

U.S. Dept. of Labour
Bureau of Labour Statistics

Transportation, - Freight Rates and
Marine War Risk Industries 1914-20

Prepared in the Historical Price Research
section

by

Edmund Nash

UNITED STATES DEPARTMENT OF LABOR

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TRANSPORTATION, FREIGHT RATES, AND MARINE WAR RISK INSURANCE

Important Events During the Period
1914 - 1920

Arranged in Chronological Order
In Two Parts

1. Ocean Transportation
2. Railroad Transportation

PART I

Ocean Transportation

1914

- January 1 Shipping faced a serious depression, believed likely to last for some years. This after the boom year of 1913 which brought to the usually starving tramp steamers net profits of 26.50 percent. 14/
- At this time the shipping lanes and ports of the World were effectively divided by the shipping lines as distinguished from the tramps: "Between distant countries we found groups of steamship lines that divide the traffic between each other to the hundredth of a percent. They maintain uniform rates of freight with almost as little variation as the post office maintains the price of stamps." 15/
- Spring Time charter rates on cargo steamers were at a prevailing rate of about \$1.00 per deadweight ton per month. 8/ (See Sent. 29, 1914)
- June 30 Excluding fishing and whaling vessels, the total American ocean steam tonnage registered for the foreign trade was 868 vessels of 720,609 gross tons. 3/
- July 29 Austria-Hungary declared war on Serbia.
- The marine insurance underwriters of New York met and advanced their rates for war risk insurance on gold from \$1,250 to \$5,000 for every \$1,000,000 of gold insured. 15/
- July 31 The New York Journal of Commerce reported that war risk insurance had reached almost panic rates in London the day before. 15/

1914 (Cont'd.)

August 1 Germany and Russia entered the war.

Shipping paralyzed. Charter rates slumped heavily, as many steamers canceled their August loadings, thus causing a surplus in Atlantic ports. 3/

War risk insurance rates, which normally were from $\frac{1}{4}$ to 1 percent of the declared value, rose to almost prohibitive heights during the first week of war. Shippers in the United States paid as high as 25 to 30 percent to cover war risks through the North Sea. South American rates were up to 20 percent, while rates to India and the Far East ranged from 15 to 20 percent. Shippers, moreover, could insure only part of their cargo, as the insurance was limited to \$100,000 or \$150,000, depending on the vessel. Even at these high rates the great majority of companies refused to transact business. 16/ (See Sept. 2, 1914)

August 2 German troops invaded France.

August 3 Freight transportation between Japan, Siberia and Europe stopped.

August 4 England entered the war.

German ships stopped loading in the United States. About 5,000,000 tons of German and Austrian shipping withdrew from ocean travel. About a hundred British ships of some 300,000 tons were locked up in Russian and enemy ports. 14/

The British Government entered into a uniform wartime reinsurance agreement with private insurance companies that were insuring ships. Under this agreement the government assumed 80 percent of the risk. 16/

August 7 Great Britain requisitioned ships in its ports. At this time there were in the world, 8,445 ocean-going vessels of over 1,600 gross tons each. * The leading shipping countries were: 14/

	<u>No. of Ships</u>	<u>Total Tonnage</u>
Great Britain	4,174	18,197,000
Germany	743	3,799,000
U.S.A.	513	2,216,000
France	357	1,602,000
Japan	429	1,496,000
Italy	355	1,310,000
Netherlands	263	1,285,000
Norway	323	1,087,000
Austria	230	927,000

* A gross ton is a measure of loadable space in a ship that is equivalent to 100 cubic feet.

1914 (Cont'd.)

August 12 New York piers congested with freight.

August 18 The United States Ship Registration Act went into force. This Act amended the Act of August 24, 1912 so that a foreign-built ship of over five years of age was permitted to register under the American flag. 16/ About nine-tenths of the ships that eventually registered under this act were American-owned. 8/

August The Commission Internationale de Ravitaillement was established in London. This was essentially a British organization to help allied purchasers. 14/

The British Board of Trade bought frozen meat for the War Office and requisitioned refrigerated space. The Royal Commission for sugar supplies had put in orders in New York at the outbreak of the war. 14/

September 2 President Wilson signed the Act of Congress creating the War Risk Bureau to assist underwriters of this country in taking care of the shippers and shipowners. By this time eleven national war-risk bureaus were in operation in the following countries: Belgium, Denmark, France, Germany, Greece, Great Britain, Italy, Japan, Norway, Sweden and the United States. 15/

The American Bureau of War Risk Insurance was in the Treasury Department. By later amendments to the Act the Bureau's life was extended to June, 1921. 15/

The two outstanding features of the United States War Risk Insurance Bureau:

1. Insurance was issued only on vessels flying the American flag, or only on cargo carried in American vessels.
2. The premium rate might be fixed for each voyage by the Bureau although in practice it remained almost unchanged for certain of the safer trade routes. 15/
(See September 11, 1914)

September 9 The British Government made a supplemental agreement with the ship-insuring companies which gave it power to fix insurance premiums. A later agreement insured the lives of the men engaged in the British Marine Fleet. 16/

September 11 The United States War Risk Insurance Bureau announced one-way-voyage war risk insurance rates, ranging from $\frac{1}{2}$ to $1\frac{1}{2}$ percent. 2/
(See Sept. 2, 1914 and January 11, 1915)

1914 (Cont'd.)

- September 29 At this time the charter rate of American vessels averaged \$13.33 per deadweight ton per month. (See Spring, 1914 and Dec. 1, 1914) The rate from New York to France during the summer had reached \$20.00. 8/
- September Argentina felt the effect of disrupted shipping industry as the number of dismissed Buenos Aires shipping clerks rose to 10 percent of the total employed number at the start of the war. 15/
- British Contraband Committee appointed. American companies refused insurance on contraband goods. 15/
- At least one boat traveling from South America to New York paid a war-risk insurance premium of 50 percent. 15/
- October The British Government established the "Blue Book" for ocean rates which at that time provided for a fair return. 15/
- The British Government began its control of shipping (neutrals included) through its control of the coal supply. 15/
- November 12 The British Shipping Journal, Fairplay, reported rates to be climbing day by day, and that ship values had doubled in a month. The need for more ships was felt as round-about routes were used to avoid war risks. In Norway where only 250,000 gross tons of shipping were adequate before the war, the need rose for 750,000 tons, -- the Baltic had been closed. 15/
- November Several British shipping companies deferred dividends on stocks and interest on bonds because of the heavy expenses, especially insurance, which had more than offset the increases in freight rates that they had made. 15/
- Insurance rates declined with the news of the Enden and Koenigsberg being put out of action.

1914 (Cont'd.)

- December 9 The British Admiralty had by this time commandeered for war purposes about 500 British commercial vessels of 1,700,000 gross tons. 3/
- December 23 The foreign-built tonnage admitted to American registry (See August 18, 1914) comprised 103 vessels of 368,242 gross tons. Most of these vessels plied to Central and South America. 3/
- By this time 973 vessels of 1,098,664 gross tons had registered in the United States for foreign trade. 3/
- December 31 In the first five months of the war only 3 ships were sunk by submarines as against 42 by mines and 55 by cruisers and raiders. "At this time, indeed, the submarine was a much more fragile and timid foe than it afterwards became." 14/ (See Aug. 1, 1915)
- December 31 The British Empire showed a gain of 231,000 gross tons of shipping over what it had at the start of the war. It had lost 252,738 gross tons. 14/
- Tramp steamers showed a boom year profit of 18.10 percent. 14/

1915

- January 11 The United States War Risk Insurance Bureau announced reduced war risk insurance rates, ranging from $\frac{1}{4}$ percent for one-way-voyages to and from South America to $\frac{3}{4}$ percent for voyages to war zone ports. 2/ (See Sept. 11, 1914 and August 17, 1916)
- January 19 Ocean freight rates between New York and Liverpool on such commodities as grain, flour, and cotton had increased from 300 to 400 percent over the rates of July 1, 1914. 3/ (See January 1, 1916)
- February 4 Germany announced war zone around Britain and Ireland.

1915 (Cont'd.)

- February 17 British blockade of Germany declared effective.
- February 18 Germany began destruction of vessels around England and Ireland.
- March 4 The LaFollette Seamen's Bill was passed by Congress, to become effective November 4, 1915. This act provided improved working and living conditions for seamen on shipboard; it also specified regulations for life-saving equipment and procedures, and limited the loading of vessels. 1/ Several American lines sold their ships to foreign owners, after flatly declaring that they could not run ships under this act. 15/
- August 1 In the first year of the war, ship losses were 205 by submarines, 78 by mines, and 77 by cruisers and raiders. The submarine came into its own after January 1, 1915. 14/ (Up to Dec. 31, 1914, only 3 ships had been sunk by submarines.) (See Dec. 31, 1914)
- November Great Britain created the Ship Licensing Committee, and the Requisition (carriage of foodstuff) Committee, in order to control prices insofar as they were affected by shipping and supplies. 15/
- December 31 British losses in shipping during 1915 exceeded the gains by 63,000 gross tons. Britain lost 885,471 gross tons in 1915. American losses amounted to 16,154 gross tons. 14/
- The total of new gross tonnage (excluding Austria and Germany) built in 1915 was 1,192,000; in 1914 it was 2,406,000. In terms of ships, 739 were launched in 1915; 1,197 in 1914.
- The average steamer charter rates for 1915 were from 200 to 400 percent higher than the average 1914 rates for trips from the United States to Great Britain. 11/ (See Dec. 31, 1916)
- December President Wilson again recommended (in his message) Government owned vessels as a means of "restoring our commercial independence on the seas." 15/

1916

- January 1 Ocean freight rates were in general from 500 to 1000 percent higher than on January 1, 1914. For grain and cotton the increase was over 1000 percent between New York and Liverpool. 5/
(See January 19, 1915 and Dec. 31, 1917)
- January British Shipping Control Committee was appointed.
- February 24 According to an English shipping journal, 80 percent of the vessels engaged in American coasting trade had left their accustomed routes for transoceanic service. The traffic thus thrown back upon the railroads of the United States helped to increase the congestion of their tracks and terminals. Congestion occurred in the Atlantic ports. 15/
- May 8 A bill was introduced into Congress providing for the establishment of a United States Shipping Board "for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to take care of the requirements of the United States...." This bill became law on September 7, 1916. 8/
- July 1 From January to June 1916, the United States had launched and put into operation 192 ships, more than the entire year's output for 1914 and 1915. In July there were being built or on order 385 steel merchant ships, of which 159 were to be launched before December 31. These orders were practically all from foreign sources and provided stimulation to what had been a dying industry 8/
- July 20 The President approved a joint resolution of the Senate and House for the appointment of a joint committee to conduct a sweeping inquiry on the matter of transportation and to report to Congress. 12/
- August 17 The United States War Risk Insurance Bureau announced new war risk insurance rates; a reduction from $\frac{1}{4}$ percent to $\frac{1}{10}$ percent for South America; an increase from $\frac{3}{4}$ percent to $1\frac{1}{4}$ percent for war zones. 2/ (See Jan. 11, 1915 and April 12, 1917)
- August 29 Army Appropriation Act approved. It authorized the President to take over and control any and all systems of transportation in time of war. 7/

1916 (Cont'd.)

September 7 The Act of Congress creating the United States Shipping Board became law. Besides regulating the services and rates of common carriers by water - except ocean tramps - the Board was authorized to investigate marine insurance. At this time the rate of submarine sinkings of tonnage to launching was three to one. 11/

The first practical step of the Shipping Board was a request to the President by the Chairman, William Denman, that idle Army transports be turned over to the Shipping Board for service in coastwise trade through the Panama Canal. 9/

This Act of Congress also admitted foreign-built vessels to the American coastwise trade. 1/ The Shipping Board effectively controlled neutral vessels through the bunker (coal supply) privileges; in this way routes and rates were fairly well controlled. 15/ (See Feb. 11, 1918)

December 1 Interstate Commerce Ruling of May 15 went into effect, excluding railroad-owned shipping from traffic on the Great Lakes. 7/

December 20 British Shipping Controller appointed over British overseas trade.

December 31 Despite the heavy ship losses of 1915 and 1916 the seven British marine insurance companies made handsome profits for these years. The British losses for 1916 were 1,231,857 gross tons, or 687,000 more than the gains. American losses for the year amounted to 16,154. 14/

The total world production of ships in 1916 (excluding Austrian and German production) was 950-or 1,678,000 gross tons. 14/

The average steamer charter rates for 1916 were much advanced over 1915 and were from 400 to 500 percent higher than the average rates for 1914 for trips from the United States to Great Britain. 11/ (See Jan. 1, 1916 and Dec. 31, 1917)

1917

January 31 Germany declared blockade around Great Britain, France, Italy, and the eastern Mediterranean countries. 16/

Inter-allied Shipping Committee appointed in London.

British tonnage priority committee formed.

1917 (Cont'd.)

- January 31
(Cont'd.) Open-market war-risk insurance rates continued to rise up to 6 percent and higher. Ordinary marine insurance rates went up slightly, because of the greater restrictions on navigation -- changed routes, the suppression of shore lights, inadequate weather reports, delay in ship-overhauling, increased theft and storehouse risks. 15/ (See February 10, 1917)
- February 5 Under the proclamation of a national emergency, the President forbade the transfer, without consent, of American-owned vessels to foreign registry; this was to stop the depletion of American coastwise shipping. 8/
- February 10 Germany began intensive submarine campaign.

Congestions occurred in the United States Atlantic ports.

Great Britain extended requisition to all British ships.

Open-market war-risk insurance rates in New York rose to 8 percent on ships bound for the European Atlantic ports, and to 10 or 15 percent for ships going to Mediterranean ports. 15/
- February The British Government war-risk insurance rate was 3 percent as compared with the flat rate of 10 percent on the London market. During this month the United States War Risk Bureau quoted a rate of 2 percent although the prevailing market rate was up to 10 percent. 15/ (See Aug. 17, 1916 and Aug. 15, 1917)
- March 31 War-risk rates continued to rise, as American companies began to accept risks on contraband goods, thus recognizing a virtual state of war between the United States and Germany. A contributing factor to the rise of rates was the lack of adequate knowledge concerning the number of sinkings. 15/
- April 6 The United States entered the war against Germany.

While America's entry into the war brought no substantial new tonnage immediately available for war service, her military effort began very soon to increase the general strain on the tonnage of the world. 14/

During April, of every four vessels leaving England for a round trip, only three returned. Shipping losses were at the highest point for the whole war, - 500,000 gross tons a month. 14/

1917 (Cont'd.)

- April 12 The United States War Risk Insurance Bureau again announced increased war risk insurance rates, ranging from $\frac{1}{2}$ to $2\frac{1}{2}$ percent for voyages to South America to 3 percent for voyages to Europe, South Africa, and India. 2/ (See August 17, 1916, February, 1917, and Aug. 15, 1917)
- April 13 In the week ending April 13, the first week after the declaration of war, the War Risk Insurance Bureau did the largest amount of weekly business since its creation in September, 1914. In this week it wrote 277 policies, for a total of 48 million dollars. (U.S. Chamber of Commerce, War Bulletin No. 299, April 13.)
- April 16 The Emergency Fleet Corporation was created as an agency of the United States Shipping Board. 8/
- April 17 A Congressional Act provided funds for the repairing and putting into service of the 91 interned German ships of an aggregate gross tonnage of 594,696. 8/
- April Great Britain began the requisitioning of neutral vessels. 14/
- May 12 Congress, by joint resolution, granted to the President the "authority to take possession and title to all vessels within the jurisdiction of the United States which were under enemy ownership of register." An executive order of June 30, 1917 transferred this authority to the Shipping Board. 8/
- May The convoy system began, as commercial war-risk insurance rates rose to 12 percent. 14/
- The United States Shipping Board announced that it would supplement steel vessels with a fleet of wooden ships. The Board also announced its policy of refusing charters to foreigners operating American sailing vessels to war zone ports. 8/ The practice was to sell the vessel once the lucrative trip through the war zone was made rather than risk a return, relatively profitless, journey.
- June 2 The President signed an amended War Risk Bureau Bill which allowed the Bureau to insure master, officers and crews of American merchant vessels against loss of life or injury, and against capture and detention by the enemies of the United States. This insurance was mandatory for all war zone vessels and permissible for other voyages. 15/

1917 (Cont'd.)

- June 12 Congressional action extended radically the scope of the War Risk Bureau.
- The Bureau was authorized to reinsure vessels and cargoes of the Allies; it was also authorized to issue war-risk life and disability insurance for the officers and crews of merchant ships, and for soldiers and sailors in the service of the United States. 1
- June 15 Urgent Deficiencies Act approved. This Act "conferred upon the President far-reaching authority to requisition, construct, and operate ships without limitations or conditions (save such limitations as resulted from the limits of appropriations." 1
- June 19 Canadian Food Controller appointed.
- June 30 By Executive Order, enemy vessels in American ports were formally seized. 8 (See May 12, 1917)
- July 3 By Executive Order, in order to increase the merchant marine under the American flag, the President, under the Act of August 18, 1914 suspended for the duration of the war, certain provisions of law requiring that watch officers of vessels of the United States, engaged in foreign trade had to be American citizens. 8
- July 11 By an Executive Order, the President delegated his power to construct vessels to the Emergency Fleet Corporation. At the same time he delegated to the Shipping Board "all his power and authority to acquire vessels already constructed and to operate, manage, and dispose of all vessels theretofore or thereafter acquired by the United States." Just compensation was provided for the owners. 8
- July 14 The President by proclamation closed, for the duration, the American branches of German insurance companies. 16
- July 15 The President, by proclamation, placed under Government control the export of foodstuffs, fuel, iron, steel, and war materials. 13
- July In Central America, coconuts, bananas, and other natural fruits, accumulated at the ports, were thrown into the sea because of the lack of ships. 15
- July The Emergency Fleet Corporation had contracts out for: 8
840,900 gross tons of wooden ships
587,000 gross tons of steel ships
207,000 gross tons of composite ships

1917 (Cont'd.)

- August 3 All vessels in American yards, under construction or contract for either domestic or foreign account, were requisitioned. In this way there were obtained 431 vessels of a total of over 3 million deadweight tons. 9/
- August 6 The market war risk insurance rate on voyages between the United Kingdom and the United States was five times that of the British Government war-risk rate. 15/ (See February, 1917)
- August 10 The Preferential Shipments Act authorized the President to direct which shipments of commodities... "shall have preference or priority in transportation by any common carrier by railroad, water or otherwise." 1/ under this Act, a Priorities Director was appointed. His duty was to control the indiscriminate and conflicting "priority" orders of Governmental war agencies. 13/
- August 15 The United States War Risk Insurance Bureau announced the highest war risk insurance rates of the war. These rates ranged from $1\frac{1}{2}$ to 2 percent for South American, to $6\frac{1}{2}$ percent for European Atlantic ports. By November 23, the top rates declined to 4 percent, and continued to decline at intervals to the end of the war. 2/ (See April 12, 1917 and Nov. 27, 1918)
- At this time the open market war risk insurance rate quoted in New York was $7\frac{1}{2}$ to 10 percent to British ports; 12 percent to Havre, and 10 to 15 percent to Mediterranean ports. 15/ (See Sept. 16, 1917)
- August 27 The President, by proclamation, forbade exports to neutral countries, except by license. 15/
- An Executive Order created the Export Administration Board to control foreign commerce. 15/
- September 16 The Export Administration Board published a list of items of which export was forbidden. 15/
- September There was a marked decrease in the sinking of British vessels. The market insurance rates of 12 percent had reached their acme and began to decline, the decline continuing to the end of the war. On voyages to the Central Powers, however, it was practically impossible to secure war-risk insurance. 14/

1917 (Cont'd.)

- September 16 The United States Shipping Board announced that about 25,000,000 gross tons of merchant shipping were operating in the Atlantic trade, with the English operating about 53 percent and the United States only 8 percent. 14/ (See Aug. 15, 1917)
- September 27 The Shipping Board announced the rates, to be effective October 15, 1917, for requisitioned vessels. The rates for ships operating on "Time Form" requisition charters ranged from \$5.75 to \$7.00 per deadweight ton per month. Ships operating on the "Bare Boat Form" of charter received a minimum rate of \$4.15 per deadweight ton per month. 11/ (See June 1, 1918, Spring, 1914 and Sept. 29, 1914)
- September 28 The United States Shipping Board created the Advisory Insurance Committee and an insurance fund. 8/
- September 29 The United States Shipping Board appointed a Chartering Committee to approve the charters for all ships coming to United States ports, in this way enforcing wartime restrictions. 8/
- The Chartering Committee and the Chartering Executive from time to time, in conjunction with the Division of Operations, determined upon certain rates as "fixed rates," i.e., rates which were to be maintained and not exceeded. The fixed rates were in force only in the West Indies trade and in the South American trade. 8/
- September The United States Shipping Board announced its decision, effective October 15, to requisition all ocean-going merchant vessels above 2,500 tons deadweight capacity (that is, vessels which could carry loads of 2,500 tons or more), and set a base rate which proved more profitable than the English one. The reason for this was that rates had been high for some years and that vessels had changed hands at correspondingly increased values. 14/ (See March, 1918)

Some of the causes for increased rates, besides the obvious ones of greater ship traffic, submarine sinkings, and the withdrawal of enemy shipping from the world trade, were port congestions (with demurrage charges), the shortage of port laborers, the delay in ship inspection and repair, and the employment of circuitous longer routes. 15/

It is interesting to note that while the British Government controlled the employment of sea transport almost as completely as land transport, the shipping lines alone were allowed to multiply freights and earnings tenfold; the railroads were from the first day of the war restricted to peace standards. 14/

1917 (Cont'd.)

- September The foundations of the Hog Island Shipbuilding yards were laid. Within ten months the first ship was launched. 8/
- October 6 The Trading with the Enemy Act, authorizing the President to restrict imports, was enacted. 8/
- Under this Act, Congress authorized the Shipping Board to permit vessels of foreign registry to enter into American coastwise trade for the duration of the war and not more than 120 days after its close. Alaska was excepted. About 300 vessels received such permits, which were usually good for one voyage. Canadian vessels on the Great Lakes had 1918 season permits. 8/
- October 10 The Shipping Board forbade sailing vessels from leaving American ports for war zone destinations. Such vessels were put to good use in the coastwise and South American trade. 8/
- October 12 A general requisition order was issued to be effective October 15, 1917, "by which all American steel, power-driven vessels of 2,500 deadweight tons or over and all American passenger vessels of 2,500 gross register, suitable for foreign service, were requisitioned." 8/
- October 12 The War Trade Board replaced the Exports Council, and within two weeks issued an enlarged embargo list affecting neutral trade. 15/
- October War Port Boards were established to take care of congestion problems. To relieve railroad congestion, the United States Shipping Board announced that it would have barges built to assist in the movement of ore and coal on the Ohio and Mississippi rivers. 15/
- October An American Lloyds had been established in New York City. By this time there were 87 marine insurance companies in New York, of these 53 were American. At the beginning of the war there were only 24 marine insurance companies in New York. 15/
- November 24 The Emergency Fleet Corporation of the United States Shipping Board launched its first contract steel ship. 9/

1917 (Cont'd.)

- November 28 Presidential Proclamation strengthened control of imports and exports. 13/
- November The Inter-Allied Conference was held in Paris. Here the Allied Maritime Transport Council was formed to allocate and distribute tonnage. 14/
- November Colonel House, accompanied by a member of the United States Shipping Board and others, lead the American Mission in London. 14/
- November The Lake Carriers Association voted to mobilize the lake fleets and to put them all in charge of one committee with power to order their movements, for the sake of efficiency and time saving. 15/
- December 1 The Emergency Fleet Corporation launched its first wooden ship. 9/
- December 8 The number of shipyard employees was 149,720 as compared with 102,769 on October 13 --almost a 50 percent increase in two months. There were 996 vessels in process of construction, totaling 5,517,000 gross tons. 8/
- December 18 The Senate ordered an investigation of the United States Shipping Board and of the railroad situation. 12/

1917 (Cont'd.)

December 31 During 1917 British losses in shipping amounted to 3,660,054 gross tons, or 2,353,000 tons more than the gains for the year. Norway lost 659,949 gross tons; France, 459,454; Italy, 336,522; and United States, 165,965. 14/

The total world production of ships in 1917 (excluding Austrian and German production) was 1,087--or 2,910,000 gross tons. 14/

The average steamer charter rates for 1917 were higher than ever before -- from about 500 to 600 percent higher than the average rates of 1914 for voyages between the United States and Great Britain. (See December 31, 1916 and December 31, 1918) 11/

Questions involving relations between the railroads and shipping--such as, for example, export and import rail rates -- were handled by a committee composed of the Assistant Director of Traffic of the Railroad Administration and the Assistant Director of Operations of the Emergency Fleet Corporation. 8/

1918

Jan.--Feb. Abnormally low temperatures, 5 to 30 degrees below zero, paralyzed eastern traffic. 12/

January 3 The Shipping Control Committee was formed to divert any and all shipping to ports ready to handle it. 15/

January 24 Ships tied up in New York ports were paying demurrage charges as high as \$2,500 per day, while in Philadelphia over half of the berths were ready for ships. The avarice of foreign shippers was one of the chief contributing causes, according to one expert. 15/ (See May, 1917)

January 26 The United States Shipping Board allotted \$10,000,000 to the insurance fund to be used in settling claims. One year later this appropriation was withdrawn, as it had not been necessary to use the funds, and sufficient reserve had accumulated. 8/

February 9 The United States Shipping Board created the Division of Planning and Statistics to cooperate with the War Trade Board in determining what imports and exports could be reduced or eliminated to ease shipping. 15/

1918 (Cont'd.)

- February 11 By a resolution of the Shipping Board two Japanese companies were allowed to engage in the coastwise trade between San Francisco and Honolulu, carrying mail from San Francisco to Honolulu and mail and freight from Honolulu to San Francisco. Japanese lines were permitted to carry first-class passengers between Honolulu and San Francisco, as were also Pacific mail steamers which were foreign built but under the American flag. 8/ (See Sept., 1916)
- The Shipping Board, with the cooperation of the War Department, created a Shipping Control Committee of three men, one of whom represented the British Ministry of Shipping. This committee determined what cargoes and routes vessels under the Shipping Board's control could have. 15/
- February 15 The Allied Maritime Transport Council held its first meeting, and by March 11, it was organized on a permanent basis. 8/ (See November, 1917)
- February 20 American steamships under 2,500 deadweight tons were barred from Trans-Atlantic or long-voyage traffic. 15/
- March 20 By Presidential Proclamation (under Act of June 15, 1917) the United States joined the other Allies in commandeering about 1,000,000 gross tons of Dutch shipping which lay within their territorial waters. In American ports, 87 Dutch vessels, of 533,746 deadweight tons, were taken over. Just compensation was later paid. 8/
- March 21 The President approved an act to provide for the operation of transportation systems while under Federal control; the act authorized him to make expenditures for the purchase, construction or utilization and operation of boats and other transportation facilities on inland, canal, and coastwise waterways. 12/
- March 22 The United States Shipping Board began the survey of coaling arrangements in the leading American seaports. 15/
- March 28 The War Trade Board announced an agreement with Japan releasing 100,000 gross tons of shipping to the United States. 8/

1918 (Cont'd.)

- March Germans advanced into France, capturing coal mines, and threatening channel ports. 14/
- March Under the requisitioning order of September, 1917, about 150,000 gross tons of American shipping were moved from the Pacific to the Atlantic. Thereafter, Pacific shipping was largely carried in Japanese bottoms. Lake steamers were also transferred to the Atlantic. 15/ (See April 26, 1918)
- April 6 The Priorities Board of the War Industries Board issued Preference List No. 1, classifying industries "whose operation as a war measure is of exceptional importance" as a guide in the supply of transportation by rail and water for the movement of coal and coke. 13/
- April 11 A Presidential Proclamation gave control of coastwise shipping to the Railroad Administration. 8/
- April 26 The United States Shipping Board chartered, from the Japanese, 23 vessels of 151,278 deadweight tons, for a period of six months. 8/ (See March, 1918; also May, 1918)
- April The United States Shipping Board organized its Rate Section which fixed and controlled shipping rates from then on to the end of the war. 8/
- April Thanks to the Chartering Committee of the United States Shipping Board the time charter rate for neutral vessels in South American trade dropped to \$8.33. (See Sept. 29, 1917) 8/
- May 30 The Emergency Fleet Corporation launched its first composite ship. By this time the principle of Laissez-faire was dead on the sea, as government had strict control of their ships. 9/
- May During April and May the War Trade Board, in conjunction with the Shipping Board, made contracts with Japan for the purchase of 15 vessels. The War Trade Board agreed to license the exportation of one ton of steel at a long-time fixed price to Japan for each deadweight ton of vessels delivered. The total contracts with Japanese shipbuilders provided for 45 steel cargo carriers, of about 375,000 deadweight tons. 8/ (See March, May, 1918)

1918 (Cont'd.)

- June 1 The United States Shipping Board announced a flat reduction in rates of 50 cents per deadweight ton per month for all requisitioned vessels. 11/ (See September 27, 1917)
- June 4 The United States Shipping Board issued an order denying transfer of American vessels of more than 100 tons gross registry to any foreign flag. 8/
- June 30 Under authority granted him by the Urgent Deficiencies Act of March 28, 1918, the President took over the docks, piers, warehouses, etc., on the Hudson River owned by the North German Lloyd Dock Company and the Hamburg-American Line Terminal and Navigation Company. 8/
- June 30 "Foreign-built vessels placed under American registry during the 12 months, ending June 30, 1918, numbered 75, of 545,995 deadweight tons." 6/
- June The Allied Maritime Transport Council created Program Committees to coordinate supplies and requirements for the Allies and the United States. 8/
- June The Exports Control Committee was created. It had the authority to reroute freight to various ports, and in this way coordinated rail traffic and shipping. Under the "Permit System" no commodities were accepted by carriers unless there were facilities available for unloading, or ships to take care of the car loadings. 12/ (See April 11, 1917)
- June 11 An amendment to the War Risk Insurance Act was approved; it extended insurance protection to vessels of foreign registry operated for the Shipping Board, if such protection was not otherwise available except at unreasonable terms. 8/
- July 18 Congress authorized the President to fix charter and freight rates, and to requisition the services of vessels. By controlling chartering, the President prevented the hitherto unregulated bidding for neutral tonnage; through its bunker control the Chartering Committee had done this in part only. 9/ (See September, 1916)

1918 (Cont'd.)

- July 29 By proclamation (under Act of July 18, 1918) the President conferred upon the Shipping Board the power to control ocean rates. 8/
- July 31 During the period January 1 - July 31, 1918, there were lost 3,500,000 gross tons of shipping; as a contrast, for the same period, there were launched 3,500,000 gross tons of new shipping. However the demands on this constant tonnage increased tremendously, as the demands of the American Expeditionary Forces became pressing. 14/
- July July was the record month for launchings, with 124 ships having a deadweight tonnage of 634,750. 9/
- July Through the issuance of bunker licenses the United States Shipping Board controlled the rates of vessels of all flags. 12/
- July The Allies acquired Swedish and Dutch impounded shipping for use in supplying relief to Belgium. 14/
- July The Railroad Administration established a section for the operation of shipping on the Mississippi River. The Warrior River project which was intended to connect the Birmingham industrial region with Mobile and New Orleans was included in this section. 12/
- September 1 On this date the United States owned or controlled 1,842 steamers and tankers and 772 sailers, or a total deadweight tonnage of 10,334,196 tons. 8/
- September 28 The United States Shipping Board created, by resolution, the Advisory Insurance Committee. 4/
- Shipping operations began between St. Louis and New Orleans with 20 steel barges and 2 tugs, all leased from the War Department. 12/
- October 9 The Division of Insurance was created to take the place of the Advisory Insurance Committee. 8/
- October Before the war, Great Britain owned about 23,000,000 deadweight tons of ocean-going tonnage. At the end of October, 1918 the total British ocean-going tonnage was about 18,000,000 deadweight tons. 14/

1918 (Cont'd.)

October

Of these 18,000,000 tons about 4,000,000 (22.2 percent) were absorbed by the combatant services. Less than 2,000,000 tons (11.1 percent) were allotted to dominion home needs and neutral traffic. Over a million and a quarter tons (7 percent) were withdrawn for repair and survey. About three and a half million tons were allotted to allied work. This left about 6½ million tons available for British imports, distributed as follows: 14/

Cereals	1,912,300
Sugar	199,300
Meat	480,900
Oils and Fats	616,700
Other Foodstuffs	397,000
Iron ore and Pyrites	447,900
Nitrates	123,200
Other Munitions and general cargo	<u>2,519,000</u>
	6,696,500

October

By the autumn of 1918 the Allied Maritime Transport Council and its Executive reached the peak of their authority and usefulness. As each Allied Government controlled its own shipping directly, the Council in this respect was influential only in an advisory capacity. It did, however, have direct control of the neutral ships allotted to its supervision during the war, and over the enemy ships given over to its control after the Armistice. 14/

November 11

Armistice.

In the eight months before the Armistice, Britain established twenty Programme Committees covering the whole range of imported commodities. 14/

By the Armistice there were in the United States 233 shipyards with 1,099 ways of which 40 percent were for the building of steel ships. 14/

The United States Shipping Board controlled 1,196 vessels in active service, of 6,540,205 deadweight tons. Of this total, 598 vessels of 4,269,838 deadweight tons were in the direct service of the Army and Navy, carrying troops and supplies to European ports. 8/

November 11

Before convoying was adopted, shipping losses amounted to 10 percent. After convoying was introduced the losses to the end of the war amounted to less than 0.8 percent. 14/ (See May, 1917)

1918 (Cont'd.)

- November 27 The United States War Risk Insurance Bureau announced war risk insurance rates, effective December 31, ranging from 1/10 to 1/4 percent. These rates were in force as long as floating mines continued to be a hazard. 2/ (See Aug. 15, 1917)
- December 1 Freight rates to and from Buenos Aires were down to \$35 a ton by steamers -- as distinguished from sailing vessels, --where formerly, while uncontrolled by the United States Shipping Board, they had reached \$100 a ton. 8/
- December 4 The Emergency Fleet Corporation launched its first concrete ship. 9/
- December 5 The Railroad Administration relinquished control of steamship lines except those owned by the railroads. 12/ (See Part II, December 26, 1917, April 22, 1918 and July, 1918)
- December 12 Authority was granted to the United States Shipping Board to sell the wooden vessels under construction in American shipyards to foreign-owned American Corporations and to foreigners without restriction. 8/
- December 16 The United States lifted restrictions on exports.
- December 30 At this time there were 80 American marine insurance companies in existence, and 39 branches of foreign insurance companies admitted to operate in the United States. 10/
- December Service on the Warrior River -- to stimulate and encourage Southern industrial growth -- was begun. 12/ (See July, 1918)
- December 31 During 1918 the United States licensed for export necessary food supplies and other commodities for the use of neutral nations in exchange for shipping. The United States thus received from Norway 614,000 deadweight tons of steamers and 275,000 deadweight tons of sailing vessels. From Sweden came 100,000 deadweight tons of sailing vessels, and an equal amount of steamers. From Denmark about 265,000 deadweight tons were obtained. 8/

During 1918 the British losses in shipping amounted to 1,632,228 gross tons or less than half the losses of 1917. The losses exceeded the gains by 242,000 tons (the corresponding figure in 1917 was 2,353,000). American ship losses amounted to 142,230 gross tons. 14/

December 31
(Cont'd.)

Steamer charter rates reached new heights. The average rates for 1918, for voyages between the United States and Great Britain, were from 500 to over a 1000 percent higher than the average rates of 1914. The rates from the United States to South America for 1918 were from 500 to 700 percent higher than those of 1914. 11/ (See December 31, 1917)

The total world production of ships in 1918 (excluding Austria and Germany) was 1,844, or 5,398,000 gross tons - almost twice that of 1917. 14/

1919

January 1

After January 1, 1919, no attempt was made to control rates other than those of the vessels under the control of the United States Shipping Board, and those of vessels in South America and the West Indies trades. Foreign tonnage competition (Austrian and German shipping of about 5,000,000 gross tons was released) began to make itself felt in the reduction of rates on ocean freight. 8/

January 6

The United States Shipping Board started negotiations for the return of neutral shipping. 8/

In the winter of 1918-19 the shipping situation was relieved by:
the stoppage of munitions shipment
the termination of convoy arrangements (and
of the delays therein incident)
the cessation of sinkings
the cessation of transporting the American
Expeditionary Forces. 8/

January 31

There were 301,627 employees engaged in constructing ships for the Emergency Fleet Corporation. At the outbreak of the war there were only approximately 50,000 experienced shipbuilders in the United States. 9/

January

The Division of Operations of the United States Shipping Board used the data of its Rate Section to determine what rates were necessary in competition with vessels of other countries, and announced reductions in trans-atlantic rates of about 66 2/3 percent of the prevailing figures. 8/

1919 (Cont'd.)

- March 1 An extreme shortage of ocean tonnage prevailed, comparable in its actual difficulties to the worst period of the war. The delivery of merchant ships in German ports was not mentioned in the Armistice terms. It took about four months to get the German ships into use. 14/
- March 14 The use of German ships which had long been idle helped to relieve the shipping shortage. The relief, however, was not complete because of the delays due to loading and discharging cargoes. These delays were caused by railroad dislocations (labor difficulties were influential) which left the docks congested with goods, and by shorter hours of labor and slacker work. As a result, in 1919 there were carried only about 70 percent of the cargoes that could have been carried in 1913 with identical port facilities. 14/
- April 1 During the period January 1, 1918 to April 1, 1919, there were delivered to the Emergency Fleet Corporation 723 ships, with a total deadweight tonnage of 4,196,856. 9/
- April 7 The Allied Maritime Transport Council was formally terminated, as it merged in the Supreme Economic Council. The Executive of this Council continued in existence as late as February 7, 1920. 14/
- April 15 All war-risk insurance was discontinued in the Pacific Ocean. 8/
- May 1 All war-risk insurance was discontinued for ships trading along the east coasts of North, Central and South America. However, low trans-Atlantic rates were maintained because of the continued existence of mines. 8/
- June 30 By this time 457 requisitioned vessels of 2,665,000 deadweight tons had been returned to their original owners. 8/
- July 1 Contracts of the United States Shipping Board's Emergency Fleet Corporation were canceled for vessels the keels of which had not as yet been laid, except where losses would have been excessive. 9/

1919 (Cont'd.)

- July 7 The insurance fund of the War-Risk Bureau, for the period after the Armistice to July 7, 1919, sustained two total losses and one serious partial loss. 8/
- December 31 In 1919, total ship production in the United States amounted to about four million gross tons. 14/

PART II

Railroad Transportation

1914

June 30 The Interstate Commerce Commission reported 2,349,734 freight cars and 67,012 locomotives in use in the United States. In the twelve months preceding June 30, 1914 about 1,130 million tons of freight were consigned to the railroads for transportation. The return on railroad investment for this period was 4.12 percent. 7/ (See June 30, 1915)

July 29 The Interstate Commerce Commission authorized a 5 percent increase in rates in the Central Freight Association territory. (Ohio, Indiana, Illinois and Michigan) 7/

1915

June 30 There were 2,741,567 freight cars in use in the United States, or about 8,000 less than a year before; there were about 500 fewer locomotives. The railroads carried about 106 million tons of freight less than the year before; the return on railroad investment was about the same -- 4.17 percent. 7/ (See June 30, 1914 and 1916)

1916

February 24 Congestions occurred on railroad tracks and at terminals because of the increased traffic due to the withdrawal for trans-Atlantic service of 80 percent of the vessels engaged in the American coastwise trade. 15/

June 30 The number of freight cars in the United States was at its lowest for the whole period of the war -- 2,313,378 or about 36,000 fewer than on June 30, 1914; likewise the number of locomotives was at its lowest for the whole period of the war -- 65,314 or about 1,700 fewer than on June 30, 1914. In the twelve months ending June 30, 1916 the railroads transported 133 million tons of freight more than for the similar period ending June 30, 1914. The return on railroad investment for the twelve months, ending June 30, 1916, was 5.90 percent, the greatest return in years. 7/ (See June 30, 1914 and 1915; and Dec. 31, 1916)

1916 (Cont'd.)

- July 20 The President approved a joint resolution of the Senate and House for the appointment of a committee to conduct a sweeping inquiry on the matter of transportation and to report to Congress. 12/
- August 29 Army Appropriation Act approved. It authorized the President to take over and control any and all systems of transportation in time of war. 7/
- September 3 Congress passed the Adamson Act establishing the basic eight-hour day in freight train service and involving a substantial increase in the outlay for wages. The act became effective January 1, 1917. 12/
- November 4 The Interstate Commerce Commission entered upon a "general investigation covering all sections of the United States concerning the supply, exchange, interchange, and return of freight cars, and all rules, regulations, and practices relating thereto, with a view of issuing such orders as the Commission might deem appropriate." 7/ At this time the railroads in the East were congested with freight cars coming from all over the country, and were incapable of, or reprehensibly lax in, returning empty freight cars to their owning companies. During the single month of November there were about 80,000 violations of the Interstate Commerce Commission's car-service rules. 7/ (See December 1, 1916)
- December 1 The Interstate Commerce Commission in its annual report asked that Congress give it "definite and specific authority to prescribe for all carriers by rail, subject to the act, rules and regulation governing interchange of cars, return of cars to the owning road, the conditions and circumstances under which such cars may be loaded on foreign roads, and the compensation which carriers shall pay to each other for the use of each others cars." 7/
(See January 18, 1917)
- December 31 The returns in 1916 were 6.17 percent on railroad investments,-- the highest annual returns during the war. 7/ This was at the cost of improvements, however; for companies were reluctant to order new locomotives and cars, considering the upward trend of prices. And much of the war-time congestion was due to this inadequacy of equipment. 8/ Yet for the first time since 1914, there was an increase in the number of freight cars; the total number was 2,329,475 or about 16,000 more than there were on June 30, 1916. (See June 30, 1916 and Dec. 31, 1917)

1916 (Cont'd.)

December 31
(Cont'd.) In 1915 only 681 new locomotives were produced in the United States, about half of the 1,282 produced in 1914, and about a third of the 1,957 produced in 1916. In 1915 there were produced in the United States 2,764 locomotives for use abroad, as compared with 1,378 in 1915, and 1,507 in 1914. On December 31, 1916 there were 65,595 locomotives in use in the United States. 7/ (See June 30, 1916 and Dec. 31, 1917)

1917

January 1 The Adamson Act went into effect, establishing the basic eight-hour day in freight train service and involving a substantial increase in the outlay for wages. The United States Supreme Court upheld this Act in its decision of March 19, 1917. 12/

January 18 The Interstate Commerce Commission made a report of its car supply investigation. "...the car situation had no parallel in our history; in some territories mills had shut down, prices advanced, perishable articles had been destroyed, because of the inability of the railroads to get the cars they needed and which were being held on other lines, while in other territories there had been so many cars on the lines and in the terminals that service had been thrown into unprecedented confusion." 12/

The Interstate Commerce Commission asked all the carriers to appoint a committee with plenary power to secure a relocation of freight cars, and to cooperate with the Commission. Such a committee assembled in Washington, but proved to be without the necessary plenary power. 7/ As a consequence the Commission demanded Congressional action. (See May 29, 1917)

February 2 The railroad companies appointed a Car Service Commission with plenary power to cooperate with the Interstate Commerce Commission. This Commission functioned until the Government took over the railroads. 12/

March 1 Organized railroad labor scored a victory with the going into effect of the "Southern Agreement," providing increased rates of pay. 12/

March 19 The United States Supreme Court upheld the Adamson Act. 12/
(See January 1, 1917)

April 11 The Railroads' War Board was created as a voluntary result of the convention of the railroads' executive association. The Car Service Commission became one of its most important arms. 12/

At this time there were in the United States 400,000 miles of tracks of all kinds; of this there were 260,000 miles of main

1917 (Cont'd.)

April 11
(Cont'd.)

track. 12/

While there were several hundred operating railroad companies, 32 systems operated about 77 percent of the total mileage. 12/

Almost all of the internal traffic in the United States was dependent upon railroad transportation, as river and canal navigation was negligible. 12/

May 1

The United States freight car shortage was at its greatest--164,000 cars short. 12/ (See November 1918)

May 29

The Esch Car Service Act was enacted substantially in the form recommended by the Interstate Commerce Commission. Under this Act the Commission acquired broad powers: It was given the authority "to suspend the operation of any or all rules, regulations, or practices then established with respect to car service for such time as may be determined by the Commission, and also authority to make such just and reasonable directions with respect to car service during such time as in its opinion will best promote car service in the interest of the public and the commerce of the people." 7/

June 27

The Interstate Commerce Commission authorized a 15 percent increase in all freight rates in the Eastern territory. In the West and South, only coal, coke and iron ore rates were raised. 7/

Up to this time the I.C.C. felt that the year 1916 had been so profitable that a decrease in earning - due to war-time inflation of values and costs and to traffic congestion - would not cripple or incapacitate the railroads. 7/

August 10

The Preferential Shipments Act authorized the President to direct which shipments of commodities..."shall have preference or priority in transportation by any common carrier by railroad, water, or otherwise." 1/ Under this act, a Priorities Director was appointed. His duty was to control the indiscriminate and conflicting "priority" orders of Governmental war agencies. 13/

September 1

The "Southeastern Agreement" went into effect for improved working conditions for railroad workers. (See March 1, 1917)

During the months of September and October, various strikes occurred among railroad workers to secure union recognition. 12/

October

To relieve railroad congestion, the United States Shipping Board announced that it would have barges built to assist in the movement of ore and coal on the Ohio and Mississippi rivers. War Port

1917 (Cont'd.)

- October
(Cont'd.) Boards were established to deal with congestion problems. 15/
- November 24 The Railroads' War Board announced the pooling of all railroads east of Chicago to improve freight movement. 12/
- December 1 The Interstate Commerce Commission in its report to Congress said that railroad unification, so indispensable to the fullest utilization for the national defense and welfare, had not been accomplished. 12/
- December 7 The Freight Priority Board gave preference to fuel, food and government supplies. 13/
- December 18 The Senate ordered an investigation of the United States Shipping Board and of the railroad situation. 12/
- December 22 A member of the Railroads' War Board in a memorandum stressed the increasing difficulty of keeping equipment, particularly locomotives in proper repair on account of the depletion of shop forces. 12/
- December 26 The President took possession, effective December 28, and control of the railroads by proclamation. The roads were guaranteed a certain net income from railroad operations, based on the average net income of the three years preceding June 30, 1917. 1/
(Sec August 29, 1916)
- By proclamation the President gave control of certain railroad owned shipping companies to the Railroad Administration. 12/
(See April 11, 1918)
- December 28 William G. McAdoo, the Secretary of the Treasury, assumed duties as Director General of Railroads, after appointment by the President. 12/
- December 31 The various subcommittees of the Railroads' War Board were taken over by the Government. 12/

In the twelve months ending December 31, 1917 many new freight cars were put into use. On Dec. 31, 1917 there were in use in the United States 2,379,472 freight cars, or about 50,000 more than were in use on December 31, 1916.

1917 (Cont'd.)

December 31
(Cont'd.) In 1917, the railroads carried about 1332 million tons of freight, or 65 million tons more than in 1916. 7/ Although 1507 new locomotives were produced in 1917, by December 31, there were 66,070 locomotives in use, or only about 500 more than on December 31, 1916. In 1917 there were produced 4,027 locomotives for foreign use. 13/ The return on railroad investment for 1917 was 5.31 percent. 7/ (See Dec. 31, 1916 and 1918)

During 1917 the United States produced 138,157 trucks, and 1,507 locomotives for use in this country; 1,957 locomotives had been built in 1916. In 1917 there were built, for use abroad, 4,027 locomotives; in 1916 the number was 2,764; in 1915, it was 1,378. 13/ (See Dec. 31, 1916)

1918

Throughout the year, questions involving relations between the railroads and shipping -- such as, for example, export and import rates -- were handled by a committee composed of the Assistant Director of Traffic of the Railroad Administration and the Assistant Director of Operations of the Emergency Fleet Corporation. 8/

- January 6 The Railroad Administration ordered demurrage rates doubled. 12/
- January 18 The Eastern Region railroad territory defined. By June 1, the country was divided into seven regions, each in the charge of a regional director. 12/
- January 23 The Railroad Administration ordered a freight embargo on the Philadelphia, Baltimore and Ohio, and Reading railroads east of the Ohio River; fuel, food, and munitions were exempted from the embargo. 12/
- February 16 The Director General of Railroads appointed a Committee on Inland Waterways. 12/
- The use of New York canals was suggested as a means of relief to railroad transportation. 12/

1918 (Cont'd.)

- April 11 Under the act of August 29, 1916, the President issued a proclamation giving control of coastwise shipping to the Railroad Administration... "to the end that such...transportation be utilized for the transportation of troops, war material, and equipment, to the exclusion as far as may be necessary of all traffic thereon..." 1/ (See Dec. 28, 1917)
- April 22 The Railroad Administration's New York State Barge Canal Section was created. Numerous steamers and barges were leased for the summer and fall of 1918. The operations with these chartered vessels during 1918 were experimental and far from satisfactory, so that leases were not renewed after 1918. 8/
- April 30 The railroad managements were instructed not to renew any expiring fire insurance policies on property in Federal control, as the Government, insured its own fire risks. By carrying its own insurance, the Railroad Administration saved in 1918 about \$1,346,970 and in 1919 about \$2,311,378. Yet it was found to be more economical for the Railroad Administration to insure against ordinary marine losses in the marine insurance companies, and this practice was reinstated in 1919. 12/ (See April 11, 1918 and December 5, 1918)
- April The Railroad Administration ordered 100,000 standard-gauge freight cars, distributing the order among sixteen builders. By the time deliveries started in September 1918, the United States Military Railways* placed orders with the same companies and fourteen others for 30,000 freight cars, and because of priority rights got the cars destined originally for the Railroad Administration. 13/

*U.S.Army unit engaged in military railroad construction and operation in France.

At this time the Railroad Administration also ordered 1,415 locomotives. 13/

In ordering its equipment the Railroad Administration limited its orders to twelve standard types of cars out of some 2,000 existing types; likewise only six standard types of locomotives were ordered. 6/

1918 (Cont'd.)

- May 25 The Director General of Railroads ordered an increase in passenger and freight rates, effective June 10 and 25, respectively. By this order the rates were increased about 25 percent - an unprecedented increase in the history of the country. As the income of railroads was guaranteed under the Act of Congress that created the Railroad Administration, this order settled the question whether the Government should make up the deficit from the general treasury or increase the rates. 12/
- May 26 The Railroad Administration ordered wage increases to railroad employees. 12/
- June 10 The passenger rate increase order became effective; passenger rates were increased about 18 percent. 6/
- June 25 The freight rate increase order became effective; the increase amounted to about 28 percent. 6/
- June As practically all the through East and West bound freight was routed through Columbia, Pennsylvania, it is interesting to note that during the single month of May, approximately 250,000 freight cars moved eastward past this point. 6/
- July 23 The United States Military Railways ordered 510 standard-gauge locomotives. 13/ (See April, 1918)
- July 30 The War Industries Board formed the Railway Equipment and Supplies Section. The purpose of this section was to distribute properly the numerous orders for locomotive and freight cars that came from the different branches of the Government. 13/
- November The freight car shortage in the United States was less than 15,000. The situation however was not so bad as that of May 1, 1917 when there was a shortage of 164,000 cars. In a few months, however, cars became plentiful and overabundant. (See February, 1919) 12/

1918 (Cont'd.)

- December 5 The Railroad Administration relinquished control of steamship lines except those owned by the railroads. 12/
- December 31 On December 31, 1918 there were 2,397,943 freight cars in use in the United States, or about 18,000 more than on Dec. 31, 1917. The number of locomotives showed one of the greatest annual increases, for there were in use 67,936 locomotives, or about 1700 more than on December 31, 1917. During the year there had been produced for home use 2,138 locomotives; and for use abroad, 3,996 locomotives. It is interesting to note that 168,270 trucks were produced in 1918, or about 40,000 more than in 1917. 13/ The quantity of freight carried by the railroads dropped from 1382 million tons in 1917 to 1377 million tons in 1918. During 1918 the greatest efficiency in loading cars was achieved, for in this year there were 27.0 tons of freight loaded per car; in 1914 it was only 21.1 tons. 6/ Car space was saved by improved loading specifications for various commodities, such as tobacco, paper, fruits, lumber, automobiles, and steel products. 6/ During 1918 the return on railroad investment was 3.60 percent. 7/ (See Dec. 31, 1917 and 1919)

1919

- January 1 Director McAdoo resigned and Walker D. Hines became Director General of the Railroad Administration. 12/
- February In 1918 there were appointed 33 general and district freight traffic committees; one or two members of each committee represented the general business interests of the section. In February additional shippers' representatives were placed on each of these committees, so that there was an equal representation of the railroad management and of the shipping interests. Changes in freight rates were referred to the appropriate freight traffic committee, and after a public hearing, the recommendations of the committee were sent to the Directors of Traffic and Public Service in Washington. 12/
- February For six months after the Armistice the slump in freight business was most pronounced, and there was the greatest surplus of idle cars (451,026) ever known. (See May 1, 1917) The demand for coal, and building materials, such as lumber, cement and structural steel, had temporarily declined. 6/ The shipment of agricultural products was at a low point, as the crops are usually most heavily shipped in the fall of the year.

1919 (Cont'd.)

- May 15 The Railroad Administration had the use of 48 new steel barges that it had ordered, and a number of concrete barges. 12/
- June During the period November 1918 - June 1919, railroads suffered losses because of the slump in business, and because they were reluctant to increase rates, feeling that business might be further discouraged. 12/
- October Large crops, Texas oil, heavy coal movements (in anticipation of the serious bituminous coal strike starting November 1), and great demands for building materials put as great a strain on the railroads as they had experienced at any time during the war. The railroads performed in October, 1919, a greater volume of transportation service than in October, 1918, 1917 or 1916, and this was done with a car shortage of 59,510 cars. 6/
(See May 1, 1917 and February, 1919)
- December 23 The President proclaimed that the railroads would be relinquished to private hands, starting March 1, 1930. 12/
- December 31 The number of freight cars in the United States reached a new high of 2,428,049; and locomotives reached a new high of 68,977. The number of the freight carried dropped to 1190 million tons for the year -- or less than the amount of freight carried in the year ending June 30, 1916 when there were 115,000 fewer freight cars. The return on railroad investment for 1919 was the lowest in over a decade -- 2.64 percent. 7/ (See Dec. 31, 1918)
- Passenger traffic on the railroads in 1919 exceeded that of all previous years; it was 10 percent higher than in 1918. 12/
- 1919 "Earnest consideration had been given through 1919 to the speeding up of the movement of freight in the terminals ... Special terminal committees were appointed at 73 of the larger terminals with instructions to make a careful study of the situation at these terminals and to do everything practicable to improve the movement of freight in and through them. The result of the work of these committees was highly satisfactory." 6/

1920

- February 28 The Esch-Cummins Act became effective. By virtue of this act rate regulation was returned to the Interstate Commerce Commission. 7/
- March 1 The railroads were returned to private operation (Transportation Act). The transition was facilitated by extending the payment of a guaranteed return to such roads as desired it, up to September 1, 1920. The Government subsequently made large payments because of this guaranty, as it was not practicable for the Interstate Commerce Commission to put into effect the increased rates until September 1, the expiration of the guaranty period. 12/
- Under the Government guaranty of a definite income, the railroads, in order to obtain traffic, granted services which were wholly or partly free. Thus, the railroads vied with each other in offering ample terminal facilities; so that there was much duplication of expensive terminals, where proper planning and coordination would have given much more economical service. 11/
- May 1 The increase in wages of railroad employees, as recommended by the Labor Board created by the Transportation Act, became effective. 12/ (See March 1, 1920)
- July 29 The Interstate Commerce Commission authorized the railroads to increase their rates on September 1, when the Government guaranty would expire. The following increases were authorized: 7/
1. A 20 percent increase in passenger rates for the whole country.
 2. A 40 percent increase in freight rates in the Eastern Territory.
 A 35 percent increase in freight rates in the Southern Territory.

 A 25 percent increase in freight rates in the Mountain Pacific Territory.
 A 33 1/3 percent increase in freight rates in the other territories.

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