

The amount stated in the Balance Sheet for Steamships and Marine Equipment, \$8,005,926.02, represents the cost of 8 steamers and 8 barges, motor boats, etc., having a total carrying capacity of 498,200 barrels, and expenditures to December 31, 1920, on four tankers in course of construction having an approximate capacity of 315,000 barrels, while the chartered fleet consists of 4 steamers with a total capacity of 285,000 barrels, or a total capacity for the operating fleet of 783,200 barrels. The present value of this tonnage is very much greater than the amount at which the fleet is carried in the Balance Sheet herewith.

The new 12,000 ton steel tanker "S. S. Montebello" was launched January 24th last, and her sister ship the "S. S. La Placentia" is to be launched March 8th next. A contract has been entered into with a British firm for the construction of a 12,000 ton tanker to be delivered in the late summer of this year, also contract with the Southwestern Shipbuilding Company, San Pedro, for the construction of a 7,500 ton tanker, to be delivered in the fall of this year.

Additions to Refineries and Compressor Plants represent principally expenditures made on the new Refinery at Los Angeles Harbor, and extensions of our Lubricating Plants and other facilities. The normal daily crude refining capacity is about 60,000 barrels.

Additions to Marketing Stations represent extensions of our distributing system and purchases of auto trucks and automobiles. The equipment owned by the Company includes: 404 tank cars, 799 auto trucks, 275 automobiles, 104 horses, and there are now 159 domestic and foreign sales stations and commission agencies in operation and the Company operates or has leased 103 Service Stations.