

8 January, 1944

MEMORANDUM FOR CAPTAIN K. S. HARRISON

To: The Commandant (INT)  
 Subj: Violation of Load Line Act by SS ELI WHITNEY (Karl P. Olsen, master)

Subj: Violation of Load Line Act by SS ELI WHITNEY (Karl P. Olsen, master)  
 1. Reference is made to your memorandum of 15 November, 1943, re the subject, in which an investigation was requested to ascertain whether any payment was made to the Master of the subject vessel above his regular compensation for services rendered on the voyage which terminated on 13 February, 1943.

2. Inclosure is forwarded herewith as requested.  
 In reply to your memorandum the following is quoted from the report of an investigation conducted by the District Coast Guard Intelligence Officer, 3rd Naval District:

*J. M. Cannella*  
 J. M. CANNELLA

"An examination of the books containing the pay account of Karl P. Olsen, Master Mariner, was made at the Grace Line Steamship Company office at #10 Hanover Square, New York, N. Y. That account included a record of all money paid to Captain Olsen during the voyage of the SS ELI WHITNEY which terminated at Charleston, S. C., on 13 February, 1943.

"The itinerary of that voyage included visits to some ports where one hundred percent bonuses were paid and others where forty percent bonuses were granted.

"The amount of bonuses paid in each instance was regulated by the United States Navy which specifies the percentage payable in accordance with the war risk involved in the area visited.

"Captain Olsen's base pay was \$357.50 per month, plus a fifteen percent temporary increase. That increase was granted to all masters in the Grace Line employ previous to the entry of the United States into the present war.

"After reviewing the subject's vessel's itinerary and calculating the percentages payable during the voyage in which the Load Line Act was violated, there was no evidence that Captain Olsen received any money over or above the sum to which he was fully entitled."

ADDRESS REPLY TO  
DISTRICT COAST GUARD OFFICER  
REFER TO FILE: 601 (int)

DEC 31

DEC 31 1943

AM 11 52  
CONFIDENTIAL

DEC 29 1943

To safeguard the security of the information contained herein, please initial and return to Intelligence for filing when it has served its purpose

To: The Commandant (INT)

Subj: Violation of Load Line Act by SS ELI WHITNEY (Karl P. Olsen, Master)

1. Reference is made to Headquarters' letter of 27 November, 1943, file CG-601, above subject.
2. An examination of the books containing the pay account of Karl P. Olsen, Master Mariner, was made at the Grace Line Steamship Company office at #10 Hanover Square, New York, N.Y. That account included a record of all money paid to Captain Olsen during the voyage of the SS ELI WHITNEY which terminated at Charleston, S.C., on 13 February, 1943.
3. The itinerary of that voyage included visits to some ports where one hundred percent bonuses were paid and others where forty percent bonuses were granted.
4. The amount of bonuses paid in each instance was regulated by the United States Navy which specifies the percentage payable in accordance with the war risk involved in the area visited.
5. Captain Olsen's base pay was \$357.50 per month, plus a fifteen percent temporary increase. That increase was granted to all masters in the Grace Line employ previous to the entry of the United States into the present war.
6. After reviewing the subject vessel's itinerary and calculating the percentages payable during the voyage in which the Load Line Act was violated, there was no evidence that Captain Olsen received any money over or above the sum to which he was fully entitled.

*J. J. Flynn*

J. J. FLYNN  
By direction

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To safeguard the security of the information contained herein, please initial and return to Intelligence for filing when it has served its purpose

CG-601

27 November, 1943

MEMORANDUM FOR COMMANDER POLLIO

To: DCGO, 3rd Naval District

Subj: Violation of Load Line Act by SS ELI WHITNEY (Karl P. Olsen, Master)

1. There is inclosed for your information Headquarters file on the subject vessel which arrived at Charleston, South Carolina, on 13 February, 1943, and was found to have been overloaded to the extent of seven inches.

2. Inasmuch as the vessel is owned by the War Shipping Administration, it is impractical to impose the monetary penalties provided by 46 U.S.C. 85 G. However, Headquarters is giving consideration to proceeding against the Master on appropriate charges if subsequent developments show that he was either negligent or inattentive to duty in permitting the vessel to be overloaded at the port of Tocopilla, Chile.

3. Headquarters is of the opinion that the action of the Master in this matter may be explained by a payment to him from the operating company, the Grace Line, of a bonus or gratuity. It is not believed that at this time any useful purpose will be served by questioning the Master. Therefore, an effort should be made to examine the books of the Grace Line to ascertain whether any payment was made to the Master above his regular compensation for services rendered on the voyage which terminated about 13 February, 1943. The Commandant should be advised of any information developed by this investigation, together with the return of the inclosed file.

4. Will you endeavor to ascertain whether or not such a payment was made and advise me the result of your investigation?

L. T. CHALKER  
Assistant Commandant

U. S. DEPT. OF NAVY (CG)

*K. S. Harrison*

NOV 29 1943

K. S. HARRISON  
Chief Counsel

Incl  
File of subject vessel

LM:ans

LMJ  
W22  
*[Handwritten initials]*

*Please route back to 7-11*

US COAST GUARD

WASHINGTON

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## MEMORANDUM FOR COMMANDER POLLIO

Subj: Violation of Load Line Act by SS ELI WHITNEY (Karl P. Olsen, Master)

1. The above named vessel arrived at Charleston, South Carolina, on 13 February, 1943 and was found to have been overloaded to the extent of seven inches.
2. Explanations which have been offered by the General Claim Agent of the operating company are quite unsatisfactory. Because the vessel is owned by the War Shipping Administration it is impractical to impose the monetary penalties provided by 46 U.S.C. 85 G; but consideration is being given the matter of proceeding against the Master on appropriate charges if subsequent developments show that the Master was either negligent or inattentive to his duty in permitting the vessel to be overloaded at the port of Tocopilla, Chile.
3. It is believed that the Master's action (or inaction) may be explained by the payment to him from his operating company, the Grace Line, of a bonus or gratuity. Manifestly the Master will not admit having received such a payment and it may be necessary to have an examination made of the books of the Grace Line to discover whether or not any payment was made to the Master above his regular compensation for services rendered on the voyage which terminated about 13 February, 1943.
4. Will you endeavor to ascertain whether or not such a payment was made and advise me the result of your investigation?

*K. S. Harrison*

K. S. HARRISON  
Chief Counsel