cost
Oil:			
Domestic	barrels	15,071,499	$19,139,445.00
Foreign	do	4,147,734	7,111,451.30
Total	do	19,219,233	26,250,896.30
Coal:			
Domestic	tons	200,623	1,245,600.62
Foreign	do	228,193	1,475.778.55
Total	do	428,816	2,721,379.17
Grand total fuel cost			28,972,275.47

These figures are based on actual performance during 10 months of the fiscal year and an estimate of the volume of business done during the remaining 2 months, data covering recent purchases at foreign ports being as yet incomplete.

At the beginning of the fiscal year the corporation's requirements of bunker fuel oil were covered by contracts for practically all Atlantic and Gulf ports for the period ending December 31, 1923. On account of the apparent decline in the production of crude oil in the United States and indication of a higher market for Atlantic and Gulf ports about the first of the calendar year 1924, it was considered advisable to negotiate new contracts at as early a date as possible, and, therefore, as a result of proposals issued September 10, 1923, a contract was made for our entire requirements of fuel oil at all Atlantic and Gulf coast ports, except Boston, for the period October 1, 1923, to December 31, 1924, at prices considerably below the then prevailing market price. The making of this contract also permitted the cancellation of an existing contract for the same ports, which resulted in a saving to the corporation, based on the quantity of fuel oil actually purchased during the period October 1, 1923, to December 31, 1923, of approximately $362,500. A similar contract and cancellation of existing contract was made for the requirements of fuel oil at Boston, which resulted in a saving to the corporation, based on the quantity of fuel oil purchased at Boston during the period October 1, 1923, to December 31, 1923, of $13,985.

A contract was in effect at the beginning of the fiscal year covering our entire requirements of fuel oil at California ports, including sufficient cargo oil for our bunker requirements at Portland, Seattle, Honolulu, and Manila, and this contract expired on April 19, 1924. Owing to the decline in production of crude petroleum in the United States and especially in the three principal California

fields, it was decided not to wait until the usual time for issuing proposals, but instead proposals were issued on January 26, 1924, asking for bids for a period of six months and for one year from expiration of the existing contract on April 19, 1924.

Owing to the uncertainty of the market only one complete bid was received for a period of six months, and a contract was accordingly awarded at a price of $1.40 per barrel for bunker and/or cargo deliveries at San Pedro and San Francisco for the period of six months from April 20, 1924.

The following table is a comparison of prices under contracts at domestic ports as of June 30, 1923, and June 30, 1924, showing the decrease in cost of oil at Atlantic and Gulf ports and the increase at Pacific ports:

	June 30, 1923, terminal	June 30, 1924, terminal		June 30, 1923, terminal	June 30, 1924, terminal
Boston	$1.575	$1.395	Houston	$1.30	----------
New York	1.575	1.395	Texas City	1.30	$1.145
Philadelphia	1.55	1.395	Galveston	1.30	1.145
Baltimore	1.55	1.395	Port Arthur	1.30	1.145
Norfolk	1.55	1.395	Montreal	1.90	----------
Charleston	1.44	1.29	San Francisco	[1].89	1.40
Savannah	1.45	1.29	Do	.92	----------
Tampa	1.39	1.19	San Pedro	[1].84	1.40
Jacksonville	1.44	1.29	Do	.85	----------
New Orleans	1.35	1.145	Port San Luis	[1].81	----------

[1] Cargo lots

At the beginning of the fiscal year 1923 our requirements of fuel oil at foreign ports, with a few exceptions, were covered by contracts effective generally until about the end of the calendar year. Most of these were made in November and December, 1922, and became effective about January 1, 1923. In the spring of 1923 the market price at European ports started to advance, and on July 1, 1923, the market was approximately 18 shillings per ton above our contract prices, especially the contracts covering United Kingdom ports, which represent the bulk of our European requirements. In October, 1923, proposals were issued calling for bids on our requirements of fuel oil for the period of one year from about December 31, 1923. As the lowest bid received, 55 shillings per ton, was not considered satisfactory, the bids were rejected, and further negotiations resulted in a contract at 52 shillings 6 pence per ton, effective November 1, 1923. This was approximately 17 shillings 6 pence below the then existing market price.

A contract was made covering our requirements of fuel oil at Shanghai, Hongkong, and Singapore for the period of one year

from November 1, 1923, at a price of $1.70 per barrel. In January, 1924, the market price of fuel oil at these ports started to advance, and in March the market price averaged 82 cents per barrel above our contract price. Other contracts were made at Mediterranean and South American ports during the fiscal year at prices considerably below the prevailing market prices. The following table is a comparison of prices under contracts at foreign ports as of June 30, 1923, and June 30, 1924:

Port	June 30, 1923, terminal	June 30, 1924, terminal	Port	June 30, 1923, terminal	June 30, 1924, terminal
Aden ton	50/9	67/6	Leghorn ton	60/	
Algiers do	54/		Leith do	52/	
Almeria do		75/	Lisbon do	59/	
Amsterdam do	56/	$11.75	Liverpool do	52/	52/6
Antwerp do	55/	11.75	London do	52/	52/6
Avonmouth do	52/	52/6	Manchester do	52/	
Barcelona do	59/		Marseilles do	57/6	
Bombay do	55/		Newcastle do		52/6
Brixham do		52/6	Nordenham do	$13.07	$11.75
Buenos Aires barrel	$1.91	$2.30	Oran do	54/	
Constantinople ton	15.20	13.20	Piraeus do	$15.20	$13.20
Dunkirk do	55/		Port Said do	12.30	
Genoa do	61/		Rio de Janeiro do		$15.00
Glasgow do		52/	Rotterdam do	56/	11.75
Grangemouth do	52/		Shanghai barrel	$1.75	1.70
Hamburg do	$13.07	$11.75	Singapore do	1.75	1.70
Havre do	55/		Southampton do	52/	52/6
Hongkong barrel	$1.75	$1.70	Sunderland do	52/	
Hull ton	52/	52/6	Swansea do	52/	
Jarrow-on-Tyne do	52/		Trieste do	65/	
Las Palmas do	57/6				

During the fiscal year the prices under our contracts uniformly averaged lower than those prevailing in the open market.

For contracts effective during the fiscal year at Atlantic and Gulf coast ports this difference amounted to $1,634,808, for Pacific coast ports to $1,427,713, for European ports to $473,000, and for Asiatic ports to $201,350, or a grand total difference for the fiscal year on our contracts as compared with the average prevailing market of $3,736,871.

In line with our past policy of maintaining a reserve supply of fuel oil, our Norfolk station has been kept filled. There was also in floating storage (tankers) on July 1, 1923, approximately 1,089,900 barrels of fuel oil, but due to the demand for tank steamers and the policy of the corporation to sell all its tank steamers except those immediately required for operation under oil contracts, the quantity of oil in floating storage (tankers) was greatly reduced, so that there was on hand June 30, 1924, only approximately 231,000 barrels.

The following table shows the leased and owned bunkering stations, with their capacity, in operation during the fiscal year ending June 30, 1924:

Name of station	Capacity in barrels	Owned and operated by—
Balboa, Canal Zone	50,000	Panama Canal Commission.
Bermuda	35,000	West India Oil Co.
Cristobal, Canal Zone	50,000	Panama Canal Commission.
Durban, South Africa	110,000	Vacuum Oil Co., South Africa.
Honolulu, Hawaii	110,000	United States Shipping Board.
Manila, P. I.	165,000	Do.
Mobile, Ala	110,000	Do.
Norfolk, Va	1,100,000	Do.
Pago Pago, Somoa	110,000	Do.
St. Thomas, Virgin Islands	165,000	Do.
Ponta Delgada, Azores	55,000	Tagus Oil Co.
Portland, Oreg	55,000	Associated Oil Co.
Seattle, Wash	110,000	General Petroleum Corporation.

In February, 1924, the contract covering our lease of the Sydney, Australia, fuel-oil station was adjusted on a basis which saved the corporation $74,375, as compared with its obligation as specified in the contract.

The volume of business done at the above stations annually and comparisons of prices at these stations on June 30, 1923, and June 30, 1924, are shown in the following table:

Port	Barrels of fuel oil issued during fiscal year ended June 30, 1924	Issue price as of June 30, 1923	Issue price as of June 30, 1924	Annual turnover, 1924
Balboa	267,487.32	$1.40	$1.45	$372,698.73
Bermuda	5,237.46	1.95	2.15	11,260.54
Cristobal	215,828.29	1.40	1.45	298,050.93
Durban	None.	3.00	2.50	
Honolulu	495,664.37	1.25	1.65	661,131.11
Manila	1,012,652.64	1.75	2.10	1,788,622.67
Mobile	680,360.73	1.40	1.25	870,027.49
Norfolk	None.	1.40	1.40	
Ponta Delgada	33,249.58	2.00	2.20	72,096.59
Portland, Oreg	485,157.46	1.10	1.60	560,167.79
Pago Pago	None.			
St. Thomas	133,373.92	1.60	1.80	223,490.68
Seattle	915,501.99	1.10	1.60	1,092,894.67
Total	4,244,513.76			5,950,441.50

In keeping with the corporation's program of rigid economy in operation, further reductions were made in the operating expenses of the bunkering stations owned by the corporation. At Norfolk expenses were materially reduced, as the operation of this station was discontinued in February, 1924, and it is now maintained as a dead storage plant. All of our stations are maintained in first-class condition. At Manila a 10-inch pipe line was extended to the new passenger pier, No. 7, at a cost of approximately $12,000, which, with the lines previously installed, provides this port with the best bunkering facilities in the Orient.

The maintenance of stocks of fuel oil at foreign and domestic bunkering stations provides profitable employment for a number of our tank steamers in the transportation of the large quantities of fuel oil required. In addition to this, quantities of crude oil are transported by our tank steamers from Pacific coast ports to Atlantic and Gulf ports in connection with our fuel-oil contracts at those ports.

Bunker coal.—Except at New York and Bremerhaven, where contracts were made for the bunker coal requirements of our coal-burning passenger vessels, no long-time coal contracts were made at domestic or foreign ports during the fiscal year, as it was considered advisable to stay on the market for our coal requirements and take advantage of excess coal on demurrage, especially at Atlantic coast ports, at prices lower than have been in effect during the last five years, in some cases the price on the best quality bunker coal being as low as $3.96 per gross ton trimmed in the bunkers.

A contract was made for bunker coal for passenger and cargo vessels at New York for the period of one year from June 15, 1924, at a price of $5.89 per gross ton trimmed in the bunkers, which is considerably lower than has been in effect on any of our contracts at that port for the past five years. A contract was also made in June, 1924, for bunker coal for passenger vessels at Bremerhaven at 31s. 6d. per gross ton trimmed in bunkers for the period ending December 31, 1924, with option to extend the contract for an additional six months.

The fuel division, through its representation on the fuel conservation committee, has been in close cooperation with the committee at all times and through its district fuel inspectors assists in accomplishing the aims of the committee. Arrangements have been made to install a laboratory at Hoboken, N. J., with a trained chemist in charge, for the purpose of analyzing samples of coal furnished vessels at New York and to give chief engineers viscosity curves of fuel oil delivered to their vessels to enable them to more efficiently determine the best temperature and pressure at which to burn the oil.

Purchasing Division.

The purchasing division handles the details of purchasing materials, supplies, and equipment for the corporation with the exception of bunker fuel and office supplies, stationery, books, periodicals, printing, and furniture, and purchases made by the managing agents of the corporation under their operating agreements.

The policy has been pursued of contracting for the entire requirements of Shipping Board vessels for such materials as topside paints, bottom paints, lubricating oils, packings, and manila rope, manufactured in accordance with the corporation's specifications.

Purchases under such contracts during the year amounted to about $2,000,000. This method of purchasing effected a reduction of about 10 per cent and assured uniformity and good quality.

At certain ports local contracts were made for subsistence supplies for the laid-up fleets, and for our requirements of grate bars, propeller blades, propeller hubs, tail shafts, dunnage, fresh water, and laundry service.

In addition to the above-mentioned purchases of fuel and supplies, purchases were made and vouchers passed for payment in the following amounts:

	Home office	Districts	Total
Purchases	$726,649.14	$4,107,705.70	$4,834,354.84
Vouchers	867,140.84	4,560,496.23	5,427,637.07

Purchases of supplies and equipment amounting to $219,431.75 were made in connection with the reconditioning of the steamship *Republic* in addition to those supplies and equipment furnished by the yard having the contract to recondition the vessel; and about the same time there was purchased also the first stock of standardized equipment for passenger vessels, such as table linen, chinaware, cotton goods, blankets, and steamer rugs, amounting to about $150,000, which had the effect of slightly reducing the cost of similar equipment purchased for the steamship *Republic*. Purchases amounting to approximately $200,000 of our entire requirements of condenser tubes were made in order to assure uniform quality, lower prices, and adequate stocks.

Stores Division.

The value of supplies and equipment on June 30, 1924, was $5,764,405.30, as compared with $5,855,437.98 on June 30, 1923. Receipts and deliveries during the year were as follows:

Balance July 1, 1923		$5,855,437.98
Received from purchases	$1,410,249.30	
Received from vessels	1,514,893.73	
Received from miscellaneous sources and adjustments	173,669.89	
		3,098,812.92
		8,954,250.90
Delivered to vessels	2,486,777.26	
Sale of surplus and scrap	249,762.50	
Loss by appraisal and adjustment	266,225.75	
Miscellaneous deliveries	187,080.09	
		3,189,845.60
Balance on hand June 30, 1924		5,764,405.30

A material survey committee representing the department of purchases and supplies, the operating department, and the department of maintenance and repair began in February, 1924, a survey of the stocks in storage with a view to the disposal of such materials as were found to be surplus, obsolete, or scrap. By the end of the year the storehouses at Boston, New York, Philadelphia, Baltimore, and Norfolk had been visited by this committee and recommendation made for the disposition of materials at those ports as follows:

Boston	$65,498.67
New York	1,112,078.95
Philadelphia (Hog Island)	80,230.31
Baltimore	27,020.75

It is believed that through the closer supervision which can be obtained through the agency agreements covering the consolidated services the consumption of surplus stocks can be accelerated, and therefore none of the excess supplies and equipment will be disposed of by sale until it has been definitely determined what quantities can be disposed of direct to vessels or transferred from one district to another or to other Government departments.

Sales Division.

The sales division handles the details of sales of materials, supplies, and equipment for the corporation with the exception of equipment in industrial plants.

The following sales were made during the year:

Surplus material from storehouse	$81,254.15
Scrap material from storehouse	53,572.45
Scrap material from vessels	102,682.93
Miscellaneous materials	25,450.04
Total	262,959.57

Before selling surplus usable materials every effort is made to transfer them to other departments of the Government, and close touch is kept with the coordinator for this purpose. Material valued at approximately $258,000 was thus transferred during the year.

Voyage Supplies Division.

At the beginning of the year the allowance to managing agents for subsistence on all cargo vessels and tankers was 65 cents per man per day. This was reduced January 1, 1924, to 60 cents per man per day, a total reduction of approximately $115,000 for the year.

Changes made in the latter half of the year in the fixed allowances to managing agents for deck, engine, and stewards' (excluding subsistence) stores on cargo vessels resulted in a reduction of operating expenses for the year of approximately $300,000.

While the new agency agreements do not continue the policy of fixed allowances, the present allowance figures are set as a maximum

for expenditure by the agents for subsistence and deck, engine, and stewards' stores and any excess of the average expenditures for the vessels assigned to each agent will be borne by him.

Hog Island.

The custody and maintenance of Hog Island has been the responsibility of the department of purchases and supplies since January 20, 1923. The facilities of Hog Island have been used by the operating department for putting certain vessels in "spot" condition, and by the department of purchases and supplies for storage purposes. During the year about 100 vessels of the laid-up fleet have been accommodated at this point.

The removal of unnecessary buildings and a general cleaning up of the premises to reduce the fire hazard has been in progress under contracts.

The maintenance cost at the beginning of the year was at the rate of about $110,000, but this has been steadily reduced to about $67,500. Issues from the storehouse at Hog Island have been comparatively small, and it is planned to transfer or otherwise dispose of all stores remaining at this point and thus effect further economies.

Contract Department

The contract department maintained general supervision over chartered vessels, adjusted disputes arising under contracts of affreightment, bareboat charters, and managing agency agreements, and rendered such interpretations relative thereto as were required for the proper conduct of the business of the corporation. The department also maintained close supervision over the contractural relations of the corporation with its managing agents and supplied the accounting department with documentary evidence and data upon which to initiate adjustments of accounts. The department is also the depository of all documents pertaining to vessel operations.

Special attention has been given to the disposition of long outstanding matters, particularly claims arising under contracts of affreightment, some of which have been on the books of the corporation more than five years. The total number of claims handled during the year was 464, aggregating approximately $4,000,000, of which 288 claims, approximately $1,050,000, were definitely disposed of, resulting in the collection of credits of approximately $250,000. The bulk of these claims were for steamer demurrage.

As a result of our policy to submit claims to commercial arbitration, three claims were so disposed of during the year. One claim, arbitrated in the United States, was decided in favor of the corporation; two claims were determined in Europe, one resulting in favor of the corporation and one adversely.

The managing agents' accounts adjustment committee, created in 1922 for the purpose of settling accounts of managing agents, rendered 98 decisions during the year involving approximately $1,250,000. During the year final release agreements with 19 managing agents were exchanged, and it is anticipated that during the next fiscal year most of the old managing agency accounts will have been settled.

The policy of the corporation to charter only in trades not conflicting with its regular service, and the continued depressed condition of the charter market, resulted in the fixture of only two cargo steamers of approximately 14,000 dead-weight tons on a bareboat basis during the year, and at the end of the year the corporation had under bareboat charter 3 cargo vessels approximating 18,000 dead-weight tons, 5 tugs, and 1 launch.

Piers and Wharves Department

The piers and wharves department of the Fleet Corporation maintains and operates such docks, piers, warehouses, wharves, and terminal equipment and facilities as have been transferred to the corporation by the Shipping Board. This department has a small staff of engineers carrying on the various construction projects, but the routine supervision of operation of the terminals is performed by the district organizations. While all of the terminals at the present time are leased to commercial concerns, with the exception of that at Hoboken, where the Fleet Corporation maintains its own organization, it is nevertheless necessary to follow operations closely, as the leases stipulate in most cases that the Shipping Board shall have supervision over rates, charges, etc.

Detailed statement covering the Army bases at Boston, Brooklyn, Philadelphia, Charleston, Norfolk, and the Hoboken Terminal will be found in the report of the docks and wharves division of the Bureau of operation (p. 22).

Construction Department

All construction under the cognizance of the construction department having been completed with the delivery of the steamship *Western World* on May 9, 1922, this department, during the past fiscal year, has been reduced to the following activities:

1. Investigation of claims arising out of the construction program of the Fleet Corporation and making reports thereon to the legal division.

2. Collecting from the files of the construction department and tabulating and codifying information requested by the legal division for use in connection with lawsuits or for other purposes, and giving technical assistance and advice pertaining thereto.

3. Furnishing from the files and records in this department information (including blue prints from our technical drawing files) needed by the Shipping Board and departments of the Fleet Corporation and by outside parties, and giving such technical and other assistance as requested.

4. Investigating and settling or assisting in settling unliquidated accounts relating to the construction program.

On June 30, 1923, the total number of employees on the construction department pay roll was 26, and on June 30, 1924, this had been decreased to 14 employees.

Tank Steamer Department

The direction and control of the corporation's operating fleet of tankers remained centralized in the tank steamer department in New York. The physical handling of the active tankers continued during the year under the M–2 and O–2 forms of managing and operating agreements. McAllister Bros. and Walker & Daly managed and operated tankers out of Atlantic and Gulf ports; Struthers & Barry operated and managed those out of Pacific coast ports. The fees under these agreements remain unchanged; that is, $350 per steamer per month, management fee; $100 for a loaded voyage, and $120 for a ballast clearance and voyage, operating fees.

Employment of Shipping Board tank steamers during the year was divided as follows:

(*a*) Vessels chartered to American oil companies in connection with fuel-oil contracts entered into between the Shipping Board and the oil companies.

(*b*) Vessels engaged in transportation of fuel oil to Shipping Board fuel stations at the Azores, St. Thomas, Virgin Islands, Panama Canal, Portland, Honolulu, and Manila.

(*c*) Vessels chartered to private concerns for the transportation of petroleum and its products, molasses, and coconut oil.

At the beginning of the fiscal year the tank steamer fleet, consisting of 59 vessels which remained from the original fleet of 95 vessels, was faced with a market condition of fallen charter rates and lessened demand. This condition, for the most part, continued throughout the year, and the corporation's tank steamer activity was limited to about 18 active steamers, distributed as follows:

	June 30, 1923		June 30, 1924	
	Number	Dead-weight tons	Number	Dead-weight tons
In operation:				
Shipping Board account	11	104,716	11	107,786
Private account	7	70,957	9	84,324
Total	18	175,673	20	192,110
Laid up	41	328,204	27	205,911
Total	59	503,877	47	398,281

Stevedoring

The functions of the stevedoring committee, since its inception in November, 1920, have been to—

(*a*) Establish uniform conditions at the various ports under which a maximum rate schedule could operate, or which would furnish a basis of a call for bids for the purpose of awarding contracts.

(*b*) Create rate schedules under such uniform conditions at the various ports, in consultation with our operators, to represent the basic labor cost plus differentials to cover insurance, overhead, depreciation of gear, and profit.

(*c*) Make contracts in ports where the local conditions made this advisable.

(*d*) Eliminate as far as possible the extras out of which grew many excessive charges that were formerly prevalent, and which caused the greater part of the expense of supervision.

(*e*) Curtail overtime and detentions, which previously was a source of great expense.

(*f*) Establish as far as practicable one unit for stevedoring charges, i. e., the long ton of 2,240 pounds as against weight or measurement, stevedore's option, the latter arrangement having prevailed for years and been the source of inequitable rates.

(*g*) Extend a control similar to that given stevedoring to the work of receiving, delivering, checking, sorting, tallying, and watching cargo on the piers.

In March, 1924, a joint stevedoring committee was created with five members representing the Fleet Corporation and five representing the managing agents. The permanent members of this committee are the three members of the stevedoring committee; the assistant to the vice president in charge of operations; and manager, operating department; Mr. Oakley Wood, of the Barber Lines; Mr. W. F. Taylor, of the Consolidated Navigation Co.; and Mr. J. T. Lykes, of Lykes Bros. Steamship Co. Two temporary members are

appointed to represent the interests at particular ports when a discussion of problems affecting such ports is on the docket. The first joint stevedoring committee meeting was held in Washington March 19, 1924, when Mr. Oakley Wood was elected chairman of the committee and Mr. R. H. Overstreet secretary.

In the latter part of the calendar year 1923 longshoremen's wages were increased at North Atlantic, Gulf, and Pacific coast ports, and consequently it became necessary for the committee to make an equitable increase in the stevedoring rates which are based on the wage rates.

In the course of the year longshoremen's strikes occurred at Hampton Roads, New Orleans, and Gulfport, during which the cost of loading our vessels at those ports was materially increased owing to the necessity of employing inexperienced labor.

The committee undertook to effect some improvements in the stevedoring situation abroad during the year, the chairman of the committee going to Europe for that purpose on two different occasions, and reductions have been effected of about 20 per cent from the 1924 tariff in the ports of Finland (together with the elimination of the charge for winchmen), 20 per cent in Hamburg, and 10 per cent at Bremen and Bremerhaven. Also refunds or discounts have been received amounting to 15 per cent of the cost of the work performed at Hamburg during the period October, 1923, to March, 1924, inclusive.

The stevedoring committee anticipates that the consolidation of services will enable it to obtain further reductions in rates, due to the greater volume of cargo handled by the agents and to a probable reduction in the number of stevedoring companies handling our work. The present intensive campaign to cover the foreign stevedoring situation should result in further economies in that field.

TRAFFIC

The vice president in charge of traffic has jurisdiction over the following departments: Traffic department, inland offices division, advertising department, allocation department, chartering department.

Traffic Department

The functions of this department are administrative and supervisory over all traffic matters of the Fleet Corporation.

Supervision is carried on through a system of reports from managing agents and other sources by which the department follows closely the cargo movement, the frequency of sailings, and the establishment of rates for the carriage of freight and passengers.

Administrative powers are exercised in the determining of amount of tonnage to be employed in the various services from time to time as required by changing conditions, negotiation, consummation, and/or approval of period contracts or contracts for special shipments; preparation of sailing schedules as required by the needs of the various trades; checking of manifests; adjustment of cargo claims; prescribing of uniform bills of lading and bill of lading clauses; general solicitation of cargo and passengers; general study of trade conditions.

The functions of the department are performed through the following divisions:

1. European and Mediterranean trades division, covering all European ports, including United Kingdom and all Mediterranean and Black Sea ports.

2. South American and West Indies trades division.

3. Far East and long voyage trades division, covering all ports of Japan, China, Philippine Islands, Dutch East Indies, Straits Settlements, Australia, India, and West, South, and East African ports. This division also covers the intercoastal trade of the United States.

In addition, the following special divisions are maintained:

Passenger and mails division, dealing with Fleet Corporation passenger services, including booking of passengers. This division also maintains contact with the Post Office Department in the interest of the procurement of mails for our services.

Claims division, for the handling and settlement of traffic claims arising from operation of services.

District offices are maintained at the following domestic and foreign ports: Domestic traffic representatives, New York, Baltimore, Norfolk, Savannah, New Orleans, San Francisco, Seattle, Boston, Philadelphia; foreign traffic representatives, London, Antwerp, Marseille, Manila, Rio de Janeiro, Buenos Aires.

Changes in organization.—During the fiscal year the traffic organization was extended to include a representative at Marseille, this being deemed advisable to permit of a closer study of conditions in the western Mediterranean and for the procurement of a greater share of the cargo from that district for our vessels.

General traffic conditions.—The year ending June 30, 1924, brought about a reduction in the number of steamers employed in foreign trade, the general conditions being such that the volume of cargo available was considerably less than the tonnage competing for its movement.

Consolidations.—In accordance with the policy to secure greater economy and efficiency through the reorganization of services and an improved form of managing operators' agreement, a careful study

has been made not only of the means of effecting savings and of eliminating competition and conflict between managing agents but also of the means of increasing the range of trading on each route and allowing increased flexibility of operation without impairing the regularity and dependability of service. A statement of the consolidations of services actually in effect at the end of the fiscal year will be found elsewhere in this report.

The reorganized lines are being assigned new and distinctive trade names which are to be the property of the Government and not, as heretofore, that of the managing agents.

European and Mediterranean Trades Division.

On June 30, 1924, 76 freight and 6 passenger ships were employed in the services of the European and Mediterranean division. Depressed conditions prevailed in many important markets practically throughout the year, but despite this fact there has been a slight advance in freight rates.

During the fiscal year the services formerly maintained during the summer months from Montreal to Baltic and Scandinavian ports, as well as from Montreal to Antwerp, Rotterdam, and Hamburg, were discontinued, partly because of the operating losses involved and partly because the vessels did not serve American ports and the cargo carried was largely of foreign origin.

Mention is made elsewhere in this report of the sale of seven passenger and cargo vessels to the Dollar Steamship Co. Five of these vessels, which formerly were operated on the New York and London run, have been replaced with five fast freight steamers, known as the Hog Island "B" type. These steamers are much superior to the ordinary freight vessel, are equipped with refrigerator space, and have accommodations for a limited number of passengers.

In the latter part of the year the three services formerly operated by three managing agents from North Atlantic ports to Baltic-Scandinavian ports were consolidated into one service under a single managing agent. This service was given the trade name of "American Scantic Line." Similarly, the services previously operated by five managing agents and the United States Lines from North Atlantic ports to the United Kingdom were consolidated under the management of two companies, one covering the east coast of the United Kingdom and the other the west coast of the United Kingdom and Irish ports. The services to the east coast of the United Kingdom have been given the trade name "American Merchant Lines" and those to the west coast of the United Kingdom and Irish ports the name "Oriole Lines."

Another consolidation effected was that of the service formerly maintained from Boston and Portland to Antwerp and Rotterdam with that from other North Atlantic ports to these destinations. At

the same time a service was reestablished from North Atlantic ports to Hamburg and Bremen.

South America and West Indies Trade Division.

On June 30, 1924, there were 33 steamers in operation in the South American trade.

Two vessels which had been employed between Atlantic coast ports of the United States and the west coast of South America were sold to a private American company for operation in conjunction with other American flag steamers between the Pacific coast of the United States and the west coast of South America. In accordance with the general policy to avoid competition with adequate private American lines, the service between the Atlantic coast of the United States and the west coast of South America was discontinued with the sale of the above-mentioned steamers, as was also the service between the Pacific coast and the west coast of South America. Altogether eight steamers have been withdrawn as a consequence of this sale.

The Fleet Corporation services to the east coast of South America employed, on June 30, 1924, four large combination passenger and cargo steamers operating between New York, Rio de Janeiro, Santos, Montevideo, and Buenos Aires; 10 cargo steamers operating out of Atlantic coast ports; 14 out of Gulf ports; and 5 out of Pacific coast ports via the Panama Canal and Porto Rico.

The lines to the east coast of South America have grown in favor, due largely to their regularity and dependability of sailings.

American automobiles continue to dominate the Brazilian and Argentine markets, and these, together with petroleum products, form the bulk of regular cargoes shipped from the United States to these countries. Although a large amount of tramp tonnage entered this trade during the year, which is well served by regular lines, rates remained firm. The principal commodity homeward from Brazil is coffee, and the Fleet Corporation lines succeeded in obtaining practically half of the total movement of coffee to the United States. The rate on this commodity has advanced considerably. The second half of the year was marked by labor unrest at some of the South American ports. Port congestion at Santos heavily penalized steamship owners during the last four months of the year and caused considerable disruption of schedules. There has been no marked reduction in tonnage in this trade during the year.

The Brazil and River Plate conferences had been reestablished on an improved basis, with a result that there has been increased stability of rates from the United States to the east coast of South America. The Brazil-United States conference has resumed its functions, and the former low coffee rate which prevailed has been increased to a figure more nearly commensurate to the service ren-

dered. The general outlook in the east coast South American trades warrants confidence in the future of these services.

In the Trinidad, British, Dutch, and French Guiana trade two Shipping Board steamers were employed. These vessels also serve the Virgin Islands. Also one steamer has been employed in the Haitian outport trade.

Far East and Long-Voyage Trades Division.

At the end of the fiscal year 96 vessels were employed in the Far East and long-voyage trades. During the year the service formerly maintained in the intercoastal trade was discontinued, it being felt that adequate services were being maintained by companies operating privately owned American-flag steamers. The Los Angeles-Honolulu service also was discontinued, due to sale of the passenger vessel previously operated therein.

During the year conditions in the trades in this division were nearly normal, with the exception that the Japanese trade was greatly increased for a short period as a result of the earthquake. A marked slump in the trade followed, however, resulting in a reduction in ocean rates, and necessitating a curtailment of sailings.

While the Far East services from the North Atlantic and Gulf have shown improvement, those from the North Atlantic to the Dutch East Indies and India have not been encouraging and plans are under way for the consolidation of these services with a view to greater efficiency and economy.

Plans are being made for the discontinuance of the oriental feeder service now operating between India ports and Hongkong and serving as a medium for transshipment of India cargoes to and from our trans-Pacific vessels. This service has accomplished the purpose for which established, and it is believed that it can now be discontinued without adversely affecting our participation in the trans-Pacific trade.

Particular note should be made of progress in the African trade. This is still a pioneer field, and the improvement therefore is very gratifying.

Passenger and Mails Division.

At the close of the fiscal year there were 20 passenger vessels in operation, as follows:

United States Lines:

Leviathan	New York to Cherbourg, Southampton.
George Washington	New York to Plymouth, Cherbourg, Bremen.
President Roosevelt	
President Harding	
America	
Republic	New York to Sobh, Cherbourg, Bremen.

Pan America Line:	
Pan America	New York to Rio de Janeiro, Santos, Montevideo, Buenos Aires.
Southern Cross	
Western World	New York to Rio de Janeiro, Montevideo, Buenos Aires.
American Legion	
Admiral Oriental Line:	
President Jackson	Seattle, Victoria to Yokohama, Kobe, Shanghai, Hongkong, Manila.
President Jefferson	
President Grant	
President Madison	
President McKinley	
Pacific Mail Steamship Co.:	
President Cleveland	San Francisco to Honolulu, Yokohama, Kobe, Shanghai, Hongkong, Manila.
President Lincoln	
President Pierce	
President Taft	
President Wilson	

This shows a reduction in the last fiscal year in both the number of vessels operated and the number of services maintained. The passenger service from New York to London was discontinued upon the sale of the passenger steamers previously operated therein to the Dollar Steamship Co., and that operated between the Pacific coast and the east coast of South America was discontinued for a similar reason. In addition, the steamer previously operated in the Los Angeles-Honolulu service was sold. But notwithstanding the fact that the Fleet Corporation operated fewer passenger services than during the previous year, the total number of passengers carried showed an increase of approximately 20 per cent.

European passenger service.—During the year the steamship *Republic* was entirely reconditioned as a cabin steamer and assigned to the New York-Bremen service, replacing the steamers *President Arthur* and *President Fillmore*. This service is now maintained with three first-class steamers, the *George Washington*, *President Roosevelt*, and *President Harding*, and two cabin steamers, the *Republic* and *America*. In addition, the first class steamer *Leviathan* is operated between New York, Cherbourg, and Southampton.

South American passenger service.—The passenger line operated by the Munson Steamship Co. between New York and the east coast of South America has been given the name "Pan America Line." This service continues to show improvement and is considered most superior in the trade. During the latter part of the year an arrangement was made with the principal competing passenger line in this trade, resulting in a stabilization of passenger rates.

Oriental passenger service.—The Fleet Corporation continued the operation of two services from the Pacific coast to the Orient, one from Seattle direct to Yokohama, Kobe, Shanghai, Hongkong, and Manila, and the other from San Francisco to the same ports via Honolulu, with vessels of the 535-foot type. Both of these services

handled an increased amount of business and prospects for the future are most encouraging.

Pacific-Argentine-Brazil line.—During the year the passenger service operated by the Pacific-Argentine-Brazil Line was discontinued, due to sale of the passenger steamers previously operated therein to the Dollar Steamship Co.

Mails.—A close working arrangement has been maintained with the Post Office Department for securing the carriage of mails by our steamers, which are now receiving a considerable proportion of all United States mail. During the year we procured the services of a special representative of the Post Office Department to make a study of westbound European mails. This representative traveled throughout Europe, and as a result there has been a noticeable increase in the amount of mail carried in that direction. Seapost facilities were established upon an additional number of our passenger steamers and all are now so equipped, with the exception of those in the South American service.

The following table shows the percentage of United States mail carried on privately owned American flag and Shipping Board vessels during the year, together with the total percentage carried on all American vessels in the trades indicated:

Service	Per cent carried on U. S. Shipping Board vessels		Per cent carried on privately owned American vessels		Per cent carried on American flag vessels	
	Regular	Parcel post	Regular	Parcel post	Regular	Parcel post
New York to Europe	38.2	40.0	8.2	12.1	46.4	52.1
New York to east coast South America	54.4	53.3	2.8	3.8	57.2	57.1
San Francisco to the Orient	80.2	72.1	10.1	23.8	90.3	95.9
Seattle to the Orient	84.7	93.4			84.7	93.4

Claims Division.

The claims division has jurisdiction over all cargo claims not covered by P. & I. insurance.

It is gratifying to report that practically all of the claims which arose in the early days of our operations and generally referred to as "war claims" have been disposed of. Nearly all of the claims which are at present being handled are claims arising in connection with current operations.

INLAND OFFICES DIVISION

The establishment of the inland offices division about two years ago was designed to provide a medium of personal contact between the managing agents of Fleet Corporation steamers and that vast

body of importers and exporters located throughout the Middle West. Accordingly, at that time, offices were established at Chicago, Detroit, Kansas City, Memphis, Minneapolis, and St. Louis. Particular functions of this division and its field representatives have been to develop these shippers' interests, keep them cognizant of improvements in the service of the various lines, assist in the adjustment of claims, eliminate misunderstanding, and solicit their business. As a result of the activities of this division contact with more than 20,000 American concerns, actual and potential patrons, has been established.

This division has sought and obtained the cordial support of the railways and has conducted and maintained contact with all of the more important trade bodies throughout the entire Middle West from the Great Lakes to the Gulf, its representatives having attended a number of special conventions and other meetings where it was believed our representation would be of assistance and would result in good to all concerned. This division has also successfully solicited passenger traffic for all of the Fleet Corporation passenger services.

As an evidence of the appreciation of the cooperation of the division, an increasing number of shippers in the interior have virtually placed their import and export business in the hands of the division's interior representatives, thus displaying their confidence in the Fleet Corporation's ability to provide for them the best service available. Special mention should be made of the fact that during the fiscal year Fleet Corporation vessels handled 79 per cent of all flour shipped from the Kansas City district to competitive destinations, as compared with 68 per cent for the preceding year. This is largely a result of the activities of the division. Consideration is now being given to the advisability of establishing additional offices.

Advertising Department

The advertising department has charge of all advertising of Fleet Corporation services and maintains offices in New York, Washington, and London. The New York office directs the preparation of advertising copy, the selection of advertising media, and the size and frequency of insertion of advertisements. The Washington office handles the clerical work of the department, checking all advertising orders against schedules approved by the New York office, auditing bills of publishers, receiving, stenciling, and indexing all inquiries directed to the Fleet Corporation, mailing literature, sales letters, and follow-up advertising to prospective travelers and shippers, as well as maintaining a record of results obtained through advertising in various media. The London office supervises the adver-

tising of Fleet Corporation vessels calling at European ports in accordance with the policies and specifications laid down by the advertising manager.

The general policy of the advertising department during the fiscal year has been similar to that of the previous year. This policy included a feature known in the advertising business as "inquiry type of copy" for advertising passenger services. Advertisements are displayed with a double purpose—first, to interest all persons who might be prospects for travel on United States Government ships and inform them of the facilities and services available; second, to obtain inquiries by mail from these prospects, which inquiries are followed up by both mail and direct solicitation by the passenger departments and agents of the various operators. This method has continued to demonstrate its efficiency in obtaining passengers in this highly competitive business.

Advertising the sale of surplus property, securities, ships, etc., continued to decrease throughout the year, in consequence of the decreased demands for ships and the diminished quantities of surplus materials on hand.

Motion-Picture Department.

A motion-picture department was established as a branch of the advertising department at the close of the fiscal year 1923 to furnish motion-picture entertainment on passenger vessels operated by the Fleet Corporation, and arrangements have been made with all the more important distributers of motion pictures for the lease of pictures suitable for our use. Standard projection equipment has been installed on 26 vessels.

Allocation Department

This department recommends for assignment steamers suitable for the different trades in which the Fleet Corporation maintains services. During the year the department has cooperated with the traffic and operating departments in a special effort to reduce the number of vessels assigned as substitutes, and a material reduction in expenses has thus been effected. Furthermore, efficiency is promoted by keeping officers and crews in ships with which they are familiar.

Throughout the year considerable attention was given to a study of the fleet with a view to the withdrawal from active service, as opportunity arose, of such vessels as have shown relatively poor operating efficiency. This work, which is still in process, is showing gratifying results in economy and efficiency.

The department maintains a complete record of the employment of our ships in the different trades. The following is a statement of the vessels under assignment at the beginning and end of the year:

Type	Agreement	June 30, 1923	June 30, 1924
Passenger and cargo steamers	Special and M. O.-2	29	20
Cargo steamers	M. O.-4 and new agreement	331	299
Do	Bare-boat charter	6	3
Do	Loan Government agencies	2	2
Tank steamers	Tank agreement, M. O.-2	23	18
Tugs	Tug agreement	1	1
Do	U. S. S. B. account	18	16
Do	Bare-boat charter	5	5
Total		415	364

At the beginning of the year there were 41 managing agents operating cargo steamers, combination passenger and cargo steamers, and tank steamers, and one managing agent handling tugs. By reason of the consolidation of certain services and the discontinuance of others, this number has now been reduced to 29.

Chartering Department

The functions of this department include the chartering of such tankers as may be available for commercial business after the requirements of the fuel department have been met, and the negotiation of bulk cargoes moving in regular general cargo steamers under charter parties.

During the first half of the fiscal year tanker rates were very low and it became necessary to lay up a few tankers during December; then the market strengthened until a peak was reached in the middle of February, after which there was a general decline, and at the end of the year the market had again reached a low level. Despite adverse conditions, a check of the open-market rates for the entire year show that the average rate obtained for our tankers was very satisfactory.

During the year the chartering department negotiated charters of 192 cargo steamers and tankers, representing about 1,513,000 deadweight tons, and part cargoes to the extent of about 135,000 cargo tons. Two steamers were chartered on a bareboat basis.

FINANCE

Surplus Property Department

At the beginning of the fiscal year 1924 the surplus property department, which was organized in the fall of 1921 to liquidate the board's physical assets other than ships, consisted of the plant division, the transportation and housing division, and the deferred liquidation division. The work of this department has been so far completed that it shortly can be discontinued and its uncompleted work transferred to other offices of the corporation.

Plant Division.

At the beginning of the fiscal year 1924 the only plants remaining to be liquidated were the Skinner & Eddy Shipyard No. 2, Seattle, and the Hog Island Shipyard. During the year the former was disposed of, the machinery and equipment being sold for cash to Schnitzer & Wolf Machinery Co., Portland, Oreg., and the real estate being sold to the port of Seattle on a cash and deferred-payment basis. The Fleet Corporation was unable to dispose of its leasehold interests at this shipyard to advantage and arrangements were made for renting the property under lease.

Including the collection of the deferred payments on the Skinner & Eddy Shipyard No. 2, there remained at the end of the year interests at 27 plants to be liquidated by the financial and legal departments, as follows:

COLLECTION OF DEFERRED PAYMENTS TO BE MADE BY FINANCIAL DEPARTMENT

Alameda Concentration Plant, Alameda, Calif.
Merrill-Stevens Shipbuilding Corporation, Jacksonville, Fla.
McClintic-Marshall Construction Co., Pottstown, Pa.
McClintic-Marshall Construction Co., Leetsdale, Pa.
Municipal Service Corporation, Alexandria, Va.
Skinner & Eddy Shipyard No. 2, Seattle, Wash.
Sun Shipbuilding Co., Chester, Pa.

SETTLEMENTS TO BE CONCLUDED BY LEGAL DEPARTMENT

American Shipbuilding Co., Brunswick, Ga.
Atlantic Corporation, Portsmouth, N. H.
Bethlehem Shipbuilding Corporation, Bethlehem, Pa.
Bethlehem Shipbuilding Corporation, Union Plant, Alameda, Calif.
Bethlehem Shipbuilding Corporation, Sparrows Point, Md.
Bethlehem Shipbuilding Corporation, Wilmington, Del.
Downey Shipbuilding Co., Staten Island, N. Y.
Erie Forge Co., Erie, Pa.
Groton Iron Works, Groton, Conn.
Groton Iron Works, Noank, Conn.
Meecham & Babcock Co., Seattle, Wash.
Midland Bridge Co., Houston, Tex.
Mobile Shipbuilding Co., Mobile, Ala.
Pacific Marine Iron Works, Portland, Oreg.
Pensacola Shipbuilding Co., Pensacola, Fla.
Pressed Steel Car Co., Allegheny, Pa.
Pusey & Jones, Gloucester, N. J.
Pusey & Jones, Wilmington, Del.
Standard Shipbuilding Co., Shooters Island, N. Y.
Virginia Shipbuilding Co., Alexandria, Va.

At the beginning of the fiscal year there remained interests in 11 dry docks and 3 marine railways to be liquidated. During the year the interest in one dry dock and one marine railway was disposed

of on a deferred-payment basis and three dry docks were leased for periods of two years each at rentals of 50 per cent of the gross docking revenues earned. The status of the dry docks and marine railways on June 30, 1924, was as follows:

SALES OR ADJUSTMENTS MADE ON DEFERRED PAYMENT BASIS

During fiscal years 1922 and 1923:

Dry dock contract No. 1, Alabama Dry Dock & Shipbuilding Co.
Dry dock contract No. 14, Atlantic Works.
Dry dock contract No. 12, Aldred & Co.
Dry dock contract No. 17, Aldred and Co.
Marine railway contract No. 1, Henderson Shipbuilding Co.

During fiscal year 1924:

Dry dock contract No. 11, Bruce Dry Dock Co.
Marine Railway Contract No. 6, Tampa Dock Co.

Original contract in effect:

Dry dock contract No. 3, Bethlehem Shipbuilding Corporation.

Dry docks available for sale:

Four 10,000-ton wood floating dry docks (three of these at present under lease).
One 6,000-ton wood floating dry dock.

Unsettled contract (being liquidated by legal department).

Marine railway contract No. 7, Federal Marine Railway Co.

Transportation and Housing Division.

At the beginning of the fiscal year all of the housing properties under the cognizance of this division had been disposed of except the two housing projects in Bath, Me., and Groton, Conn., and that at Portsmouth, N. H., on which the board holds a blanket mortgage for $1,750,000 given to secure advances for construction purposes. In addition there had been sold but not yet conveyed to the purchasers the entire project at Brooklawn, Camden County, N. J., 16 houses in Camden, N. J.; 21 acres of vacant land and 11 houses in the city of Philadelphia; and 8 lots in Harriman town site, Bristol, Pa.

The project at Bath, Me., consisting of 109 houses, 4 dormitories, and about 10 acres of land, was offered at public auction as a whole and in separate parcels on July 26, 1923. The highest bid obtained for the entire project was $112,000, while the individual bids aggregated $92,000. The higher figure was accepted and title passed to the purchaser. This property had been offered at auction in the same manner during the preceding fiscal year, no bid being received at that time for the entire project, and the individual bids, totaling $76,965, being rejected by the board.

The legal obstacles to the sale of the Groton, Conn., project having been removed, this property, consisting of 98 houses, a dormitory and cafeteria group, and about 20 acres of vacant land, was offered at public auction in its entirety and by individual units on October 4, 1923. Bids for separate properties amounting to $165,000 were accepted and settlements with the purchasers completed.

A supplemental auction sale was held at Brooklawn, N. J., on March 1, 1924, for the purpose of disposing of certain properties which, because of default on the part of the buyers at the original sale in May, 1923, and for other reasons, remained in our possession. As a result of the two sales the project was completely disposed of with the exception of two lots of vacant land.

Of the other properties which, on June 30, 1923, had been sold but not conveyed, the vacant land and seven of the houses in the city of Philadelphia, four of the houses in Camden, N. J., and the lots in Bristol, Pa., were transferred to the purchasers.

At the end of the fiscal year there remained to be conveyed 12 houses in Camden, 2 lots in Brooklawn, N. J., and 4 houses in Philadelphia. Efforts to remove the legal and other obstacles in the way of these transfers are continuing, and it is expected that the liquidation of these projects will be completed within a short time. The board also held at the end of the year the blanket mortgage covering the Portsmouth, N. H., project.

Deferred Liquidation Division.

This division was created April 24, 1924, and assigned the duties formerly performed by the deferred liquidation section and the collection department. The duties taken over comprised:

(*a*) Custody and disposition of surplus material located at the various projects and clearing of the accounts in connection therewith.

(*b*) Maintenance of the records of the former material sales division and furnishing therefrom information and data required by other departments.

(*c*) Liquidation of all receivable and payable accounts with other Government departments.

(*d*) Negotiation and settlement of miscellaneous accounts receivable, comprising a large number of old and involved accounts requiring investigation and adjustment.

At the beginning of the fiscal year there was on hand to be disposed of surplus material at 13 different locations throughout the country. Of this number six projects have been completely closed during the year, namely:

American Shipbuilding Co., Brunswick, Ga.

St. Johns Concentration Warehouse, St. Johns, Oreg.

Los Angeles Shipbuilding & Dry Dock Co., Los Angeles, Calif.

Tampa Dock Co., Tampa, Fla.

Russel Shipbuilding Co., Portland, Me.

Dantzler Shipbuilding & Dry Dock Co., Moss Point, Miss.

Special effort has been made to close out by adjustment or collection all accounts receivable and payable items appearing on the books of the corporation with the various United States Govern-

ment departments, many of these accounts dating as far back as 1919. The total receivable balance reflected by our books as of December 31, 1923, was $2,394,801.14. Of this amount there has been collected or written off by adjustment $1,755,575.85, leaving a balance at the end of the year of $539,225.29. It is expected that this balance will be closed out within the next few months.

Considerable progress has been made in the collection and settlement of past-due accounts, but a large number remain and it will be some time before they are reduced to those which are involved only in the current business of the corporation.

Marine Insurance Department

This department supervises and administers the marine insurance fund, which is maintained by the Fleet Corporation, all steamers in operation as well as all freight moneys at risk being entered in this fund.

Accidents in which Shipping Board steamers are concerned frequently result in general average claims, with consequent contributions from the cargo to help defray the expenses which the Fleet Corporation has incurred. The actual adjustment of these claims had been performed by selected commercial firms, but this department has supervised the work to see that the interests of the corporation were fully protected. During the year 68 cases have arisen, of which 41 have been completed, and, in addition, 186 cases arising prior to July 1, 1923, have been disposed of. On July 1, 1923, there were 251 active general average cases, while a year later there remained only 122.

In cooperation with the admiralty law division approximately 275 salvage and collision claims have been handled and more than $130,000 recovered. In December, 1923, authority was conferred upon the manager of this department to negotiate and settle all claims of a marine insurance nature not exceeding $1,000 except salvage and general average claims, under which authority approximately 150 claims, either in favor of or against the Fleet Corporation, have been settled. Regular reports are made to the board of trustees of the settlements effected.

A number of insurance claims on steamers chartered to private companies on a bareboat form of agreement have been handled, and payment made in accordance with the policy attached to the charter.

The department has examined commercial insurance on vessels which have been sold by the Shipping Board on a part-payment plan. The amount of this insurance slightly exceeds $56,500,000, including insurance on steamers sold duding the year as well as the renewal of the policies on vessels sold previously. Losses under this

insurance are payable to the Shipping Board, but the mortgage provides that if a purchaser is up to date in his payments he shall be entitled to the amount collected from underwriters on partial-loss claims, provided that he has made the repairs. On recommendation from this department the board has released its interest in 113 claims on 48 vessels aggregating $400,759.95.

In the case of vessels sold subject to inspection of the bottom, a representative of the United States Salvage Association attended such inspections on behalf of this department, and on his report payments have been authorized from the insurance fund in accordance with the terms of the policy covering all Shipping Board steamers to repair any damage found.

The records section has kept details of the claims paid from the insurance fund, so the department is in a position to give an accurate figure as to the cost to the Fleet Corporation of carrying the marine insurance on its vessels.

In conjunction with other departments of the Fleet Corporation, this department has endeavored to keep the insurance companies fully advised of the conditions in the fleet to the end that cargo insurance rates would be reduced to a minimum. Considerable success has been obtained and these efforts are being continued.

Among the assets of the pioneer purchasers, or their receivers, purchased by the Shipping Board were a number of claims against commercial underwriters. This department has given special attention to the collection of these claims and satisfactory progress is being made.

During the past year there has been only one total loss, the steamship *Conejos*, lost on December 27, 1923, with all on board during extremely heavy weather in the Black Sea.

United States Protection and Indemnity Agency (Inc.).

During the fiscal year ended June 30, 1924, the method of handling loss and damage claims against Shipping Board vessels through the United States P. & I. Agency was continued along the same lines as described in the previous annual report.

During the year ended February 20, 1924, upward of 3,000 claims were settled which had arisen prior to February 20, 1923, and during the time when claims of this character were being handled by the American Steamship Owners Mutual Protection and Indemnity Association. Likewise over 10,000 claims which arose since February 20, 1923, were adjusted. By way of explanation it may be stated that claims adjusted by the U. S. P. & I. Agency include claims for cargo loss, damage, shortage, pilferage, personal injury and illness, death, dock damage, fines and penalties, and other

miscellaneous claims arising from the operation of the vessels and the handling of cargo.

The results obtained, it is felt, emphasize the desirability from every standpoint of having claims against the Shipping Board vessels settled by an agency of its own creation rather than through the medium of a private organization. The reasons for this will to a large extent be apparent. At the outset the agency has a direct interest with the Emergency Fleet Corporation in the prompt and equitable adjustment of claims. Again in the handling of these claims the agency has an opportunity of observing the various conditions and causes which give rise thereto and by classifying all of these claims as to cause in order that corrective steps may be taken.

In addition to this general analysis which is being made, the agency from time to time brings to the attention of the various departments interested conditions which give rise to major claims so that whenever possible immediate steps may be taken to prevent additional claims arising from the same cause.

By maintaining close contact with the traffic department the agency is in a position to bring to its attention such information concerning the adjustment of claims as will enable that department to use same advantageously in the solicitation of cargo.

Special effort has been made to effect prompt adjustment of claims. On 8,013 claims arising in all parts of the world between February 20, 1923, and December 31, 1923, which were settled prior to June 30, 1924, the average time elapsed between the date of the claim and settlement was 76 days. On 3,374 claims arising and settled between January 1 and June 30, 1924, the average time elapsed was 35 days. It may be said that the action of the Shipping Board in taking its vessels out of the mutual insurance cover of a private club and in carrying its own insurance against this class of claims has resulted advantageously and economically.

The following table shows the number and nature of the claims reported settled during the fiscal year ended February 20, 1924, and the total amounts paid thereon:

Nature of claim	Claims arising prior to Feb. 20, 1923		Claims arising since Feb. 20, 1923	
	Number	Amount paid	Number	Amount paid
Cargo damage	502	$254,368.35	1,190	$92,091.22
Cargo shortage	1,965	217,504.04	4,621	147,875.59
Cargo pilferage	90	4,200.81	822	10,821.30
Personal injury	253	198,782.26	343	99,349.08
Illness	71	8,537.51	142	11,411.30
Death	5	6,956.00	19	40,310.83
Dock damage	25	15,562.84	53	22,296.12
Fines and penalties	72	7,365.07	147	10,070.79
Miscellaneous and expense items	287	40,371.15	3,018	91,419.14
Total	3,270	753,648.03	10,355	525,645.37

Grand total, 13,625 claims, $1,279,293 40.

Department of Investigation

During the fiscal year the department of investigation, on behalf of the Fleet Corporation or the Shipping Board, has conducted a large number of investigations both at home and abroad. The investigations included:

1. Locating and interrogating witnesses and securing evidence for use in defense or prosecution of civil cases.
2. Investigation of claims made by shipbuilders and subcontractors.
3. Locating debtors and making collections from contractors and former employees.
4. Assisting customs, immigration, and prohibition forces of the Government in the prevention of smuggling of aliens, narcotics, whisky, or other contraband into the United States, and of unauthorized exportation of arms and ammunition from this country.
5. Assisting in prosecutions for theft, embezzlement, sabotage, fraudulent claims, etc.

Statistical Department

The statistical department comprises two main divisions—the actuarial division and the records and information division.

The actuarial division is engaged in collecting, compiling, and analyzing information regarding the various factors and elements pertaining to the financial results of operation of Shipping Board vessels as reflected by the revenue and expense reports submitted by the managing agents. A number of periodic reports and statements are prepared indicating the results of operations of the active fleet and including detailed studies of the various items affecting the revenues. In addition to these regular reports, this division has, during the past year, prepared a large number of special studies and statements for the various offices of the corporation.

The records and information division collects data and maintains records pertaining to the requisition, operation, and status of all Shipping Board vessels. Records are maintained and advices issued on the daily movement of all vessels operated for account of the board, in order that full information may be available as to their exact location. Regular daily, weekly, and monthly reports are issued, showing the assignment and allocation of all vessels, and distribution of the fleet by trade regions, by ports of origin and destination, and indicating the exact disposition of each vessel, whether active, inactive, or laid up. Records as to details of construction are maintained of every vessel that is now or ever has been under the control of the Shipping Board. Files of blue prints of vessel capacity plans are maintained,

copies of which are furnished to other departments of the organization or to managing agents.

Department of Ship Sales

Organization.

The department of ship sales has cognizance of negotiations for the sale of vessel property owned by the Shipping Board and includes the laid-up fleet division which is charged with the custody and preservation of laid-up vessels. The laid-up fleet division maintains district headquarters at New York, Philadelphia, Norfolk, New Orleans, and San Francisco, with jurisdiction over the local activities of the laid-up fleets in the respective districts, under the general direction of the manager of the department of ship sales.

Prior to the last fiscal year the work of this department was administrative with no direct physical control over the board's vessel property, but on October 27, 1923, a radical change in its work and responsibilities was effected through the transfer to it of laid-up fleet activities from the jurisdiction of the department of operations.

In 1923, just prior to the past fiscal year, the Shipping Board gave special consideration to the disposal of its inactive fleet, and, with a view to determining the physical condition and potentialities of the idle ships, a committee of three commissioners of the Shipping Board was authorized to have made a physical survey of the laid-up fleet. The committee of the board appointed a subcommittee, designated as the central fleet survey committee with the manager of the department of ship sales as chairman, to organize and execute the actual work of survey.

The survey committee formed an organization to carry out this work with due regard for the thoroughness desired and the completion of the survey within several months. Its task was completed in due course, and its final report was submitted to the Shipping Board on September 14, 1923. To quote from the report itself, the central fleet survey committee understood its assignment to be:

1. Conducting a thorough independent survey of the board's fleet for the purpose of obtaining accurate data concerning the present physical condition of each individual vessel.

2. To assemble and record the information thus obtained in a clear and practical manner for future use.

3. To analyze the results of the survey with a view to:

(*a*) Classifying the ships according to their relative value and usefulness;

(*b*) Devising ways and means of improving the vessels' propelling machinery and equipment where desirable through alterations and interchanges of equipment, taking into account the cost involved; and

(*c*) Reporting on the present methods of maintaining the ships and submitting recommendations as to any improvements that would insure the preservation of the vessels in the best possible manner.

In the annual report for the fiscal year 1922–23 the following statement was made regarding the policy then in effect for the sale of ships:

> No definite price is placed on each vessel, but the board is guided in reaching a decision on offers by its scale of minimum prices for the several classes of tonnage. For steel, ocean-built, cargo tonnage a minimum price equaling $30 per dead-weight ton was established for the purpose of permitting of negotiations * * *.

As a result of the above-mentioned survey an appraisement and evaluation of the fleet was accomplished and a basic sales price was assigned to each vessel, calculated according to its design and physical condition. The Shipping Board on December 4, 1923, adopted this evaluation and directed that the individual basic sales price be used as a basis for all sales negotiations; furthermore, the department of ship sales was charged with the responsibility of submitting recommendations from time to time covering changes in such basic prices deemed necessary because of changes in the value of the vessels due to improvements, repairs, damage, deterioration, or fluctuations in market conditions.

During the past year the department continued the policy of negotiating with prospective buyers for the sale of vessels on a private competitive basis, except in a few instances when vessels were sold by public sale. The entire fleet was readvertised for sale on a private competitive basis, in pursuance of the requirements of law, in March, 1924. This advertisement included a statement of the policy of assigning individual sales prices to vessels.

Until the latter part of the fiscal year the terms of sale established during the previous year were continued in effect, whereby not less than half of the purchase price was to be paid in cash and the balance in not to exceed five years, covered by satisfactory security, such as a first preferred mortgage. In June, 1924, with a view to stimulating sales, the board modified its policy to permit of purchase on the following terms upon the establishment of satisfactory credit: Twenty-five per cent of the purchase price in cash, balance in 10 equal annual payments, with 5 per cent interest payable semi-annually, secured by first preferred mortgage; deferred payments for lake-built vessels to extend over not to exceed five years, and interest on deferred payments for guaranteed trade route operations at the rate of 4¼ per cent per annum.

Total sales for year.—Market conditions during the past year were not sufficiently improved to accelerate the sale of tonnage under the revised policy, and a comparatively small number of vessels was disposed of during the year. On July 1, 1923, the fleet consisted of a total of 1,346 vessels, aggregating 9,290,036 dead-weight tons, and on July 1, 1924, of 1,294 vessels, aggregating 8,907,326 dead-weight tons.

Actual sales made during the year include 49 steel ships of a total of 355,560 dead-weight tons and three wooden and concrete ships of 11,503 dead-weight tons. The difference between the total number of vessels sold during the year and the net reduction of the fleet for the same period is due to the disposal of vessels otherwise than by sale and additions to the fleet from several sources under circumstances later explained.

Sale of steel tonnage.—Only seven vessels built under the board's construction program were sold outright and these vessels were all of the lake type. They were purchased for operation in coastwise services, principally by companies which were expanding their business or replacing obsolete ships. Two ex-enemy vessels were sold, one a small ship which had been seized in the Philippines and the other a vessel of about 5,000 dead-weight tons, sold for operation in the Pacific fishing trade.

Sale of tankers.—The number of tankers sold by the board during the previous year practically filled the demand which had been created by the development of the southern California oil fields. Three additional tankers of approximately 10,000 tons each were sold to companies which operate tankers in the intercoastal trade and one small tanker was sold for operation in local service.

Sales for Diesel conversion.—The board continued the policy of encouraging the development in the United States of internal-combustion engines by selling at hull valuations certain vessels equipped with defective or uneconomical machinery to responsible buyers who would agree to convert such vessels to motor ships of approved designs. Three vessels were sold under this program, including two tankers. The survey of the fleet resulted in the segregation of approximately 360 vessels, designated as Class D, potentially useful for conversion to Diesel propulsion. These vessels were assigned a valuation based on the appraised value of the hulls. The passage of H. R. 6202 during the last Congress, authorizing the extension of financial aid through the construction load fund, to American companies engaged in converting vessels to motor ships is confidently expected to increase sales of vessels for conversion.

Sales of tugs.—Three steel ocean tugs were sold during the year. All harbor tugs were reserved from sale, being engaged in operations for account of the board.

Sale of wooden and concrete ships.—Three wooden vessels were sold, these being vessels reserved from sale the previous year owing to legal proceedings.

Vessels sold for restricted operations on designated trade routes.—At the time the Shipping Board authorized the survey of the fleet, a separate committee of the board was delegated to examine into the

prospect of disposing of the vessels in operation on a broad scale under conditions contemplated by section 7 of the merchant marine act of 1920. This committee, designated as the policy sales committee, undertook the advertisement of the fleet in May, 1923, soliciting bids accompanied by guarantees that the vessels would be operated for a stipulated period on the trade routes established by the board, or other routes approved by the board. Under this program seven combination passenger and cargo vessels were sold, the buyer contracting to maintain a round-the-world service. Two cargo vessels were sold to a company which contracted to maintain a service between the west coast of the United States and the west coast of South America, and one passenger vessel was sold to a company which agreed to operate her in the Los Angeles-Hawaiian trade. No further sales were made under this program, but the advertisement which was published in March, 1924, gave notice that the board might consider at any time the sale of vessels involving such an obligation.

Sale of vessels for dismantling.—Among other things, the survey of the fleet disclosed that there were certain damaged or obsolete vessels of no probable usefulness for operation and which were a source of unnecessary maintenance expense. These vessels were advertised for sale in several groups conditional upon the buyers agreeing to dismantle and scrap them in the United States within one year. This resulted in the sale of 20 vessels, totaling about 150,000 dead-weight tons.

Vessels disposed of otherwise than by sale.—Two wooden barges originally obtained from the War Department were retransferred to that department. One steel cargo vessel became a total loss, and two vessels were surrendered to the United States courts under legal proceedings.

Sales to foreigners.—During the fall of 1923 aliens were given the opportunity to purchase lake-built cargo vessels of about 4,000 dead-weight tons at a price of $75,000 each, but no sales resulted. Consideration is being given to a plan for the sale to aliens of vessels of types for which there is no market in America and which will not be required for the American merchant marine.

Prospect for future sales.—Present conditions do not justify any prophecy as to the number of sales which may be anticipated during the coming year. Sales on a broad scale can not be expected to develop until shipping conditions have sufficiently improved to show profitable operations under the American flag. It appears that the demand for tonnage in the protected trades, such as the intercoastal and coastwise, has been fairly well filled by sales during the preceding years, and any further sales in substantial numbers must depend on improved conditions in general.

Ships sold during fiscal year 1924

Name	Dead-weight tonnage	Gross tonnage	Sales price	Purchaser
Steel cargo ships:				
Lake Clear	2,875	2,054	$76,000.00	Construction Materials Co.
La Crosse	4,145	2,606	58,230.00	Southern Steamship Co.
Lake Agomak	3,525	2,339	56,000.00	Baltimore & Carolina S. S. Co.
Lake Fillion	4,040	2,556	52,231.00	Southern Steamship Co.
Lake Flambeau	4,145	2,609	52,768.00	Seaboard & Gulf Steamship Co.
Lake Galisteo	4,208	2,689	64,000.00	Mallory Steamship Co.
Sioux City	4,208	2,689	68,000.00	Clyde Steamship Co.
Total	27,146	17,542	427,229.00	
Steel ex-enemy cargo ships:				
Midget	600	499	[1] 27,500.00	Manuel F. Delpan.
Otsego	5,160	4,638	60,000.00	Libby, McNeill & Libby.
Total	5,760	5,137	87,500.00	
Steel tankers:				
Anahuac	1,193	863	95,500 00	The Atlantic Refining Co.
Hoxbar	10,387	7,156	467,415.00	Malston Company (Inc.).
Shreveport	10,030	7,277	451,350.00	Cities Service Refining Transport Co.
Watertown	9,298	6,408	418,410.00	Do.
Total	30,908	21,704	1,432,675.00	
Steel ocean-going tugs:				
Barryton	----------	418	50,000.00	W. E. Hedger Co. (Inc.).
Ballew	----------	429	50,000.00	Detroit Sulphite Transportation Co.
Toopi	----------	429	50,000.00	J. B. King Transportation Co.
Total	----------	1,276	150,000.00	

SALES WITH SPECIAL PROVISIONS

Steel ships sold for restricted operation in designated trade route:				
Orcus (cargo)	7,690	4,954	$173,025.00	W. R. Grace & Co.
Rotarian (cargo)	7,631	4,747	171,697.50	Do.
President Adams (pass.)	13,025	10,558	550,000.00	Dollar Steamship Line.
President Garfield (pass.)	13,035	10,558	550,000.00	Do.
President Harrison (pass.)	13,034	10,533	550,000.00	Do.
President Hayes (pass.)	13,005	10,533	550,000.00	Do.
President Monroe (pass.)	13,100	10,533	550,000.00	Do.
President Polk (pass.)	13,098	10,513	550,000.00	Do.
President Van Buren (pass.)	13,075	10,533	550,000.00	Do.
City of Los Angeles (ex-enemy pass.)[2]	12,350	12,642	100,000.00	Los Angeles Steamship Co.
Total	119,043	96,104	4,294,722.50	
Steel ships sold for diesel conversion:				
Allentown (tanker)	7,057	4,908	88,212.50	The Atlantic Refining Co.
Lake Weir (cargo)	2,875	2,018	25,000.00	Construction Materials Co.
Lio (tanker)	10,250	7,245	153,750.00	General Petroleum Corporation.
Total	20,182	14,171	266,962.50	
Obsolete steel ships sold for scrapping, or to be reconditioned for operation:				
Neuse (cargo)[3]	6,890	4,496	8,000.00	Boston Iron & Metal Co. (Inc.).
Yucca (cargo)[3]	4,360	2,777	9,000.00	Equity Steamship Co.
Total	11,250	7,273	17,000.00	

[1] 55,000 pesos.
[2] Purchase to expend $450,000 for reconditioning.
[3] Ex-enemy.

Ships sold during fiscal year 1924—Continued

SALES WITH SPECIAL PROVISIONS—Continued

Name	Dead-weight tonnage	Gross tonnage	Sales price	Purchaser
Obsolete and damaged steel ships sold for scrapping:				
Colthraps (cargo)[4]	7,825	5,136	$9,000.00	The Allied Corporation.
Amphion (pass.)[3]	8,970	7,409	175,000.00	Boston Iron & Metal Co. (Inc.).
Ascutney (cargo)[3]	6,450	4,966	(5)	Do.
Mercury (pass.)[3]	10,350	10,980		Do.
Nansemond (pass.)[3]	15,002	13,332		Do.
Von Steuben (pass)[3]	6,900	14,908		Do.
Wachusett (cargo)[3]	6,160	4,336	9,000.00	Do.
Andalusia (cargo)[3]	7,475	5,509	99,752.00	H. L. Crawford & Co.
Black Arrow (pass.)[3]	7,050	6,022	(5)	Do.
Philippines (cargo)[3]	13,312	11,440		Do.
West Eagle (cargo)[4]	8,688	5,690		Do.
Western Comet (cargo)[4]	8,594	5,871		Do.
Burnside (pass.)	3,500	2,194	7,600.00	General Metal Supply Co.
Freedom (pass.)[3]	6,440	5,640	9,700.00	F. J. Lucius.
Zaca (cargo)[4]	9,248	6,165	10,500.00	Do.
Armenia (cargo)[4]	6,982	5,463	22,500.00	Union Shipbuilding Co.
Coosa (cargo)[3]	2,625	1,969	5,000.00	Do.
Wyandotte (cargo)[3]	5,700	4,761	14,000.00	Do.
Total	141,271	121,791	362,052.00	

SALES OTHER THAN STEEL TYPES

Wood and concrete cargo ships:				
Nawitka (wood)	4,929	3,349	$3,318.58	George D. Perry.
Sapona (concrete)	3,074	2,795	4,000.00	Carl G. Fisher.
Total	8,003	6,144	7,318.58	
Damaged ships: Polias (concrete cargo)	3,500	2,564	225.00	R. O. Elliott.

DISPOSITION OF STEEL SHIPS OTHER THAN BY SALE

Total loss: Conejos (cargo)	7,825	5,620		
Surrendered to United States court:				
Woonsocket (cargo)	9,530	5,937		
Colthraps (cargo)	7,825	5,620		
Total	17,355	11,557		
Transferred to other Government departments:				
Barge D. of O. No. 3 (wood)	588	260		War Department.
Barge D. of O. No. 4 (wood)	588	260		Do.
Total	1,176	520		

[3] Ex-enemy. [4] Damaged. [5] Lump sum.

Additions to Shipping Board fleet fiscal year 1924

Name	Dead-weight tonnage	Gross tonnage	Purchase price
PURCHASED			
Steel barges:			
U. S. S. B. Lighter No. 4	64	35	$10,150.00
U. S. S. B. Lighter No. 5	64	35	10,150.00
U. S. S. B. Lighter No. 6	64	35	10,150.00
U. S. S. B. Lighter No. 7	64	35	10,150.00
Total	256	140	40,600.00
ACQUISITION THROUGH JUDICIAL PROCESS			
Steel cargo ship: Colthraps	7,825	5,620	25,000.00
TRANSFERRED FROM OTHER EXECUTIVE DEPARTMENTS			
Wood: Derrick Barge No. 1	400		(1)

[1] Transferred from War Department without funds.

Laid-up Fleet Division.

In general, the activities of the laid-up fleet division during the past fiscal year have been directed along the following lines:

1. Regrouping of the laid-up ships at the several anchorages according to the central fleet survey classification, by which the vessels are nested together in units according to their relative value and usefulness, and so that a systematic program of preservation can be carried out.

2. Reorganization of the laid-up fleet personnel, separating the work of custodianship from that of preservation.

3. Improvement of the type and morale of the personnel by readjustment of wage scales, better living conditions, opportunities for promotion, provision for medical care, etc.

4. Institution of the use of mechanical devices for the work of preservation in lieu of hand labor, so that the maximum amount of work can be accomplished at minimum of cost.

5. Issuance of standard regulations governing the methods of caretaking and the use of standardized materials.

6. Supervising all work and reporting the progress made, so that the condition of each laid-up ship may be known at all times.

7. Reducing to a minimum the number of points of lay-up.

At the largest point of lay up, in the James River, where approximately 400 vessels are moored, economies exceeding $500,000 per annum were effected by reducing the number of mother ships from 28 to 8, with a consequent reduction of personnel, saving in subsistence, fuel, etc. A portion of the funds thus saved was devoted to the outfitting of an ex-German passenger steamer, the steamship *Orion*, with a steam-driven air compressor and quarters for a working gang of approximately 250 men. After the organization of this unit, the hand method of scaling, which was practically nonproductive, was discontinued and pneumatic scaling hammers and pneumatic paint-spraying machines were used in carrying on the work of preservation of the hulls. The effectiveness of the new plan is indicated by the fact that two painters using spraying machines can paint the side of a ship from rail to light load line in eight hours and perform the work more effectively than by hand brushing. At other points of lay up the use of a ship as a working unit has not thus far been found practicable; however, mechanical appliances have been installed on piers, barges, or portable cradles.

The cost of installing the above-mentioned equipment was approximately $52,000. This is not to be regarded as an operating expense for the year, but rather as an investment chargeable as an operating expense according to the period of its usefulness.

There has been insufficient experience with the new methods to warrant a definite statement as to the rapidity with which the laid-up fleet can be put through a course of preservation, but it is evident that the measures designed to check and prevent undue deterioration will be completed in a comparatively short time, after which the vessels will require only supervisory care. In this connection, it is to be noted that the work of preservation will minimize the future expense of conditioning vessels withdrawn from lay up for operation.

New London, Conn., has been discontinued as a point of lay up, the vessels formerly moored there having been transferred to the laid-up fleet at New York. The vessels laid up at Pensacola have been reduced to four, and these are in process of being shifted to Mobile.

Treasurer's Department

The operations of the treasurer's department during the past fiscal year have been conducted along lines practically uniform with those followed the previous year.

In some districts where operations have decreased the work has been centralized with a corresponding curtailment of personnel. The administrative work of the Boston, Philadelphia, Baltimore, and Norfolk offices has been transferred to Washington.

During the year the division having charge of deferred liquidations and delayed collections was transferred to this office from the office of the director of finance. The delayed-collections section was consolidated with a small division of this office which up to that time had handled current collections only. For the reason that a finance office should not be a party in negotiations involving compromise settlements the deferred-liquidation section was transferred to the office of the vice president in charge of finance.

In addition to its Fleet Corporation functions this department supervises the financial operations of the United States Lines and handles the funds of the Shipping Board. During the year complete jurisdiction of all funds of the corporation has been secured by the requirement that all depository accounts shall be subject to the check of this office. This concentrates under the control of the board of trustees or the president all funds of the corporation wherever located.

The volume of revenue and disbursements handled by the treasurer's department for the past year is shown without detail in the following summary:

Available funds during the year, exclusive of proceeds of sales and operating revenue	$98, 045, 757. 61
Amount of revenue received from all sources, including sales and operations	141, 299, 860. 24
Disbursements in all districts, including London and Manila	180, 526, 900. 78
Credits established for expenditures of the operated fleet in foreign ports	30, 757, 401. 59
Deposits made in the Treasury of the United States to credit of "Construction loan fund"	8, 300, 000. 00
Total amount construction loan fund to date	60, 881, 931. 62

Two years of operation under the revised method of financing the operated fleet adopted in the spring of 1922 has shown a marked improvement in this important feature of ships' operation. The complete elimination of trust funds and the direct control by the corporation of revenue and disbursements in all managing operators' offices has not only served as an economical measure, but has gradually become the most available channel through which the officers of the corporation have been enabled to keep in closer contact with the detail of expense. It has also served to bring about a uniformity of items of expenditures and prices that was not possible under the former system.

The efficient work of the corps of special disbursing officers assigned to managing operators' offices has been one of the greatest factors in achieving the valuable result attained during the past two years. It is due largely to their vigilance and efforts that the improvement in our methods and important economies have been obtained.

Efforts are now being made to improve our financial methods in foreign ports, and accordingly the treasurer recently visited the more important ports of the United Kingdom and continental Europe with a view to placing our operations on a basis more in line with the best commercial and banking practices.

The following statement shows the number of employees of this department, except those in the offices of the United States Lines, at the end of the fiscal year in comparison with the two preceding years:

	July 1, 1923		Jan. 1, 1924		June 30, 1924	
	Employees	Salaries	Employees	Salaries	Employees	Salaries
Home office	34	$81,240	38	$88,440	49	$117,520
Boston	2	4,800	2	4,800	1	3,600
New York	42	99,600	44	103,600	30	79,280
Philadelphia	5	10,020	5	10,020	5	10,020
Tampa	1	4,000	1	4,000	2	4,140
Baltimore	2	5,400	2	5,400	2	5,400
Norfolk	4	7,800	4	7,800	2	4,200
New Orleans	11	23,860	11	22,660	12	28,200
Galveston	1	4,000	1	4,000	1	4,000
Mobile	1	2,700	1	2,700	1	2,700
San Francisco	8	19,020	8	17,580	8	17,820
Seattle	1	2,700	2	4,680	2	4,680
Portland	1	3,000	1	3,000	1	3,000
London	4	12,500	4	12,500	4	12,500
Manila	1	3,600	1	4,000	1	4,000
Total	[1] 118	[1] 284,240	[2] 125	[2] 295,180	[3] [4] 121	[3] [4] 301,060

[1] Includes 18 special disbursing officers with total salary of $66,400.
[2] Includes 19 special disbursing officers with total salary of $64,960.
[3] Includes 17 special disbursing officers with total salary of $62,200.
[4] Includes 3 employees with total salary of $6,660 carried on Treasurer's pay roll, assigned to duty in connection with compiling data for congressional investigating committee.

Statements of our cash operations for the fiscal year will be found in the Appendix.

Director of finance.—On January 4, 1924, the position of director of finance of the Fleet Corporation was abolished, and all of the functions formerly exercised by the director of finance were placed under the supervision of the treasurer, except such duties as pertained to the work of the general comptroller.

Credit Department.

The credit department during the first half of the past fiscal year was under the director of finance, but on January 1, 1924, was transferred to the treasurer's department. During the year it made the following special detailed investigations:

Collection department	149
Legal division	128
Admiralty division	127
Maintenance and repair department	120
Bureau of research	33
Contract division	21
General comptroller	20
Ship sales department	19
Collection branch, treasurer's department	10
Bureau of law, in re construction loans	9
Various other divisions	75
Total	711

GENERAL COMPTROLLER'S DEPARTMENT

Functions.—The general comptroller is responsible for the installation, supervision, and maintenance of the accounting records essential to a proper reflection of the assets and liabilities and earnings and expenses of the corporation; the certification and approval of all receipts and disbursements; the preparation of current balance sheets and profit-and-loss statements; and of such statistical information as may be required.

Organization.—The organization of the general comptroller's department has continued practically unchanged from the previous year except in the following respects:

The "special auditors" assigned to the offices of managing agents, who theretofore had been under the supervision of the "special assistant to the director of finance" in New York, were placed under the jurisdiction of the local district comptrollers and district auditors. This change centralized the responsibility for all activities in the districts under the district comptrollers or district auditors, who previously had exercised no supervision over the current accounts of managing agents. It also added greatly to the flexibility of the field organization, making it possible in this way to handle the same work with a smaller force.

A consolidation has been effected of various units of the accounting force in the home office which has decreased the expense of administration, resulted in increased efficiency, and made it possible to effect a marked reduction in personnel and office space.

In addition to its routine activities during the fiscal year the department has compiled much data (necessitating in some cases the analysis of accounts extending back to the inception of the organization) for the select committee appointed to investigate the affairs of the Shipping Board and Fleet Corporation.

Consistent efforts to obtain a more prompt rendition of accounts by managing agents have resulted in the improvement indicated below:

Voyages under managing agents terminated prior to June 30, 1923, on which date 733 (2.74 per cent) had not been fully accounted for	26,726
Voyages under managing agents terminated prior to June 30, 1924, on which date 462 (1.63 per cent) had not been fully accounted for	28,336

The improvement is emphasized by the fact that 139 of the accounts incomplete June 30, 1923, applied to voyages terminating prior to July 1, 1922; while, with one exception, those incomplete June 30, 1924, apply to voyages terminating subsequent to July 1, 1923.

Considerable progress has been made in the reconciliation and closing of managing agents' accounts covering operations prior to August 15, 1921, 37 having been reconciled and closed; the remainder,

8, have been reconciled and are in process of closing. As at June 30, 1923, our agents' clearance account for this period reflected a balance of $13,797,485.21, which had, as at June 30, 1924, been reduced to $3,794,913.18.

Our accounts covering subsequent operations are kept in current reconciliation, and the resulting improvement in control has made possible the prompt rendition of reports of managing agents' accounts for use in connection with the consolidation of services. In addition, close supervision of the general accounts and records has resulted in their being in a much better condition than at the beginning of the fiscal year, and the department is now in a position to give more current and accurate information than was possible (without extensive analysis) in the past.

During the year the "monthly financial statement" has been elaborated and refined so that in addition to reflecting the result of terminated voyages—including the insurance, repairs, and administrative expense pertaining thereto—information is also conveyed as to the condition of our insurance reserves, miscellaneous income, and the expenses of inactive (spot and individual) vessels. It also indicates the result of realization and liquidation activities, including the expenses of the laid-up fleet, and the amount of capital charges, such as major reconditioning of passenger vessels, etc. This report is issued to members of the board and executives of the Fleet Corporation on the 20th day of the following month, and furnishes currently a very comprehensive picture of all activities of the Fleet Corporation.

Some idea of the volume of transactions handled by this department may be gained from the following summary of the activities of the auditing division in the Washington office for the past fiscal year:

Voyage accounts audited:	
1. Revenues	$98,396,567.66
2. Disbursements	83,921,620.44
Commissions and miscellaneous charges audited	3,341,732.58
Repair bills audited for payment	2,483,877.43
Current purchases, materials, services, administrative expenses, etc., audited for payment	41,688,729.71
Cash recoveries	183,800.81

The accomplishments reported above do not take into account numerous special audits made for the managing agents' accounts adjustment committee and others, nor do they include a great deal of work performed in compiling data for the select congressional committee. The cash recoveries mentioned above do not by any means reflect the total savings effected, as other disallowances are frequently covered in settlements effected by the managing agents'

accounts adjustment committee and others. There have also been many indirect savings effected, largely as a result of the work of the auditing division, as, for instance, the reduction in the stores and subsistence allowances during "idle status" and "in port" periods, and the elimination of serious exchange losses on collections in German ports through the suggestion made to the traffic department to have freight collectible in Germany payable in United States currency.

In brief, during the fiscal year the department has, by consolidation of units and centralization of responsibility, reduced personnel and supervisory expense to a greater degree than would naturally result from the liquidation and settlement of war-time activities, has effected marked improvements in the rendition and control of accounts, has closed or reconciled all of those pertaining to prior operation, and kept abreast of all current work. The decreases in personnel (30 per cent) and salaries (29 per cent) were as follows:

	Employees	Annual salaries
June 30, 1923	752	$1,557,716
June 30, 1924	526	1,108,990
Reduction	226	448,726

The following statements will be found in the appendix:

1. Balance sheet as of June 30, 1924.
2. Cash, exclusive of construction loan fund, cash available for settlement of claims and unrequisitioned appropriations as of June 30, 1924.
3. Reconciliation of cash balance as of June 30, 1924 (as shown by treasurer's cash statement) with cash balance as shown by statement of assets and liabilities as of the same date.
4. Unexpended appropriations as of June 30, 1924.
5. Gross appropriations and allotments from inception to June 30, 1924.
6. Statement of profit and loss, excluding liquidation.

United States Lines

The United States Lines maintain combination passenger and freight services between New York and Queenstown, Plymouth, Cherbourg, Southampton, and Bremen with the following vessels: *Leviathan*, *George Washington*, *President Harding*, *President Roosevelt*, *America*, and *Republic*.

During the past fiscal year the administration of the United States Lines underwent several changes. At the beginning of the year it was under the control of a general manager who reported direct to the chairman of the Shipping Board. In the first quarter a change was made whereunder the general manager was made responsible to a committee of three Shipping Board commissioners. In the second quarter a managing director was appointed who was made responsible to a committee of three Shipping Board Commissioners with the general manager in charge of operations. In the third quarter the position of managing director was abolished and the organization again headed by a general manager responsible to the president of the Fleet Corporation, and that organization now operates as a branch or department of the Fleet Corporation.

The organization of the United States Lines comprises the following units:

(*a*) Administrative: Maintaining general supervision over all activities, determining policies and controlling expenditures.

(*b*) Operating: Having to do with the physical operation of the vessels and piers, maintenance and repairs, stevedoring, manning, and provisioning, etc.

(*c*) Passenger traffic: Having cognizance of all matters pertaining to passenger business—the securing of passengers, control of passenger agents, embarking and disembarking passengers, and the handling of details of passenger conference matters.

(*d*) Freight traffic: Having charge of the solicitation and delivery of freight to ships, receipt and delivery of freight to consignees, and activities in connection with freight conferences.

(*e*) Purchasing: Securing bids and letting contracts or orders for ships' stores and supplies and other purchases.

(*f*) Accounting: Maintaining detailed account of all transactions and rendering monthly balance sheets and financial statements and operating statistics to the general comptroller of the Fleet Corporation.

(*g*) Finance: Controlling all cash receipts and disbursements, banking accounts, and pay rolls.

During the year there have been numerous changes in the organization and its activities. The most important of these were the inauguration of the New York-Cherbourg-Southampton service with the *Leviathan* on July 4, 1923; the *Republic*, newly conditioned as a cabin ship, was assigned to the New York-Bremen service on April 29, 1924; the discontinuance of the New York-London passenger and freight service in the third quarter, due to the sale of the 502-foot vessels, and the inauguration of the London freight service and its subsequent transfer to the American Merchant Lines; and the

passenger service to Ireland was reinaugurated with the *Republic*, *America*, and *President Harding* on June 3, 1924. Other changes were the discontinuance of the London organization under Runciman (London) (Ltd.), due to the change in the London service; the establishment of operating and passenger offices of the United States Lines at Southampton in charge of Runciman (London) (Ltd.), which handle the New York-Southampton service of the *Leviathan* and the Southampton calls of all other steamers; the opening of domestic branch offices in Atlanta, Cincinnati, Los Angeles, and Portland, Me.; the opening of foreign offices in Bremen, Meunchen, Frankfort, and Leipzig, Germany, to handle the German business direct, which was previously controlled by the North German-Lloyd; and the reduction in all passenger forces in central Europe outside of Germany, due to the change in immigration law which went into effect July 1, 1924. The London and Paris offices have been moved to larger quarters in more advantageous locations on account of increased business. A branch office is being established in Berlin.

Special arrangements were made for a representative of the Post Office Department to represent the United States Lines in Europe for the purpose of securing additional westbound mails.

The *Leviathan* was overhauled during the period December 21, 1923, to April 11, 1924, the work including extensive repairs to her turbines, bottom damage repairs, correction and extension of the ventilation system, and other work found necessary or desirable to correct defects developed under actual operating conditions.

The United States Lines have pursued the policy of maintaining stable and reasonable passenger rates and refused to join other lines in increasing rates unless entirely justified by operating and other conditions. Student tours to Europe and return at moderate rates in specially arranged accommodations in the third-class compartments of the vessels, with service comparable to ordinary second class, have been inaugurated. Also special tours for World War veterans and their families to visit the battle fields of France have been similarly provided for. It is expected that this new class of service will in a large measure offset the loss of third-class immigrant business resulting from the new immigration law.

Extensive overhauls of all steamers were made during the winter season to fit them for the heavy summer traffic. Safety devices covering the operation of water-tight bulkheads, the detection, prevention, and extinguishing of fires, etc., have been maintained in the highest degree of efficiency, and new devices have been installed whenever they were considered an improvement or safeguard in navigation and have been proved out in actual practice. These latter include the installation of a new type of radio compass on the *Leviathan* and automatic steering control on all steamers.

Foreign Agencies

European Agency.

During the fiscal year the European agency and the personnel in its principal administrative positions have remained practically unchanged from the previous year.

In addition to the headquarters in London, this agency maintains branches at Liverpool, Bristol, Dublin, Le Havre, Antwerp, Rotterdam, Bremen, Hamburg, Gothenburg, Helsingfors, Marseille, and Ponta Delgada. The office at Glasgow has been abolished and activities at this, as well as other Scottish ports, have been placed under the control of the Liverpool office.

The European agency comprises nine principal departments, namely, operating, maintenance and repair, traffic, purchases and supplies, comptroller's, legal, advertising, disbursing, and communications.

The operating department exercises supervision over all Shipping Board vessels in European waters (except those of the United States Lines) with respect to personnel, navigation, pilotage, towage, loading and discharging cargo, and salvage work. Ballasting and bunkering during the year have been in the hands of the managing operators' agents in Europe, but from July 1, 1924, bunkering will be handled by the European agency.

Substantial reductions in stevedoring rates have been obtained in Rotterdam and at Antwerp. On May 1, 1924, the burgomaster at Antwerp assigned a second berth to the agents of the Fleet Corporation which will be of much assistance in the development of westbound business for our ships since it provides suitable space for the collection of cargo and gives the Shipping Board services an improved status by establishing in the minds of shippers the fact that our service is permanent.

During the fiscal year 252 vessels have been employed in the European services. These vessels have made 1,050 voyages, covering 727 ports of call, which gives an average of 4⅙ voyages per ship and an average of 2.6 ports of call per voyage.

Labor has been very restless during the past year, resulting in strikes of stevedores, towboat men, and shipyard workers in most ports throughout Europe. The most serious conditions developed in the United Kingdom in July and August, 1923, the stevedores, except in Ireland, being on strike resisting a wage reduction for almost six weeks. The employers were successful in forcing a reduction in wages; but the agreement made by the employers and stevedores expired February 16, 1924, when the men once more struck and were successful in obtaining an increase to offset the reduction made during the summer of 1923. It was practically im-

possible to handle cargo during these strikes and the fact that the stevedores were well organized eliminated the possibility of making diversions to other ports.

It has been the practice to bunker vessels trading in the Black Sea and eastern Mediterranean at Constantinople and Piraeus, but political conditions at Constantinople became such as to make that port undesirable for bunkering and the port conditions at Piraeus are such that it is not safe to bunker there during the winter months. In consequence of these conditions arrangements have been made to bunker westbound vessels at Almeria, Spain, where facilities are very good and vessels can be handled cheaply with a minimum loss of time.

The maintenance and repair department supervises all repairs and maintenance of Shipping Board vessels, exclusive of passenger vessels, in European ports both with respect to the nature of the work and the contractors employed. The policy has been continued of making no repairs on our vessels in Europe except those absolutely necessary to take a vessel to berth or to insure seaworthiness for the homeward voyage, and of making no alterations or betterments of any character in European ports.

The traffic department, in collaboration with the traffic department of the Fleet Corporation and with the various foreign agents of the managing operators, has made special efforts in the solicitation of cargo. During the year the Egyptian cotton contract was renewed on the basis of the rates obtained during the two previous years, and the contract with the Finnish Cellulose Association at Helsingfors was renewed for the first six months of 1924.

Two important marine-insurance companies in London have been induced to abolish the differentials formerly levied against our ships and to place them on the same basis as the vessels of British line companies, and our vessels in all European trades are now enjoying the same status as similarly classed ships of our competitors.

During the year strong efforts have been made to increase freight rates in certain territories where intense competition had reduced them to an unnecessarily low level. Our policy has been to endeavor to establish rates that would in no way restrict the free movement of commodities but at the same time would cover the cost of the service.

Brazilian Agency.

The Brazilian agency of the Fleet Corporation is a comparatively small organization with headquarters at Rio de Janerio.

Business conditions in Brazil during the fiscal year, from the viewpoint of American foreign trade, were adversely affected by the

continued weakness of Brazilian currency. This unfavorable exchange situation resulted in fostering domestic industries and curtailing the market for imported goods, except certain specialized products. Competition of European countries was keenly felt by importing houses handling American products and the price factor militated against the sale of American goods in almost all lines of business. American automobiles continued to dominate the Brazilian market, and these, together with petroleum products, formed the bulk of regular cargoes from the United States to Brazilian ports. Because of the large liner tonnage regularly employed in the trade, freight rates continued low, although an upward tendency was evident toward the end of the year.

Port congestion at Santos seriously affected steamship operations at that port during the latter part of the year and caused acute disruption of schedules. Cargo-handling expenses at both Rio de Janeiro and Santos showed a distinct upward tendency, and unrest among longshore laborers, with sporadic strikes, especially at Santos, added to the difficulties and increased the costs of operation of steamship lines. However, despite the weakness of rates, keen competition and other adverse conditions, there was no marked reduction in tonnage in the trade during the year.

The outstanding traffic features of the corporation's operations in Brazil during the year were the commanding position assumed by Shipping Board lines in the coffee trade and the increasing popularity of the Pan America Line's passenger, mail, and cargo express service. The leadership maintained by the four Shipping Board lines in the coffee-carrying business was particularly gratifying in that it was achieved in the face of strongly entrenched competition and without in any way deviating from a strict observance of conference rates and conditions.

The excellent standard of service maintained by the Pan America Line attracted the patronage of most of the prominent shippers and regular travelers, and the fast-mail service proved of inestimable value to American business in Brazil. The tourist business to South America increased considerably during the year, with every indication that the progress would continue.

River Plate Agency.

The River Plate agency of the Fleet Corporation is under the direction of the director for Argentine and Uruguay, with headquarters at Buenos Aires. The organization, in addition to the director, comprises the port superintendent engineer, traffic manager, and an accountant, with a small number of other employees. The agency maintains close contact with the agents of Shipping Board lines, supervising their activities as regards physical operations

of ships and matters of traffic. All repairs are handled through this agency, as are also supplies, including water and bunkers.

The agency maintains close contact with all sources of information which may prove productive in the promotion of traffic for our lines.

The total tonnage of cargo lifted for American ports during the year in the River Plate district amounted to 613,147, of which Shipping Board lines handled 227,517 tons. The total number of steamers handling this cargo was 213, of which 89 were Shipping Board vessels.

The passenger ships of the Shipping Board lines have elicited much favorable comment by reason of their excellent service and their punctuality regardless of any adverse conditions, and they have maintained their lead in passenger traffic.

Oriental Agency.

The oriental agency of the Fleet Corporation comprises the headquarters at Manila and branch offices at Shanghai, Hongkong, and Yokohama under the general direction of the director for the Orient. Toward the end of the year a reorganization was effected increasing the personnel and the activities of the branch offices in Shanghai and Hongkong, those offices having been inadequate theretofore for the proper handling of the extensive business of the corporation in China. The headquarters staff at Manila was increased by the appointment of a district engineer, but otherwise was considerably reduced by the consolidation of duties.

In consequence of the disastrous earthquake in Japan on September 1, 1923, it became necessary to transfer the general agency from Yokohama to Kobe, leaving an agent in Yokohama. In this connection it is appropriate to state that the Shipping Board representatives in Japan performed very creditable work in connection with the relief activities following the earthquake.

APPENDIX

TABLE I.—*Vessel property controlled by the United States Shipping Board Emergency Fleet Corporation*

[Compiled as of June 30, 1924

	Total		Contract		Requisitioned		Purchased		Seized enemy		Acquired from other departments	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel vessels:												
Passenger and cargo	26	298,258	16	183,378					10	114,880		
Coolie carrier	1	4,000	1	4,000								
Cargo	1,164	8,091,278	963	6,656,939	184	1,287,958	15	128,846	2	17,535		
Tankers [1]	41	354,568	25	228,512	12	96,056	4	30,000				
Refrigerators	14	100,920	5	41,967	9	58,953						
Tugs	20		15								5	
Barges	4	256	4	256								
Unfinished—Cargo	1	9,400	1	9,400								
Total steel	1,271	8,858,680	1,030	7,124,452	205	1,442,967	19	158,846	12	132,415	5	
Concrete vessels:												
Cargo	1	3,000	1	3,000								
Tankers	7	48,783	7	48,783								
Total concrete vessels	8	51,783	8	51,783								
Wood and composite vessels:												
Cargo	3	11,370	3	11,370								
Tugs	15		12				1				2	
Barges	3										3	
Unfinished—Tugs	1		1									
Total wood and composite	22	11,370	16	11,370			1				5	
Total vessels	1,301	8,921,833	1,054	7,187,605	205	1,442,967	20	158,846	12	132,415	10	

[1] Includes 2 molasses tankers, dead-weight tonnage 15,130.

TABLE II.—*Status of vessels controlled by the United States Shipping Board Emergency Fleet Corporation from data received as of June 30, 1924*

STEEL VESSELS

	Number	Dead-weight tons
Active vessels under managing agency or special agreement:		
Cargo, operating in specified services, United States ports to foreign ports (managing agreement)	245	2,133,154
Cargo, operating in specified services, United States ports to foreign ports (special agreement)	24	192,514
Passenger and cargo, operating in specified services, United States ports to foreign ports	20	237,778
Coolie carrier and cargo, oriental feeder service	1	4,000
Cargo, oriental feeder service	3	12,465
Barges, West African service	4	256
Cargo, ordered tied up, at sea	6	47,542
Total	303	2,627,709
Active vessels under management and operation agreement, bareboat charter and loan basis to Government departments:		
Tankers, United States ports to foreign ports	7	66,509
Tankers, coastwise	2	19,685
Tankers, intercoastal	9	91,035
Cargo, chartered to independent companies	2	8,380
Refrigerator, chartered to independent companies	1	9,737
Cargo, United States Public Health Service	1	4,261
Cargo, United States Army service	1	10,013
Tugs	7	----------
Tugs, under bareboat charter	3	----------
Total	33	209,620
Total active vessels	336	2,837,329
Temporarily inactive vessels under managing agency or special agreement		
Cargo, repairing or awaiting repairs (managing agreement)	7	59,959
Cargo, in idle status	11	93,481
Cargo, ordered tied up, in port	3	26,927
Cargo, awaiting cargo (special agreement)	1	8,101
Cargo, awaiting berth	1	9,599
Cargo, undergoing boiler inspection	1	8,646
Total	24	206,713
Vessels under management and operation agreement, bareboat charter and loan basis to Government departments:		
Tankers, ordered tied up, in port	2	15,065
Total temporarily inactive	26	221,778
Inactive:		
Cargo, tied up	847	5,393,725
Passenger and cargo, tied up	6	60,480
Refrigerators, tied up	13	91,183
Cargo, tied up but assigned	3	24,583
Cargo, awaiting assignment	7	50,557
Tankers, tied up	21	162,274
Cargo, custody United States Shipping Board as mortgagee	1	7,371
Cargo, contract unfinished	1	9,400
Tugs	10	----------
Total inactive vessels	909	5,799,573
Total steel vessels	1,271	8,858,680

CONCRETE VESSELS

Cargo, tied up	1	3,000
Tankers, tied up	7	48,783
Total concrete vessels	8	51,783

WOOD AND COMPOSITE VESSELS

Cargo, tied up	3	11,370
Barges, active	3	----------
Tugs, active	10	----------
Tugs, under bareboat charter	2	----------
Tugs, tied up	4	----------
Total wood and composite vessels	22	11,370
Grand total, all vessels	1,301	8,921,833

TABLE III.—*Recapitulation of vessels owned or controlled by the United States Shipping Board, segregated according to type and dead-weight tonnage, as of June 30, 1924*

	10,000 dead-weight tons and over		9,000 to 9,999 dead-weight tons		8,000 to 8,999 dead-weight tons		7,000 to 7,999 dead-weight tons		6,000 to 6,999 dead-weight tons	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Steel cargo steamers	48	549,904	158	1,500,665	320	2,769,757	152	1,168,743	16	103,724
Steel cargo, unfinished			1	9,400						
Steel refrigerator steamers			1	9,737	6	50,667			3	18,282
Steel tank steamers	10	102,403	7	67,286	6	53,869	16	118,005	2	13,005
Steel passenger steamers	23	271,278	1	9,980	2	17,000				
Concrete tank steamers							4	30,000	3	18,783
Total	81	923,585	168	1,597,068	334	2,891,293	172	1,316,748	24	153,794

	5,000 to 5,999 dead-weight tons		4,000 to 4,999 dead-weight tons		3,000 to 3,999 dead-weight tons		2,999 dead-weight tons and under		Total	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons.
Steel cargo steamers	135	710,733	177	747,545	144	499,438	14	40,769	1,164	8.091,278
Steel cargo, unfinished									1	9,400
Steel refrigerator steamers	4	22,234							14	100,920
Steel coolie carrier			1	4,000					1	4,000
Steel tank steamers									41	354,568
Steel passenger steamers									26	298,258
Steel barges							4	256	4	256
Wood and composite steamers			1	4,000	2	7,370			3	11,370
Wood barges							3		3	
Concrete cargo steamers					1	3,000			1	3,000
Concrete tank steamers									7	48,783
Tugs (ocean)									17	
Tugs (harbor)									18	
Tugs, unfinished (harbor)									1	
Total	139	732,967	179	755,545	147	509,808	21	40,025	1,301	8,921,833

TABLE IV.—*Managing agents, managers and operators, and charterers of Shipping Board vessels as of June 30, 1924*

Name of company	Address	Number of vessels	Deadweight tons	Form of agreement
Admiral Oriental Line	L. C. Smith Building, Seattle, Wash	10	105,545	Managing agency.
Baltimore S. S. Co	22 Light Street, Baltimore, Md	1	7,503	Do.
Barber S. S. Lines (Inc.)	17 Battery Place, New York City	10	107,787	Do.
Black Diamond S. S. Corporation	67 Exchange Place, New York City	13	113,764	Do.
Bull, A. H. & Co	40 West Street, New York City	14	115,660	Do.
Do	do	[1] 4	256	West African service.
Carolina Co., The	Charleston, S. C	3	24,230	Managing agency.
Colombian S. S. Co	Pier No. 2, Empire Stores, Jay Street Terminal, Brooklyn, N. Y	3	12,742	Do.
Columbia Pacific Shipping Co	810 Porter Building, Portland, Oreg	10	90,334	Do.
Consolidated Navigation Co. (Oriole Lines)	22 Light Street, Baltimore, Md	16	128,679	Special agreement.
Cosmopolitan Shipping Co. (Inc.)	42 Broadway, New York City	14	121,365	Managing agency.
East Baltic Line (Inc.)	2-4 Stone Street, New York City	2	15,294	Do.
Elder & Mittnacht (Inc.)	24 State Street, New York City	1	9,737	Bareboat charter.
Export S. S. Corporation	25 Broadway, New York City	7	53,864	Managing agency.
Export Transportation Co. (Inc.)	22 Light Street, Baltimore, Md	4	32,125	Do.
Gisbert, Capt. Jaun	Manila, P. I	1	4,155	Bareboat charter.
Gulf Towing & Wrecking Co	Pier No. 1, foot Government Street, Mobile, Ala	1	Tug	Managing operator.
International Freighting Corporation	44 Whitehall Street, New York City	10	80.874	Managing Agency.
Kerr S. S. Co. (Inc.)	Kerr Building, 44 Beaver Street, New York City	12	110,764	Managing Agency.
Lykes Bros. S. S. Co. (Inc.)	925 Whitney Central Building, New Orleans, La	22	190,118	Do.
Lykes Bros	do	1	4,225	Bareboat charter.
Mallory Transport Lines (Inc.)	11 Broadway, New York City	13	109,511	Managing agency.
McAllister Bros	21-24 State Street, New York City	8	74,640	Managing operator.
Merritt, Chapman & Scott Corporation	17 Battery Place, New York City	3	Tugs	Bareboat charter.
Mississippi Shipping Co. (Inc.)	1310-1316 Hibernia Bank Building, Carondelet Street, corner Gravier, New Orleans, La.	14	116,827	Managing agency.
Moore & McCormack Co. (Inc.) (Scantic Line)	5 Broadway, New York City	7	56,177	Managing agency.
Munson S. S. Line	67 Wall Street, New York City	10	93,247	6 managing agency; 4 special agreement.
Pacific Mail S. S. Co	508 California Street, San Francisco, Calif	9	74,476	Managing agency.
Page & Jones	Southwest corner St. Francis and Water Streets or P. O. Box 269, Mobile, Ala.	1	8,534	Do.
Perry, Geo. D	San Francisco, Calif	3	([2])	Bareboat charter.
Public Health Service	Washington, D. C	1	4,261	Loan basis.
Ripley, Daniel & Co. (Inc.)	324 Cotton Exchange Building, Houston, Tex	7	56,908	Managing agency.
Rogers & Webb	110 State Street, Boston, Mass	5	43,955	Do.
S. Sgitcovich & Co	Cotton Exchange Building, Galveston, Tex	10	98,100	Do.
Sprague, C. H., & Son	141 Milk Street, Boston, Mass	1	7,249	Do.
Struthers & Barry	112 Market Street, San Francisco, Calif	14	133,892	8 managing agency; 6 managing operator.

[1] Barges used in West African Service.

[2] 2 tugs; 1 launch.

TABLE IV.—*Managing agents, managers and operators, and charterers of Shipping Board vessels as of June 30, 1924*—Continued

Name of company	Address	Number of vessels	Deadweight tons	Form of agreement
Swayne & Hoyt (Inc.)	430 Sansome Street, San Francisco, Calif	11	94,446	Managing agency.
Tampa Inter-Ocean S. S. Co	New Orleans, La	21	201,252	Do.
Trosdal, Plant & Lafonte	Whitney Central Building, New Orleans, La	20	167,166	Do.
U. S. & Australasia Line	8-10 Bridge Street, New York City	6	55,526	Do.
U. S. Lines	45 Broadway, New York City	6	76,829	Do.
Walker & Daly	10 Hanover Street, New York City	7	67,846	Managing operator.
War Department	Washington, D. C	1	10,013	Bareboat charter.
Waterman S. S. Corporation	City Bank Building, Mobile, Ala	11	93,212	Managing agency.
Winchester, J. H., & Co. (Inc.) (American Merchant Lines).	Whitehall Building, 17 Battery Place, New York City	10	79,761	Special agreement.
Winchester, J. H., & Co. (Inc.)	do	1	6,258	Managing agency.
Total		[1] 358	3,059,107	

[1] Does not include 16 tugs operated by the Emergency Fleet Corporation, and 3 barges operated by the Emergency Fleet Corporation.

TABLE V.—*Services maintained by the United States Shipping Board Emergency Fleet Corporation as of June 30, 1924*

	Total services	Number of vessels	Dead-weight tons
European trades	37	146	1,261,696
Mediterranean trades	7	36	279,518
South American trades	8	39	319,761
Far East trades	19	96	925,328
Total	71	317	2,786,303

TABLE V.—*Services maintained by the United States Shipping Board Emergency Fleet Corporation as of June 30, 1924*—Continued

EUROPEAN SERVICES

Operator	From—	To—	Frequency of sailings	Number of vessels	Dead-weight tonnage
North Atlantic-United Kingdom					
Consolidated Navigation Co	Baltimore, Norfolk, Philadelphia, New York.	Glasgow	2 per month	4	29,661
Do	do	Belfast, Dublin, Cardiff, Avonmouth	do	5	38,457
Do	Baltimore, Norfolk, Boston	Liverpool	Every 10 days	5	42,853
Do	Baltimore, Norfolk, New York, Boston	Manchester	do	6	48,807
J. H. Winchester & Co	New York	London	Weekly	5	40,606
Do	Baltimore, Norfolk	London, Hull, Leith	2 per month	4	31,345
Do	Philadelphia, Boston	do	do	4	31,300
United States Lines [1]	New York	Southampton, Cherbourg	Every 3 weeks	1	16,240
North Atlantic-Scandinavian and Baltic					
Moore & McCormack Co. (Inc.)	North Atlantic ports	Scandinavian and Baltic ports	2 per month	8	64,075
North Atlantic-Continent					
Black Diamond S. S. Corporation	Philadelphia, New York	Rotterdam	Every 20 days	3	28,282
Cosmopolitan Shipping Co. (Inc.)	New York	do	do	3	29,259
Black Diamond S. S. Corporation	Philadelphia, New York	Antwerp	2 per month	5	43,296
Do	Baltimore, Norfolk	Antwerp, Rotterdam	do	4	33,604
Cosmopolitan Shipping Co. (Inc.)	Baltimore, Norfolk, Philadelphia, New York.	Havre, Dunkirk	Every 10 days	8	69,018
Do	Philadelphia, New York	Bordeaux, St. Nazaire	Every 20 days	3	23,088
Rogers & Webb	North Atlantic ports (except New York)	Hamburg, Bremen	2 per month	5	43,955
United States Lines [1]	New York	Plymouth, Cherbourg, Bremen	Weekly	5	61,389
South Atlantic—United Kingdom					
Trosdal, Plant & La Fonta	Jacksonville, Charleston, Savannah	Liverpool, Manchester	Every 3 weeks	3	23,349
South Atlantic—Continent					
The Carolina Co	Jacksonville, Savannah, Charleston	Bremen, Hamburg	1 per month	3	24,230
Tampa Interocean S. S. Co	Tampa, Jacksonville, Savannah, Charleston.	London, Rotterdam, Antwerp	do	3	23,490
Gulf—United Kingdom					
Lykes Bros. S. S. Co. (Inc.)	New Orleans	London	2 per month	4	38,075
S. Sgitcovich & Co	Galveston (Houston)	Liverpool, Manchester	do	5	50,760

Trosdal, Plant & La Fonta	New Orleans	do	do	5	44,707
Do	do	Glasgow, Belfast, Dublin, Avonmouth	Every 3 weeks	3	27,136
Waterman S. S. Corporation	Mobile, Pensacola, Gulfport	London	1 per month	3	29,039
Do	do	Liverpool, Manchester	2 per month	4	31,360
Gulf—Continent					
Lykes Bros. S. S. Co. (Inc.)	New Orleans	Rotterdam	do	4	33,657
Do	do	Bremen, Hamburg	do	5	42,628
Do	Galveston	do	do	3	26,091
Do	do	Bremen, Rotterdam	do	3	24,300
Mississippi Shipping Co. (Inc.)	New Orleans	Havre, Antwerp	do	5	41,217
S. Sgitcovich & Co	Galveston	Havre, Antwerp, Ghent	Recently inactive	1	9,414
Do	do	Havre, Antwerp, London	2 per month	3	28,153
Page & Jones	Mobile, Pensacola, Gulfport	Rotterdam, Antwerp, Havre	Discontinued	1	8,534
Daniel Ripley & Co. (Inc.)	Houston	Havre, Antwerp, Ghent	2 per month	3	24,033
Do	do	Bremen, Hamburg, Rotterdam	do	3	23,475
Waterman S. S. Corporation	Mobile, Pensacola, Gulfport	Hamburg, Bremen	Every 6 weeks	2	16,450
Do.[2]	do	Havre, Antwerp, Rotterdam		2	16,363
Total number of vessels in European services				146	1,261,696

MEDITERRANEAN SERVICES

Mallory Transport Lines	North Atlantic range, Norfolk to Portland.	Azores and Canary Islands, Portuguese, Spanish Atlantic, Spanish-French Mediterranean, West Coast Italy, Adriatic ports, North Africa (west of Bizerta).	3 per month	8	56,676
Export S. S. Corporation	do	Malta, Constantinople, Greek Levant ports, Syria-Palestine coast, North Africa (east of Bizerta).	2 per month	7	55,158
A. H. Bull & Co	do	Constantinople Black Sea ports	do	6	46,719
Tampa Interocean S. S. Co	Gulf and South Atlantic, Galveston to Wilmington.	Portuguese-Spanish Atlantic	Monthly	3	23,214
Do	do	Spanish Mediterranean, north Africa (west of Bizerta).	2 monthly	4	32,642
Trosdal, Plant & La Fonta	do	French Mediterranean, west coast Italy	2 or 3 per month	5	40,619
Do	do	Adriatic-Greek Levant-Constantinople-Malta-north Africa (east of Bizerta).	Monthly	3	23,490
Total number of vessels in Mediterranean services				36	279,518

[1] Combination passenger and cargo vessels.
[2] Due to elimination of Page & Jones, these two vessels will be handled by Waterman for one voyage to fulfill their commitments.

TABLE V.—*Services maintained by the United States Shipping Board Emergency Fleet Corporation as of June 30, 1924*—Continued

SOUTH AMERICAN SERVICES

Operator	From—	To—	Frequency of sailings	Number of vessels	Dead-weight tonnage
Pan American Line [1]	New York	Rio de Janeiro, Montevideo, Buenos Aires	Fortnightly	4	45,489
International Freight Corporation	Boston, New York	Brazil and River Plate ports	Monthly	6	48,605
Do	Philadelphia, Baltimore, and south Atlantic ports.	do	do	6	47,125
Mississippi Shipping Co	New Orleans and other Gulf ports (excluding Mobile).	do	Fortnightly	9	75,087
Munson S. S. Line	Mobile and other Gulf ports (excluding New Orleans).	River Plate ports	Monthly	6	47,760
Swayne & Hoyt	Pacific coast ports	Porto Rico and River Plate ports	do	5	43,050
Colombian S. S. Co	New York	Trinidad and the Guianas	Fortnightly	2	8,500
Do	do	Haitian ports	Monthly	1	4,145
Total number of vessels in South American service				39	319,761

FAR EAST AND LONG-VOYAGE SERVICES

Operator	From—	To—	Frequency of sailings	Number of vessels	Dead-weight tonnage
Barber S. S. Lines	United States Atlantic (principally New York) (alternate homeward sailings via Europe).	Far East (China, Japan, and Philippines)	1 one month, 2 the next.	10	105,556
Tampa Interocean S. S. Co	Gulf (New Orleans, Port Arthur, and Galveston).	do	do	11	124,633
Struthers & Barry	Los Angeles and San Francisco	do	Every 16 days	9	84,178
Pacific Mail S. S. Co.[1]	San Francisco (passenger, mail, and freight)	Honolulu, Yokohama, Kobe, Shanghai, Hongkong, and Manila.	Fortnightly	5	63,368
Columbia Pacific Shipping Co	Portland, Oreg	Japan, China, and Philippines	3 monthly	10	90,515
Admiral-Oriental Line [2]	Seattle (passenger, mail, and freight)	Yokohama, Kobe, Shanghai, Hongkong, and Manila.	Every 12 days	5	61,752
Do	Principally Everett, Tacoma, Vancouver, and Seattle.	Japan, China, and Philippines	2 per month	5	48,261
Kerr S. S. Co	New York	Dutch East Indies	Monthly	6	53,835
U. S. & A. Lines	do	Australia	do	6	55,524
Swayne & Hoyt	Eureka, Portland, Oreg., Grays Harbor, Seattle.	Australia and New Zealand	do	6	51,283
Kerr S. S. Co	New York	India	do	6	57,145
Mallory Transport Lines (Inc.)	Port Arthur and New York	South and East African ports	do	5	43,833
A. H. Bull & Co	New York (Gulf via New York when inducements offer).	Azores, Canary Islands, Madeira, and West Africa.	do	8	68,980

Pacific Mail Steamship Co	Hongkong (feeder service)	Shanghai, Amoy, Swatow, Hongkong, Haiphong, Saigen, Singapore, Belawan, Penang, Rangoon, and Calcutta.	Fortnightly	4	16,465
Total number of vessels in Far East and long-voyage services				96	925,328

[1] Combination passenger and cargo vessels.

TABLE VI.—*Vessels declared total losses during fiscal year ended June 30, 1924*

Vessel	Type	Dead-weight tons	Date of loss	Remarks
Conejos	Steel cargo	7,825	Dec. 28, 1923	Foundered in Black Sea.

TABLE VII.—*An analysis of the total vessel property acquired by the United States Shipping Board showing disposition of same as of June 30, 1924*

Type	Total acquired from all sources		Conversions in type	Distributed		Vessels sold		Vessels lost		Vessels transferred to Government departments		Scrapped		Vessels owned July 1, 1924	
	Number	Deadweight tons		Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo steamers:															
Steel	1,521	10,098,868	−7 cargo converted to tankers; −3 cargo converted to coolie carriers; +11 transports converted to cargo	1,522	10,168,447	286	1,631,824	52	288,173	20	157,172			1,164	8,091,278
Steel uncompleted[1]	1	9,400		1	9,400									1	9,400
Wood	307	1,123,400		307	1,138,163	261	976,043	22	82,910	4	6,008	18	65,407	2	7,795
Composite	18	63,750		18	63,750	17	60,175							1	3,575
Concrete	4	13,500		4	12,656	1	3,078	2	6,578					1	3,000
Total	1,851	11,308,918		1,852	11,392,416	565	2,671,120	76	377,661	24	163,180	18	65,407	1,169	8,115,048
Tankers:															
Steel	143	1,394,180	+7 cargo converted to tankers	150	1,447,450	97	961,202			12	131,680			41	354,568
Wood	1	4,700		1	4,700	1	4,700								
Concrete	8	60,000		8	56,283			1	7,500					7	48,783
Total	152	1,458,880		159	1,508,433	98	965,902	1	7,500	12	131,680			48	403,351
Passenger steamers:															
Steel	57	626,967		57	586,870	26	230,325	4	51,437	1	6,850			26	298,258
Iron	1	4,000		1	4,000	1	4,000								
Total	58	630,967		58	590,870	27	234,325	4	51,437	1	6,850			26	298,258
Refrigerator steamers, steel.	19	161,400		19	143,358	1	11,600	1	5,524	3	25,314			14	100,920
Transports, steel	33	233,904	−11 transports converted to cargo	22	127,720	5	33,110			17	94,610				
Colliers, steel	19	103,728		19	105,413	19	105,413								
Coolie carriers, steel			3 Cargo converted to coolie carriers	3	11,395	2	7,395							1	4,000

[1] Georgie M. Morse.

TABLE VII.—*An analysis of the total vessel property acquired by the United States Shipping Board showing disposition of same as of June 30, 1924*—Continued

Type	Total acquired from all sources		Conversions in type	Distributed		Vessels sold		Vessels lost		Vessels transferred to Government departments		Scrapped		Vessels owned July 1, 1924	
	Number	Deadweight tons		Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Tugs:															
Steel	86			86		44				22				20	
Wood	75			75		59		1						15	
Wood (uncompleted)	1			1										1	
Total	162			162		103		1		22				36	
Barges:															
Steel	13	22,456		13	22,456	7	7,200			2	15,000			4	256
Wood	94	279,500		94	279,500	88	276,000	1	3,500	2				3	
Total	107	301,956		107	301,956	95	283,200	1	3,500	4	15,000			7	256
Sailing vessels:															
Steel	7	24,264		7	24,411	6	22,197	1	2,214						
Wood	12	34,500		12	34,500	10	34,500			2					
Total	19	58,764		19	58,911	16	56,697	1	2,214	2					
Finished hulls:															
Wood (cargo)	115	447,700		115	447,700	115	447,700								
Wood (tugs)	6			6		5		1							
Total	121	447,700		121	447,700	120	447,700	1							
Grand total	2,541	14,706,217		2,541	14,688,172	1,051	4,816,462	86	447,836	85	436,634	18	65,407	1,301	8,921,833

NOTE.—No dead weight shown on tugs.

Vessels purchased by United States Shipping Board

	Total vessels acquired by purchase		Vessels sold		Vessels lost		Vessels transferred		Vessels owned, as of July 1, 1924		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo:												
Steel	49	286,277	24	103,958	8	42,287	[1] 2	8,965	15	128,846	49	284,056
Wood	1	2,800	1	2,700							1	2,700
Total	50	289,077	25	106,658	8	42,287	[1] 2	8,965	15	128,846	50	286,756
Tankers, steel	5	31,150	1	1,150					4	30,000	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	35,063							10	35,063
Tugs:												
Steel	26		10				16				26	
Wood	[2] 3		1		[2] 1				1		3	
Total	[2] 29		11		[2] 1		16		1		29	
Barges, wood	5	2,500	5	2,500							5	2,500
Grand total	101	368,305	54	157,571	9	42,287	[1] 18	8,965	20	158,846	101	367,669

[1] Includes Santa Catalina, transferred to Navy for a monetary consideration.

[2] Includes Clinton, wood water carrier

Ex-enemy Vessels seized

	Total vessels seized		Vessels sold		Vessels lost		Vessels transferred		Vessels owned as of July 1, 1924		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo:												
Steel	[1] 52	309,257	39	223,850	6	36,395	[1] 5	40,165	2	17,535	52	317,945
Wood	[2] 2						[2] 2				2	
Total	54	309,257	39	223,850	6	36,395	7	40,165	2	17,535	54	317,945
Passenger, steel	29	302,291	14	113,049	4	51,437	1	6,850	10	114,880	29	286,216
Transports, steel	9	39.629					9	39,629			9	39,629
Tugs, steel	1		1								1	
Barges, steel	3		3								3	
Sailing vessels:												
Steel	7	24,264	6	22,197	1	2,214					7	24,411
Wood	[3] 2						[3] 2				2	
Total	9	24,264	6	22,197	1	2,214	2				9	24,411
Grand total	[1 2 3] 105	675,441	63	359,096	11	90,046	[1 2 3] 19	86,644	12	132,415	105	668,201

[1] Two sub-tenders classed as cargo vessels (Bridgeport and Camden), included.
[2] Hermes (W. motor) and Samoa (W. gunboat) classed as cargo vessels.
[3] Auxiliary schooners (Atlas and Neptune) classed as sailers.

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 July 1, 1924		Total distributed	
	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons	Number	Dead-weight tons
Cargo, steel	1	3,500	1	3,500							1	3,500
Passenger, steel	2	7,504	2	7,504							2	7,504
Transports, steel	[1] 2	14,500	[1] 2	14,500							2	14,500
Tugs:												
Steel	5								5		5	
Wood	2								2		2	
Total	7								7		7	
Barges, wood	5						2		3		5	
Grand total	17	25,504	5	25,504			2		10		17	25,504

[1] Includes cable ship Burnside

Vessels constructed by the United States Shipping Board Emergency Fleet Corporation

Type	Vessels originally constructed		Conversions in type	Total vessels after conversion effected		Vessels sold		Vessels lost		Vessels transferred to other Government departments		Vessels scrapped		Vessels owned as of July 1, 1924	
	Number	Deadweight tons		Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons	Number	Deadweight tons
Cargo steamers:															
Steel	1,419	9,499,834	Minus 7 cargo converted to tankers; minus 3 cargo converted to coolie carriers; plus 11 transports converted to cargo.	1,420	9,562,946	222	1,300,516	38	209,491	13	108,042			1,147	7,944,897
Steel (uncompleted) [1]	1	9,400		1	9,400									1	9,400
Wood	304	1,120,600		304	1,135,463	260	973,343	22	82,910	2	6,008	18	65,407	2	7,795
Composite	18	63,750		18	63,750	17	60,175							1	3,575
Concrete	4	13,500		4	12,656	1	3,078	2	6,578					1	3,000
Total	1,746	10,707,084		1,747	10,784,215	500	2,337,112	62	298,979	15	114,050	18	65,407	1,152	7,968,667
Tankers:															
Steel	138	1,363,030	Plus 7 cargo converted to tankers.	145	1,416,300	96	960,052			12	131,680			37	324,568
Wood	1	4,700		1	4,700	1	4,700								
Concrete	8	60,000		8	56,283			1	7,500					7	48,783
Total	147	1,427,730		154	1,477,283	97	964,752	1	7,500	12	131,680			44	373,351
Passenger steamers: Steel	25	308,972		25	284,950	9	101,572							16	183,378
Refrigerator steamers: Steel	19	161,400		19	143,358	1	11,600	1	5,524	3	25,314			14	100,920
Transports: Steel	22	179,775	Minus 11 transports converted to cargo.	11	73,591	3	18,610			8	54,981				
Colliers: Steel	9	70,350		9	70,350	9	70,350								
Coolie carriers: Steel			Plus 3 cargo converted to coolie carriers.	3	11,395	2	7,395							1	4,000

Tugs:																
Steel	54			54		33				6				15		
Wood	70			70		58								12		
Wood (uncompleted)	1			1										1		
Total	125			125		91				6				28		
Barges:																
Steel	10	22,456		10	22,456	4	7,200			2	15,000			4	256	
Wood	84	277,000		84	277,000	83	273,500	1	3,500							
Total	94	299,456		94	299,456	87	280,700	1	3,500	2	15,000			4	256	
Sailing vessels: Wood	10	34,500		10	34,500	10	34,500									
Finished hulls:																
Wood (cargo)	115	447,700		115	447,700	115	447,700									
Wood (tugs)	6			6		5		1								
Total	121	447,700		121	447,700	120	447,700	1								
Grand total	2,318	13,636,967		2,318	13,626,798	929	4,274,291	66	315,503	46	341,025	18	65,407	1,259	8,630,572	

[1] Georgie M. Morse.

NOTE.—No deadweight shown on tugs

TABLE VIII.—*Accomplishments and disposition of billed accounts receivable code account No. 25, fiscal year ended June 30, 1924*

Account No.	Name of account	1 Unsettled accounts as of record at June 30, 1923	2 Charges recorded during fiscal year, including transfers from active to inactive accounts	3 Total of columns 1 and 2	4 Cash receipts during current fiscal year	5 Credits recorded during fiscal year, including adjustments and transfers from active to inactive accounts	6 Total of columns 4 and 5	7 Unsettled accounts as of record at June 30, 1924
	ACTIVE							
25.1	Foreign governments	$15,307,823.49	$6,831,277.04	$22,139,100.53	$15,683.18	$5,285,751.90	$5,301,435.08	$16,837,665.45
25.2	United States Government departments	2,345,684.07	710,221.24	3,055,905.31	541,589.74	1,752,356.34	2,293,946.08	761,959.23
25.3	Miscellaneous debtors	8,301,655.74	8,192,734.98	16,494,390.72	3,703,424.78	8,200,662.94	11,904,087.72	4,590,303.00
25.4	Ship sales (deferred)	2,151,918.01	7,697,809.39	9,849,727.40	5,668,758.65	1,544,174.79	7,212,933.44	2,636,793.96
25.5	Ship sales (reconveyed)	594,720.14	142,912.28	737,632.42	70,314.81	58,422.54	128,737.35	608,895.07
25.6	Surplus and salvage material	234,495.16	337,798.52	572,293.68	370,064.35	124,440.18	394,504.53	177,789.15
25.11	Transportation and housing	2,476,253.91	384,414.10	2,860,668.01	112,230.42	1,477,912.70	1,590,143.12	1,270,524.89
25.12	Insurance accounts		2,373,168.09	2,373,168.09	853,467.19	352,264.64	1,205,731.83	1,167,436.26
25.13	Assets purchases from receivers		334,653.90	334,653.90	53.25	160,330.30	160,383.55	174,270.35
	Total active	31,412,550.52	27,004,989.54	58,417,540.06	11,235,586.37	18,956,316.33	30,191,902.70	28,225,637.36
	INACTIVE							
25.7	Bankrupt and doubtful debtors and accounts in hand of legal division	44,670,108.50	37,410,552.03	82,080,660.53	559,733,97	19,759,920.24	20,319,654.21	61,761.006.32
25.8	Pending settlement of claims	19,717,927.66	1,918,081.48	21,636,009.14	1,031,167.36	4,966,193.75	5,997,361.11	15,638,648.03
25.9	Freight claims	72,126.37	46,549.93	118,676.30	1,250.39	94,636.57	96,886.96	22,789.34
25.10	Ship sales (bankrupt, etc.)	28,482,093.02	5,553,459.15	34,035.552.17	23,186.65	5,509,662.24	5,532,848.89	28,502,703.28
	Total inactive	92,942,255.55	44,928,642.59	137,870,898.14	1,615,338.37	30,330,412.80	31,945,751.17	105,925,146.97
	Grand total, active and inactive	124,354,806.07	71,933,632.13	196,288,438.20	12,850,924.74	49,286,729.13	62,137,653.87	134,150,784.33

TABLE IX.—*Summarized consolidated cash statement for the fiscal year ended June 30, 1924*

[Amounts shown in italics represent cash transfers to construction loan fund.]

Code	Caption	Totals	United States Shipping Board			United States Shipping Board Emergency Fleet Corporation				
			Salaries and expenses, 1922	Salaries and expenses, 1923	Salaries and expenses, 1924	Reserve for liabilities	Current appropriation, fiscal year 1924	Claims settlement	Construction loan fund	Insurance fund
	Unexpended balance July 1, 1923	$128,939,673.11	$38,611.05	$33,565.30		$69,515,723.74		$501,323.12	$50,000,000.00	$8,850,449.90
RA	Receipts from appropriations	55,375,541.67			$375,541.67		$50,000,000.00	5,000,000.00		
	Sales:									
RB	Sales of vessels, tugs, and/or barges	7,798,330.84				*9,989,276.24*			17,787,607.08	
RC	Sales of real estate, including buildings and improvements, housing projects, transportation projects, dry docks and marine railways, lands, plants, equipment and property not otherwise classified	2,197,183.58				*954,837.01*			3,152,020.59	
RD	Sales of surplus and salvage material	983,410.81				*277,924.64*			1,261,335.45	
RE	Sales of fuel (oil and coal)	160,629.46				6,944.90	153,684.56			
RM	Sales of securities	417,807.66				325,807.66	92,000.00			
	Total sales receipts	11,557,362.35				*10,889,285.83*	245,684.56		22,200,963.12	
	Operation income—vessels:									
RF	Operation of vessels revenue, including freight, passenger, mail, towage, lighterage, demurrage, salvage revenue and other miscellaneous vessels revenue	107,911,828.41				121,135.07	107,790,693.34			
RG	Charter hire revenue	132,437.05					132,437.05			
	Total vessels operations receipts	108,044,265.46				121,135.07	107,923,130.39			
	Other operations:									
RH	Real estate operations and rental revenue, including revenue, operation or rental of buildings, housing projects, transportation projects, dry docks and marine railways, wharves, land and/or equipment	583,228.45				202,854.85	380,373.60			
RI	Insurance premiums and dividends (other than vessel operation)	17,423.91					17,423.91			
RJ	Interest earned, including interest on bank balances, mortgages and loans, notes receivable, accounts receivable, etc	1,273,857.54				*142,723.48*	526,883.04		889,697.98	
	Total other operations receipts	1,874,509.90				60,131.37	924,680.55		889,697.98	

TABLE IX.—*Summarized consolidated cash statement for the fiscal year ended June 30, 1924*—Continued

Code	Caption	Totals	United States Shipping Board			United States Shipping Board Emergency Fleet Corporation				
			Salaries and expenses, 1922	Salaries and expenses, 1923	Salaries and expenses, 1924	Reserve for liabilities	Current appropriation, fiscal year 1924	Claims settlement	Construction loan fund	Insurance fund
	Other receipts:									
RK	Custodian receipts, include alien income tax and other taxes, prepaid charges, water rents, deposit on sales, unclaimed wages, and other receipts that are of such a nature as denotes them as not definitely being property of the organization	$3,352,924.94				$6,508.23	$3,337,534.72	$8,881.99		
RL	Miscellaneous receipts, include slop-chest earnings, foreign-exchange earnings, and receipts not otherwise classified	551,619.36				51,474.46	500,144.90			
	Total other receipts	3,904,544.30				57,982.69	3,837,679.62	8,881.99		
	Recovered disbursements:									
RDA	Vessels, expenditures for ship construction and the purchase of vessels only	557,106.74				228,225.38	328,881.36			
RDB	Major reconditioning expense	22,052.21				5,548.00	16,504.21			
RDC	Real estate, transportation projects, shipyards, buildings and improvements, plants, fuel-oil stations, equipment and property not otherwise classified	108,720.88				93,986.57	14,734.31			
RDD	Operation of vessels expense, including managing compensation, allotments, advances to masters and subagents, maintenance or radio equipment charges, etc	10,417,028.79				10,094.85	10,406,933.94			
RDE	Vessel repairs to include all repairs whether of a maintenance, voyage expense or insurance nature, reconditioning other than provided for in Code DB, as well as all alterations, betterments, and additional purchase of equipment for a particular vessel	126,933.52				527.90	126,405.62			
RDF	Charter hire expense	621.53					621.53			
RDG	P. & I. insurance claim, including sale of damaged cargo, sweeping, etc	558,424.74				656.95	557,767.79			
DRH	Marine insurance losses (other than insurance repairs which are provided for under Code DE)	102,216.45					102,216.45			
RDI	Recruiting service operation expense	293.58				33.50	260.08			
RDJ	Lay-up expenses, steel vessel	11,032.66				300.41	10,732.25			
RDK	Lay-up expenses, wood and composite vessels	2,000.00					2,000.00			

RDL	Real estate operation and rental expense—includes expense of operating buildings, housing projects, transportation projects, dry docks and marine railways, wharves, etc	51,915.03				26.75	51,888.28			
RDM	Insurance losses (other than operation of vessels)	40.00					40.00			
RDN	Fuel (oil or coal) purchased for resale	2,337.29					2,337.29			
RDO	Warehouse stores material purchased for store stock	271.34				143.01	128.33			
RDP	Cancellation claims and losses	35,646.97				250.00		35,396.97		
RDQ	Disbursement for/or account of vessel purchasers	692.13					692.13			
RDR	Loans and/or advances that are recoverable or to be accounted for (to include materials purchased for rebilling to contractor)	3,799,040.24				249,381.72	3,549,583.52	75.00		
RDT	Miscellaneous disbursements, to include all other disbursements which can not positively be identified with any other code	5,229.29					5,229.29			
RDU	Salaries and wages	43,849.97				2,075.84	41,774.13			
RDV	Other general administrative expenses	73,715.91	$11.64	4,677.18	$11,238.17	2,184.25	55,604.67			
RDW	U. S. P. & I. Agency expenses	8.96					8.96			
	Total recovered disbursements	15,919,178.23	11.64	4,677.18	11,238.17	593,435.13	15,274,344.14	35,471.97		
	Total receipts	196,675,401.91	11.64	4,677.18	386,779.84	*10,056,601.07*	178,205,519.26	5,044,353.96	23,090,661.10	
	Total	325,615,075.02	38,622.69	38,242.48	386,779.84	59,459,122.67	178,205,519.26	5,545,677.08	73,090,661.10	8,850,449.90
	Disbursements:									
	Construction, improvements, and/or betterments—									
DA	Vessels, expenditures for ship construction and the purchase of vessels only	104,965.35				56,488.19	45,477.16	3,000.00		
DB	Major reconditioning expense	9,269,304.88				3,012,495.06	6,243,792.99	13,016.83		
DC	Real estate, transportation projects, shipyards, buildings and improvements, plants, fuel-oil stations, equipment and property not otherwise classified	1,301,082.15				1,205,078.55	95,303.60	700.00		
	Total construction, improvements, and/or betterments disbursements	10,675,352.38				4,274,061.80	6,384,573.75	16,716.83		
	Operation outgo—Vessels—									
DD	Operation of vessels expense, including management compensation, allotments, advances to masters and subagents, maintenance or radio equipment charge, etc	117,139,552.53				5,290,550.41	111,777,538.72	71,463.40		
DE	Vessel repairs, to include all repairs whether of a maintenance voyage, expense, or insurance nature. Reconditioning other than provided for in Code DB, as well as all alterations, betterments, and additional purchase of equipment for a particular vessel	16,216,075.62				1,152,995.52	14,801,842.67	261,237.43		
DF	Charter hire expense	115,557.33				100,959.81	207.62	14,389.90		
DG	P. & I. insurance claims	721,163.19				470,684.58	43,069.38	150.00		207,259.23

TABLE IX.—*Summarized cash consolidated statement for the fiscal year ended June 30, 1924*—Continued

Code	Caption	Totals	United States Shipping Board			United States Shipping Board Emergency Fleet Corporation				
			Salaries and expenses, 1922	Salaries and expenses, 1923	Salaries and expenses, 1924	Reserve for liabilities	Current appropriation, fiscal year 1924	Claims settlement	Construction loan fund	Insurance fund
	Disbursements—Continued									
	Operation outgo—Continued									
DH	Marine insurance losses (other than insurance repairs which are provided for under code DE)	$1,504,977.75				$297,460.57	$54,840.48			$1,152,676.70
DI	Recruiting service operation expense	122,283.09				13,477.50	108,805.59			
DW	U. S. P. & I. Agency expenses	284,254.24				19,128.32	263,928.53	$1,197.39		
	Total vessel operation disbursement	136,103,863.75				7,345,256.71	127,050,232.99	348,438.12		1,359,935.93
	Lay-up of vessels—									
	Lay-up expenses—									
DJ	Steel vessels	3,881,764.27				77,888.05	3,770,229.87	33,646.35		
DK	Wood and composite vessels	1,080.01				697.51	382.50			
	Total lay-up of vessels disbursements	3,882,844.28				78,585.56	3,770,612.37	33,646.35		
	Other operations—									
DL	Real estate operation and rental expense, includes expense of operating buildings, housing projects, transportation projects, dry docks and marine railways, wharves, etc	1,432,708.15				262,377.61	1,168,680.54	1,650.00		
DM	Insurance losses (other than operation of vessels)	175,178.21				15,346.73	159,831.48			
	Total other operations disbursement	1,607,886.36				277,724.34	1,328,512.02	1,650.00		
	Other disbursements—									
DN	Fuel (coal or oil) purchased for resale	3,108,007.88				32,693.71	3,075,314.17			
DO	Warehouse stores, materials purchased for store stock	1,609,209.64				370,049.84	1,239,159.80			
DP	Cancellation claims and losses	1,111,434.10				*21,296.25*	110,494.64	1,022,235.71		
DQ	Disbursements for and on account of vessel purchasers	20,062.62				14,727.98	119.61	5,215.03		
DR	Loans and/or advances that are recoverable or to be accounted for (to include materials purchased for rebilling to contractor)	5,441,869.68				527,304.25	4,514,565.43		$400,000.00	
DS	Appropriation funds returned to U. S. Treasury supplies accounts	37,560,260.52				25,751,531.04			11,808,729.48	

DT	Miscellaneous disbursements to include all other disbursements which can not positively be identified with any other code	209,573.68				73,559.75	103,830.13	32,183.80		
	Total other disbursements	49,060,418.12				26,748,570.32	9,043,483.78	1,059,634.54	12,208,729.48	
	General administrative expense—									
DU	Salaries and wages	6,682,415.08	$10,000.00	$679.55	$28,5267.53		6,386,468.00			
DV	Other general administrative expenses	2,169,845.52		20,360.68	34,240.93		2,108,043.91	7,200.00		
	Total general administrative expenses disbursements	8,852,260.60	10,000.00	21,040.23	319,508.46		8,494,511.91	7,200.00		
	Remitted receipts—									
DRA	Appropriations	76,553.69	28,622.69	17,202.25	30,728.75					
DRB	Sales of vessels, tug, and/or barges	7,878.48				7,878.48				
DRC	Sales of real estate, including buildings and improvements, housing projects, transportation projects, dry docks, and marine railways, land, plants, equipment and property not otherwise classified	470.00					470.00			
DRD	Sales of surplus and salvage material	75,496.49				74,929.87	261.65	304.97		
DRE	Sales of fuel (oil and coal)	456.20				453.67	2.53			
DRF	Operation of vessels revenue, including freight, passenger, mail, towage, lighterage, demurrage, salvage revenue, and any other miscellaneous vessels revenue	3,851,263.85				370,155.58	3,421,108.27	60,000.00		
DRG	Charter hire revenue	4,580.67				1,809.60	2,771.07			
DRH	Real estate operations and rental revenue, including revenue operation or rental of buildings, housing projects, transportation projects, dry docks and marine railways, wharves, land and/or equipment	202.94					202.94			
DRI	Insurance premiums and dividends (other than vessel operations)	20.55				20.55				
DRJ	Interest earned, including interest on bank balances, mortgages and loans, notes receivable, accounts receivable, etc	856.61				704.62	151.99			
DRK	Custodian receipts—includes alien income tax and other taxes, prepaid charges, water rents, deposits on sales, unclaimed wages and other receipts that are of such nature as denotes them as not definitely being property of the organization	3,842,311.99				636,408.88	3,205,903.11			
DRL	Miscellaneous receipts—includes slop-chest earnings, foreign-exchange earnings, and receipts not otherwise classified	44,444.34				21,342.85	23,101.49			
DRM	Sales of securities									
	Total remitted receipts	7,904,535.81	28,622.69	17,202.25	30,728.75	1,113,704.10	6,653,973.05	60,304.97		
	Total disbursements	218,087,161.30	38,622.69	38,242.48	350,237.21	39,837,902.83	162,725,899.87	1,527,590.81	12,208,729.48	1,359,935.93
	Unexpended balance, June 30, 1924	107,527,913.72			36,542.63	19,621,219.84	15,479,619.39	4,018,086.27	60,881,931.62	7,490,513.97
	Total	325,615,075.02	38,622.69	38,242.48	386,779.84	59,459,122.67	178,205,519.26	5,545,677.08	73,090,661.10	8,850,449.90

EXHIBIT A

TABLE X—*Balance sheet as at June 30, 1924*

ASSETS

A 1. Cash		$33,576,384.48	
A 1. Insurance fund cash		9,014,968.72	
			$42,591,353.20
Unrequisitioned claims appropriation		1,016,601.13	
Restricted cash available for settlement of claims		4,018,086.27	
A 2. Total funds available for settlement of claims			5,034,687.40
A 3. Unexpended appropriations			980,874.36
A 4. Construction loan fund			61,281,931.62
A 5. Accounts receivable		$107,424,107.57	
Less payable offsets	$2,182,407.51		
Less claim offsets	37,677,471.28		
Less reserve for doubtful or uncollectible accounts	59,404,329.93		
		99,264,208.72	
			8,159,898.85
A 6. Accounts receivable of managing agents (at estimated realizable value)			6,807,732.39
A 7. Notes receivable		$24,339,110.78	
Less payable offsets	$560,019.96		
Less claim offsets	8,329,651.77		
Less reserve for doubtful or uncollectible notes	12,218,613.27		
		21,108,285.00	
			3,230,825.78
A 8. Operating supplies			8,926,045.99
A 9. Surplus material for sale			3,407,530.95
A10. Land, structures, and equipment for sale			1,344,016.67
A11. Mortgages receivable		$7,965,245.58	
Less reserve for estimated value		5,892,096.73	
			2,073,148.85
A12. Accounts and notes receivable for ship sales		62,243,274.69	
Less payable offsets	$1,425,328.70		
Less claim offsets	486,343.75		
Less reserve for uncollectible accounts and notes	45,855,671.06		
		47,767,343.51	
			14,475,931.18
A13. Real estate and equipment used in operations			13,764,699.08
A14. Estimated recoverable value of claims in favor of U. S. S. B.			4,440,673.26
A15. Fleet (at appraised value)			210,850,440.00
A16. Uncompleted voyage, prepaid accounts, and commitment charges			18,831,106.08
			406,200,895.66

LIABILITIES

L1. Accounts and vouchers payable and unclaimed wages	$6,220,708.29	
Less receivable offsets	2,570,217.83	
		$3,650,490.46
L2. Accounts payable of managing agents		19,398,809.38
L3. Accounts payable for hire of requisitioned and chartered vessels	1,232,551.27	
Less receivable offsets	4.33	
		1,232,546.94
L4. Deposits to be refunded or applied as partial payment on sales or other contracts not consummated	371,585.97	
Less receivable offsets	166,844.35	
		204,741.62
L5. Suspense credits (representing receipts to be applied as revenue or as partial payments for ships, depending on legal decision or exercise of purchase option)	2,215,285.66	
Less receivable offsets	1,430,689.66	
		784,596.00
L6. Commitments		8,540,317.51
Total liabilities as above		32,811,501.91
L7. Reserve for insurance claims and losses		9,014,968.72
L8. Reserve for claims settlements		5,034,687.40
Total liabilities		47,861,158.03
L9. Reserve for fleet liquidation including expenses of liquidation, allowances on restricted service sales, and total loss risk of vessels in laid-up fleet		51,199,271.49
Net worth at June 30, 1924		307,140,466.14
		406,200,895.66

SCHEDULE 1.—*Cash, exclusive of construction loan fund, cash available for settlement of claims, and unrequisitioned appropriations, as of June 30, 1924*

Emergency shipping fund:		
General cash in the United States Treasury		$26, 938, 206. 86
Restricted cash in the United States Treasury—		
Ship sales		997, 491. 37
Revolving funds		540, 655. 31
		1, 538, 146. 68
General cash in banks		1, 875, 213. 11
Restricted cash in banks—		
Ship sales		414, 662. 43
Revolving funds, collection, foreign credit special, and special disbursing officers' accounts		13, 494, 657. 24
		13, 909, 319. 67
Cash in transit		463, 321. 80
Managing agent's trust fund cash		824, 250. 25
Good-faith deposits		156, 538. 45
Total		45, 704, 996. 82
Less:		
Amount transferred to construction loan fund, subsequent to June 30, 1924, but applicable to fiscal year ending June 30, 1924	$2, 981, 931. 62	
Amount to be transferred to claims cash	131, 712. 00	
		3, 113, 643. 62
Total per Exhibit A		42, 591, 353. 20
The above balance consists of:		
Cash available for the settlement of liabilities		33, 576, 384. 48
Amount to be set aside in an insurance fund in accordance with authority granted under sec. 10 of the merchant act of 1920		9, 014.968. 72
		42, 591, 353. 20

SCHEDULE 2.—*Reconciliation of cash balance June 30, 1924, as shown by treasurer's cash statement, with cash balance as shown by statement of assets and liabilities as at June 30, 1924*

Cash balance as per treasurer's cash statement		$107, 527, 913. 72
Deductions:		
Amount set aside for construction loan fund by authority of sec. 11 of the merchant marine act of 1920	$60, 881, 931. 62	
Restricted cash available for settlement of claims	4, 018, 086. 27	
Amount established as an insurance fund	9, 014, 968. 72	
Amount of cash available from 1924 salaries and expense appropriation and included in Schedule A-3, "Unexpended appropriations"	36, 542. 63	
Total deductions		73, 951, 529. 24
		33, 576, 384. 48

SCHEDULE 3.—*Unexpended appropriations as at June 30, 1924*

For general purposes: Emergency shipping fund	$727, 697. 60
For United States Shipping Board, administrative:	
Salaries and expenses, fiscal year 1922 (sundry civil act Mar. 4, 1921)	77, 238. 88
Salaries and expenses, fiscal year 1923 (sundry civil act June 12, 1922)	80, 153. 76
Salaries and expenses, fiscal year 1924 (sundry civil act Feb. 13, 1923)	92, 643. 10
Printing and binding, fiscal year 1924 (sundry civil act Feb. 13, 1923)	3, 141. 02
Total	980, 874. 36

EXHIBIT B

TABLE XI.—*Gross appropriations and allotments from inception to July 1, 1924*

	Original appropriation	Returned to United States Treasury surplus or reappropriated	Net appropriated	United States Shipping Board	United States Shipping Board Emergency Fleet Corporation
For fiscal years ended prior to July 1, 1922:					
United States Shipping Board—					
Act of Sept. 7, 1916, salaries and expenses, 1917	$100,000.00	$24,180.18	$75,819.82		
Act of June 12, 1917, salaries and expenses, 1918	517,500.00	162,347.23	355,152.77		
Act of June 12, 1917, increase of compensation, 1918	4,633.71		4,633.71		
Act of July 1, 1918, salaries and expenses, 1919	988,289.37	159,573.73	828,715.64		
Act of July 19, 1919, salaries and expenses, 1920	772,986.00	14,009.73	758,976.27		
Acts of June 5, 1920, and June 16, 1921, salaries and expenses, 1921	446,133.33	16,102.08	430,031.25		
Act of Mar. 4, 1921, salaries and expenses, 1922	459,000.00	77,238.88	381,761.12		
Total United States Shipping Board	3,288,542.41	453,451.83	2,835,090.58	$2,835,090.58	
United States Shipping Board Emergency Fleet Corporation—					
Act of Sept. 7, 1916, permanent fund	50,000,000.00		50,000,000.00		
Acts from June 15, 1917, to Aug. 24, 1921, inclusive, emergency shipping fund	3,313,553,000.00	129,237.09	3,313,423,762.91		
Act of June 12, 1922, claims, damage charges, and miscellaneous adjustments	30,000,000.00		30,000,000.00		
Act of Apr. 17, 1917, national security and defense, 1918 (presidential allotment)	27,011,682.84	3,971,237.16	23,040,445.68		
Act of July 1, 1918, national security and defense, 1919 (presidential allotment)	2,500,743.43	552,870.56	1,947,872.87		
Total United States Shipping Board Emergency Fleet Corporation	3,423,065,426.27	4,653,344.81	3,418,412,081.46		$3,418,412,081 46
Total for fiscal years ended prior to July 1, 1922	3,426,353,968.68	5,106,796.64	3,421,247,172.04		

EXHIBIT B—Continued

TABLE XI.—*Gross appropriations and allotments from inception to July 1, 1924*—Continued

	Original appropriation	Returned to United States Treasury surplus or reappropriated	Net appropriated	United States Shipping Board	United States Shipping Board Emergency Fleet Corporation
For fiscal year ended June 30, 1923:					
United States Shipping Board—					
Act of June 12, 1922, salaries and expenses, 1923—					
Board and secretary	$89,000.00		$89,000.00		
General expense	350,000.00		350,000.00		
Investigation of foreign discrimination	20,000.00		20,000.00		
Total United States Shipping Board	459,000.00		459,000.00	$459,000.00	
United States Shipping Board Emergency Fleet Corporation—					
Act of June 12, 1922—					
Claims, damages, and miscellaneous adjustments	20,000,000.00	$11,745,815.10	8,254,184.90		
Other than construction activities	50,000,000.00	37,560,260.52	12,439,739.48		
Total United States Shipping Board Emergency Fleet Corporation	70,000,000.00	49,306,075.62	20,693,924.38		$20,693,924.38
Total for fiscal year ended June 30, 1923	70,459,000.00	49,306,075.62	21,152,924.38		
For the year ended June 30, 1924:					
United States Shipping Board—					
Act of Feb. 13, 1923, salaries and expenses—					
Board and secretary	89,000.00		89,000.00		
Printing and binding	5,000.00		5,000.00		
All other expenses	317,500.00		317,500.00		
Total United States Shipping Board	411,500.00		411,500.00	411,500.00	
United States Shipping Board Emergency Fleet Corporation—					
Act of Feb. 13, 1923, current maintenance and operations	50,000,000.00		50,000,000.00		50,000,000.00
Total for fiscal year ended June 30, 1924	50,411,500.00		50,411,500.00		

EXHIBIT B—Continued

TABLE XI.—*Gross appropriations and allotments from inception to July 1, 1924*—Continued

	Original appropriation	Returned to United States Treasury surplus or reappropriated	Net appropriated	United States Shipping Board	United States Shipping Board Emergency Fleet Corporation
For fiscal year ending June 30, 1925:					
United States Shipping Board—					
Act of June 7, 1924, salaries and expenses—					
Seven commissioners	$84,000.00		$84,000.00		
Printing and binding	5,000.00		5,000.00		
All other expenses	255,000.00		255,000.00		
Total United States Shipping Board	344,000.00		344,000.00	$344,000.00	
United States Shipping Board Emergency Fleet Corporation—					
Act of June7, 1924, current maintenance and operations	30,000,000.00		30,000,000.00		
Total United States Shipping Board Emergency Fleet Corporation	30,000,000.00		30,000,000.00		$30,000,000.00
Total for fiscal year ending June 30, 1925	30,344,000.00		30,344,000.00		
Gross appropriations and allotments	3,577,568,468.68	$54,412,872.26	3,523,155,596.42	4,049,590.58	3,519,106,005.84

TABLE XII.—*Statement of profit and loss, excluding liquidation, fiscal year 1924*

[Amounts shown in italics represent losses]

Class of vessel	No. of terminations	Cargo tonnage and passengers		Estimated voyage revenue	Operating costs					Total expense	Profit or loss
		Tonnage	Passengers		Estimated voyage expense	Adjustment	Insurance	Repairs	Administrative expense		
Freighters	1, 274	9, 183, 107	--------	$59, 752, 594. 57	$71, 414, 247. 69	$3, 476, 699. 28	$5, 497, 457. 40	$7, 454, 464. 75	$5, 739, 410. 50	$93, 582, 279. 62	*$33, 829, 685. 05*
Passenger and cargo (excluding U. S. Lines):											
Passenger	85	--------	79, 087	8, 251, 795. 81	15, 997, 259. 19	910, 649. 64	839, 167. 15	2, 745, 813. 71	866, 436. 39	21, 359, 326. 08	*1, 075, 493. 75*
Cargo	--------	1, 051, 642	--------	12, 032, 036. 52	--------	--------	--------	--------	--------	--------	--------
United States Lines:											
Passenger	107	--------	80, 121	11, 224, 883. 85	15, 808, 945. 76	179, 139. 43	653, 494. 31	1, 227, 188. 42	2, 091, 373. 97	19, 960, 141. 89	*3, 463, 484. 42*
Cargo	--------	456, 388	--------	5, 271, 773. 62	--------	--------	--------	--------	--------	--------	--------
Tankers	220	1, 859, 121	--------	6, 459, 097. 16	4, 021, 786. 03	81, 782. 46	417, 706. 46	725, 281. 51	200, 442. 41	5, 446, 998. 87	1, 012, 098. 29
Total ocean operations	1, 686	12, 550, 258	159, 208	102, 992, 181. 53	107, 242, 238. 67	4, 648, 270. 81	7, 407, 825. 32	12, 152, 748. 39	8, 897, 663. 27	140, 348, 746. 46	*37, 356, 564. 93*
Tugs	179	--------	--------	534, 884. 21	514, 864. 81	6, 772. 06	23, 578. 79	86, 520. 06	8, 633. 95	640, 369. 67	*105, 485. 46*
Chartered vessels	--------	--------	--------	98, 351. 09	--------	--------	28, 925. 61	275. 00	28, 299. 59	57, 500. 20	40, 850. 89
Total vessel operations	1, 865	12, 550, 258	159, 208	103, 625, 416. 83	107, 757, 103. 48	4, 655, 042. 87	7, 460, 329. 72	12, 239, 543. 45	8, 934, 596. 81	141, 046, 616. 33	*37, 421, 199. 50*
Expense of inactive vessels	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	*4, 467, 569. 75*
Miscellaneous income, net	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	692, 374. 66
											41, 196, 394. 59

TABLE XIII.—*Report of litigation for period June 30, 1923–June 28, 1924*

CASES IN WHICH UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION IS DEFENDANT OR OBLIGATED TO DEFEND BY CONTRACT

EXHIBIT A

District	Cases pending June 30, 1923		Cases docketed during period June 30, 1923–June 28, 1924		Totals		Amount after noting amendments, judgments, or reversals during period June 30, 1923–June 28, 1924		Cases settled during period June 30, 1923–June 28, 1924			Cases pending June 28, 1924	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount of suit	Amount of settlement	Number	Amount
Home office	22	$13,002,391.38	2	$453,329.58	24	$13,455,720.96	24	$13,451,096.29	2	$30,000.00	$600.00	22	$13,421,096.29
North Atlantic	101	30,387,849.85	34	3,580,713.45	135	33,968,563.30	130	33,766,009.06	49	1,420,881.52	45,074.07	81	32,345,127.54
Middle Atlantic	78	1,629,759.21	9	21,044.92	87	1,650,804.13	85	1,590,352.60	19	211,580.36	33,668.82	66	1,378,772.24
Central	9	1,280,781.30	4	56,486.40	13	1,337,267.70	13	1,340,497.17	3	1,066,433.22	58,650.76	10	274,063.95
Southern	41	1,975,372.16	13	343,259.21	54	2,318,631.37	53	2,162,831.37	12	484,312.24	812.24	41	1,678,519.13
Northern Pacific	18	14,959,587.67	10	438,284.45	28	15,397,872.12	27	15,438,710.86	9	4,071,080.69	218,100.00	18	11,367,630.17
Southern Pacific	2	10,000.00	1	39,403.00	3	49,403.00	3	49,403.00				3	49,403.00
Foreign	1	27,337.50			1	27,337.50	1	27,337.50				1	27,337.50
Total	272	63,273,079.07	73	4,932,521.01	345	68,205,600.08	336	67,826,237.85	94	7,284,888.03	356,905.89	242	60,541,949.82
Court of Claims	28	269,444,181.46	33	41,719,605.89	61	311,163,787.35	61	308,274,017.92	4	11,290,083.24	1,351,381.81	57	296,983,934.68
All districts	300	332,717,260.53	106	46,652,126.90	406	379,369,387.43	397	376,100,255.77	98	18,574,371.27	1,708,287.70	299	357,525,884.50

CASES WHERE UNITED STATES OR UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION IS PLAINTIFF

EXHIBIT B

District	Cases pending June 30, 1923		Cases docketed during period June 30, 1923–June 28, 1924		Totals		Amount after noting amendments, judgments, or reversals during period June 30, 1923–June 28, 1924		Cases settled during period June 30, 1923–June 28, 1924			Cases pending June 28, 1924	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount of suit	Amount of settlement	Number	Amount
Home office	1	$18,990,433.01	2	$235,000.00	3	$19,225,433.01	5	$19,227,039.32	1	$135,000.00	$148,443.75	4	$19,092,039.32
North Atlantic	26	7,763,493.52	9	876,214.05	35	8,639,707.57	34	8,217,286.47	10	1,526,169.18	1,244,314.07	24	6,691,117.29
Middle Atlantic	19	371,242.13	11	5,050,676.05	30	5,421,918.18	27	5,415,682.84	1	4,921.13	1,000.00	26	5,410,761.71
Central	2	46,714.47			2	46,714.47	2	46,714.47				2	46,714.47
Southern	3	7,507.11	1	341.67	4	7,848.78	4	7,848.78	1			3	7,848.78
Northern Pacific	8	3,222,306.18	2	529,311.22	10	3,751,617.40	10	3,600,855.73	3	53,146.42		7	3,547,709.31
Southern Pacific	1		1	164,478.27	2	164,478.27	1					1	
All districts	60	30,401,696.42	26	6,856,021.26	86	37,257,717.68	83	36,515,427.61	16	1,719,236.73	1,393,757.82	67	34,796,190.88

Bankruptcy and receivership report—Changes occurring during period September 30, 1923–June 28, 1924

EXHIBIT C

Cases pending Sept. 30, 1923		Cases docketed during period Sept. 30, 1923–June 28, 1924		Totals		Amount after noting amendments during period Sept. 30, 1923–June 28, 1924		Dividends received during period Sept. 30, 1923–June 38, 1924	Cases settled or written off during period Sept. 30, 1923–June 28, 1924			Balance June 28, 1924	
Number	Amount	Number	Amount	Number	Amount	Number	Amount		Number	Amount of claims	Amount received	Number	Amount
113	$56,049,260.07	28	$1,852,004.10	141	$57,901,264.17	140	$60,818,608.07	$38,564.01	26	$1,400,935.05	$60,690.38	114	$59,379,109.01

TABLE XIV.—*Employees of the United States Shipping Board who were separated during the fiscal year ended June 30, 1924*

ITEM A

Name	Designation	Salary	Date effective
Amende, Adolph [1]	Confidential clerk to chairman	$3,000	Jan. 16, 1924
Carleton, Eleanor [1]	Senior stenographer	1,440	Oct. 1, 1923
Cross, Nanna G.[1]	do	1,680	June 16, 1924
Davis, Gale	do	1,560	Sept. 15, 1923
Fairbanks, William L.[1]	Examiner	3,000	Jan. 10, 1924
Farley, Edward P	Commissioner	12,000	Jan. 27, 1924
Huyett, Alethia R.[1]	Senior stenographer	1,800	Feb. 1, 1924
Kelsey, Robert W.[1]	Examiner	3,600	July 16, 1923
Levey, Norman A.[1]	Messenger	1,080	Do.
McIntosh, Samuel W	Examiner	3,000	Do.
Mallicote, Bessie C.[1]	Clerk	1,560	Mar. 1, 1924
Maxwell, Lloyd W	Special expert	3,600	Mar. 6, 1924
Reynolds, Oliver A	Examiner	2,520	Oct. 2, 1923
Simonds, Ruth M	Stenographer	1,440	July 2, 1923
Skidmore, E. J.[1]	Chief personel officer	3,600	Sept. 1, 1923
Smith, Clifford W.[1]	Secretary	5,000	Aug. 1, 1923
Sollitt, Ralph V	Special expert	10,000	Dec. 1, 1923
Twig, Lester A	Examiner	2,520	Aug. 17, 1923
Van Dyke, Susan N	Clerk	1,560	Oct. 1, 1923
Van Middlesworth, L.[1]	Special expert	7,500	Dec. 1, 1923
Weist, William D., jr	Clerk	1,680	Mar. 3, 1924
Wilkerson, Wanner L [1]	Watchman	1,200	Aug. 16, 1923

[1] Transferred to Emergency Fleet Corporation rolls.

Names and compensation of employees of United States Shipping Board in service on June 30, 1924

ITEM B

Name	Designation	Legal residence	Rate per annum
C. O. Arthur	Examiner	Indiana	$3,300
Edward J. Barnes	Assistant clerk	Washington, D. C	1,080
William S. Benson	Commissioner	Georgia	12,000
Robert L. Boyd	Laborer	Washington, D. C	900
Robert E. Caine	Examiner	do	3,000
Mabel G. Carpenter	File clerk	Massachusetts	1,320
Lora S. Cass	Senior stenographer	Oklahoma	1,680
Lettie B. Chapman	Clerk	Washington, D. C	1,440
Edward P. Cotter	Examiner	Connecticut	2,520
Blanche M. Curry	Stenographer	Washington, D. C	1,440
Maude Darracott	Senior stenographer	South Carolina	1,440
Albert D. Davis	Cabinetmaker	Virginia	1,980
Laura M. Davis	Senior stenographer	Washington, D. C	1,800
Maude S. Dawson	Clerk	Nebraska	1,560
Thomas H. Deckelman	Chief file clerk	Maryland	1,800
Ernest M. Dew	Senior clerk	Ohio	3,000
Margaret E. Dowden	Clerk	Washington, D. C	1,440
Dan P. Eldridge	Examiner	do	3,000
Danial W. Eskridge	Head porter	do	1,200
Caroline D. Flanner	Senior clerk	do	2,400
Frederick H. Flinn	Assistant chief clerk	New Jersey	2,700
M. L. Fowler	Purchasing agent	South Carolina	3,000
E. H. Frederick	Special assistant to chairman	Ohio	5,000
Maybell Fry	Telephone operator	Washington, D. C	1,200
Edna Hancock	Senior stenographer	do	1,800
Bert E. Haney	Commissioner	Oregon	12,000
Rilla M. Hauke	Librarian	Washington, D. C	1,980
Olive M. Henderson	Clerk	Virginia	1,440
Lillian M. Hildebrand	Senior stenographer	Maryland	1,800
William S. Hill	Commissioner	South Dakota	12,000
Nettie J. Hipple	Senior stenographer	Pennsylvania	1,800
Mary C. Horton	Assistant librarian	Colorado	1,560
Gertrude Hyman	Senior typist	Washington, D. C	1,320
Mina G. Irvine	Administrative assistant to chairman.	New York	4,200

Names and compensation of employees of United States Shipping Board in service on June 30, 1924—Continued

ITEM B—Continued

Name	Designation	Legal residence	Rate per annum
James Jackson	Porter	Virginia	$960
J. C. Jenkins	Special expert	New York	8,000
Larkin King	Laborer	Washington, D. C	1,080
Olive V. King	Clerk	do	1,800
Carl P. Kremer	Secretary	Virginia	5,000
Leon A. LeBuffe	Clerk	South Carolina	1,680
Mary F. Leddy	Examiner	California	3,000
Meyer Lissner	Commissioner	do	12,000
Hubert Lyons	Messenger	North Carolina	1,200
Marie C. McCarthy	Senior typist	Washington, D. C	1,320
Sarah L. McQueen	Senior clerk	Maryland	2,400
Henry E. Manghum	Examiner	Oregon	4,000
Julius Manns	Laborer	Washington, D. C	900
James H. Mathiot	Chief draftsman	Maryland	1,800
Roy H. Morrill	Examiner	Massachusetts	3,200
E. Lillian Mullin	Senior typist	Washington, D. C	1,320
John Nicolson	Special expert	New York	7,500
Alice F. Nollner	Senior stenographer	Washington, D. C	1,560
T. V. O'Connor	Chairman	New York	12,000
Lottie Penn	Senior typist	Maryland	1,440
Maurice J. Pierce	Chief clerk	Tennessee	3,500
Edward C. Plummer	Commissioner	Maine	12,000
Virginia W. Price	Examiner	Virginia	3,000
Fred A. Quinn	Senior clerk	Pennsylvania	2,700
Lee E. Ranck	Clerk	do	1,800
John G. Reckert	Assistant purchasing agent	Washington, D. C	2,400
Katherine C. Renz	Telephone operator	do	1,200
Ralph A. Ricketts	Clerk	do	1,680
Joseph H. Rhoderick	do	do	1,560
Lloyd R. Roberts	Chief, filing section	Iowa	2,520
John A. Russell	Assistant secretary	Michigan	3,300
Evelyn M. Sackett	Senior stenographer	Washington, D. C	1,440
J. E. Saugstad	Special expert	New York	3,000
Morris S. Schwartz	Tariff clerk	North Carolina	1,980
Donald W. Shannon	Multigraph operator	Washington, D. C	1,440
Glen R. Snider	Admiralty counsel	Washington	10,000
Marietta A. Stevens	File clerk	Indiana	1,320
Josephine H. Stewart	Senior stenographer	Virginia	1,680
Margaret B. Stratton	Copyist draftsman	Washington, D. C	1,560
Fred I. Thompson	Commissioner	Alabama	12,000
Anna Tiede	Examiner	California	3,000
Landon W. Trudgian	Assistant to the Secretary	Washington, D. C	2,520
Joseph J. Verdi, jr	Typewriter repairman	do	1,800
Emma Von Toerne	Senior stenographer	Wisconsin	1,980
Thomas A. Wadden	Senior examiner	South Dakota	5,000
Lillian Wagner	Senior typist	Minnesota	1,560
May Wagner	do	Washington, D. C	1,320
Raymond E. Waller	Electrician	Missouri	1,680
Alma L. Webster	Senior typist	Washington, D. C	1,440
George West	Messenger	California	1,200
Bertha E. Wolfe	Clerk	Washington, D. C	1,680
John S. Woodruff	Attorney	New Jersey	5,000
William M. Woods	Accountant	Massachusetts	2,400
Virginia E. Woodward	Clerk	Maryland	1,560
Marie C. Wyatt	Telephone operator	Washington, D. C	1,200
Walter Ziwn	Senior typist	Pennsylvania	1,440

Employees of the United States Shipping Board as of June 30, 1923, as compared with June 30, 1924

ITEM C

Department	Number of employees, June 30, 1923	Annual salary	Number of employees, June 30, 1924	Annual salary
Chairman's office	5	$29,980	4	$22,400
Commissioners' offices	13	92,600	12	88,400
Secretary's office:				
Administrative section	8	20,900	6	16,640
Chief clerk's section	9	14,540	11	17,420
Filing section	5	8,040	5	8,040
Library section	1	1,980	2	3,540
Duplicating section	14	19,560	13	18,480
	37	65,020	37	64,120
Disbursing office	1	2,400	1	2,400
Division of field information	1	3,600		
Bureau of Finance			1	5,000
Division of industrial relations	1	7,500	1	8,000
Bureau of Traffic	1	3,000	1	3,000
Bureau of Law	2	9,300	2	12,500
Legal department	9	24,160	8	22,840
Office supply division	8	21,300	5	10,560
Personnel division	6	13,020	5	9,720
Division of regulation	6	13,840	6	14,980
Bureau of Research	6	12,360	6	10,680
Port facilities division	3	8,040	1	2,520
Total	99	306,120	90	277,120

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