

GREAT BRITAIN

Imperial Shipping Committee.

Inquiry Committee, 1938

British Shipping in the Orient
: Report



THIRTY-EIGHTH REPORT OF
THE IMPERIAL SHIPPING COMMITTEE

BRITISH SHIPPING
IN THE ORIENT

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LONDON

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- 1939

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LIST OF MEMBERS OF THE IMPERIAL SHIPPING COMMITTEE.

- The Rt. Hon. Sir HALFORD J. MACKINDER, P.C. (*Chairman*).
- Sir FREDERICK LEITH-ROSS, G.C.M.G., K.C.B., United Kingdom.
- The Hon. VINCENT MASSEY (*High Commissioner*), Canada.
- The Rt. Hon. S. M. BRUCE, P.C., C.H., M.C. (*High Commissioner*), Australia.
- Mr. W. J. JORDAN (*High Commissioner*), New Zealand.
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- Sir HENRY MOORE, K.C.M.G., Colonies and Protectorates.
- | | |
|--|--|
| <p>Mr. W. L. HICHENS</p> <p>Sir KENNETH LEE</p> <p>Mr. D. T. LEWIS</p> <p>The Rt. Hon. LORD CRAIGMYLE*†</p> <p>Mr. T. HARRISON HUGHES*</p> | <p>} being persons experienced in
Shipping and Commerce.</p> |
|--|--|
- Lieut.-Colonel Sir FRANCIS C. SHELMERDINE, C.I.E., O.B.E., representative of Civil Aviation.
- Mr. D. CARTER‡ (*Secretary*).

NOTE.—The seat of Newfoundland on the Committee is at present vacant.

* See next page.

† In view of Lord Craigmyle's position in 1937 as Chairman of the P. & O. and B.I. Companies, his place on the Committee for the purpose of this Inquiry was taken by Mr. Robertson F. Gibb, Chairman of the Union Castle Line.

‡ Mr. D. Carter, who was Secretary to the Committee throughout this Inquiry, resigned in 1938 on receiving promotion in the U.K. civil service. He has been succeeded by Mr. G. V. Hole.

PANEL OF SHIPOWNERS.

Panel of Shipowners, nominated under a Resolution of the 1930 Imperial Conference, from whom the Chairman may select substitutes for the two shipowner members (marked with an asterisk on the previous page), in respect of cases coming before the Committee in which these members are personally interested:—

Mr. ROBERTSON F. GIBB.
 Mr. J. R. HOBHOUSE.
 Mr. G. J. INNES.
 The Hon. W. LESLIE RUNCIMAN.
 Sir VERNON THOMSON, K.B.E.

TERMS OF REFERENCE.

(As amended by the Imperial Conference of 1930.)

(i) To inquire into complaints from persons and bodies interested with regard to ocean freights, facilities and conditions in the inter-Imperial trade, or questions of a similar nature referred to them by any of the nominating authorities; and to report their conclusions to the Governments concerned.

(ii) To survey the facilities for maritime transport on such routes as appear to them to be necessary for trade within the Empire, and to make recommendations to the proper authority for the co-ordination and improvement of such facilities with regard to the type, size and speed of ships, depth of water in docks and channels, construction of harbour works and similar matters; and in doing so to take into account facilities for air transport on the routes in question.

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LIST OF ABBREVIATIONS.

B.I.	British India Steam Navigation Co., Ltd. (British).
c.i.f.	Cost, insurance, freight.
E. & A.	Eastern and Australian Steam Navigation Co., Ltd. (British).
f.o.b.	Free on board.
I.L.O.	International Labour Office.
J.C.J.	Java-China-Japan Line (Netherlands).
K.K.K.	Kokusai Kisen Kaisha ¹ (Japanese).
K.P.M.	Koninklijke Paketvaart Maatschappij ² (Netherlands).
M.B.K.	Mitsui Bussan Kaisha ³ (Japanese).
Nanyo Y.K.	Nanyo Yusen Kaisha ⁴ (Japanese).
N.E.I.	Netherlands East Indies.
N.G.I.	Navigazione Generale Italiana (Italian).
N.Y.K.	Nippon Yusen Kaisha ⁵ (Japanese).
O.S.K.	Osaka Shosen Kaisha ⁶ (Japanese).
P. & O.	Peninsular and Oriental Steam Navigation Co. (British).

Translations :—

1. Kokusai Steamship Company.
2. Royal Mail Packet Company.
3. Mitsui Trading Company.
4. Nanyo Mail Steamship Company.
5. Japan Mail Steamship Company.
6. Osaka Shipping Company.

APPENDIX I.

COPY OF PRESS NOTICE DISTRIBUTED IN BRITISH COUNTRIES.

The Imperial Shipping Committee has commenced an Inquiry into the position of British shipping in Middle and Far Eastern waters, having regard to the changing conditions of sea-borne trade in those waters, and particularly to the increased competition of foreign flags.

Communications in connection with the Inquiry should be addressed to the Secretary of the Imperial Shipping Committee, Mr. Douglas Carter, New Public Offices, Great George Street, London, S.W.1.

March, 1937.

APPENDIX II.

NAMES OF WITNESSES FROM WHOM THE IMPERIAL SHIPPING COMMITTEE HAVE TAKEN ORAL EVIDENCE IN THIS INQUIRY.

Professor G. C. Allen	...	...	University of Liverpool.
Mr. D. G. M. Bernard	...	...	Director of Matheson & Company.
Mr. A. O. Brown	...	...	Partner in Mackinnon, Mackenzie & Co. (Calcutta).
Mr. H. M. Cleminson	...	...	General Manager, Chamber of Shipping of the United Kingdom.
Mr. David S. Erulkar	...	...	Managing Director, Scindia S.N. Co.
Mr. W. A. Fell	...	...	Director of Harper, Gilfillan & Co., and member of the Executive Council of the Straits Settlements.
Mr. W. L. Foggitt	...	...	Senior Assistant, Mackinnon, Mackenzie & Co. (Japan), Ltd.
Mr. R. Graham	...	...	Secretary, British India S.N. Co.
Mr. Walchand Hirachand	...	...	Chairman of the Scindia S.N. Co., representing the Federation of Indian Chambers of Commerce.
Mr. R. V. Harris	...	...	P. & O. S.N. Co.'s agent at Singapore.
Mr. Martin Hill	...	...	Joint Secretary, Liverpool Steam Ship Owners' Association.
Dr. L. Isserlis	...	...	Statistician, Chamber of Shipping of the United Kingdom.
Mr. W. Keay	...	...	Partner in Mackinnon, Mackenzie & Co. (Bombay).
Mr. A. O. Lang	...	...	A Managing Director of the P. & O. S.N. Co.
Mr. W. MacGillivray	...	...	Managing Director of the Prince Line.
Sir John Niven	...	...	Partner in Andrew Weir & Co., Managing Owners of the Bank Line.
Mr. R. E. N. Padfield	...	...	Joint Manager, London Office, Hong Kong and Shanghai Banking Corporation.
Mr. F. A. Pollock	...	...	Director, Jardine, Matheson & Co.
Mr. G. W. Robins	...	...	Chairman of the Liverpool Steam Ship Owners' Association.
Mr. H. C. Street	...	...	Representing the Council of the Rubber Growers' Association.
Mr. G. W. Swire	...	...	Managing Director, Messrs. John Swire & Sons, Ltd.
Mr. H. V. Wilkinson	...	...	Partner in Mackinnon, Mackenzie & Co. (China), Ltd.
Mr. C. E. Wurtzburg	...	...	Managing Director, Glen Line, Ltd.

APPENDIX III.

THE CARD INDEX.

The Imperial Shipping Committee have caused a Card Index to be prepared of the voyages of vessels of 3,000 tons gross and over covering the period October, 1934, to March, 1937. By far the greater part of the world's ocean-borne trade is carried in such vessels. The Card Index does not include the voyages of tankers or of vessels wholly engaged in coasting trades or short sea trades such as the Mediterranean or Baltic, nor does it include ships continuously laid up. The information has been mainly derived from successive issues of Lloyd's Shipping Index, supplemented, in the case of United Kingdom tramps, by particulars of cargoes carried, obtained from applications made to the Tramp Shipping Subsidy Committee in 1935 and 1936.

In order to test the completeness of the Card Index a comparison has been made (1) with Lloyd's Register of Shipping giving the total number of vessels in existence (or nearing completion) on the 30th June, 1936, and (2) with the total number of vessels of 3,000 tons gross and over reported in Lloyd's Shipping Index on the same date. The figures are as follows:—

	<i>Vessels.</i>
Lloyd's Register of Shipping	7,576
Lloyd's Shipping Index	6,641
Card Index of Voyages	4,627

The differences between these figures have been carefully examined in consultation with Lloyd's Register and are accounted for as follows. The 935 vessels included in Lloyd's Register but not in Lloyd's Shipping Index, were either engaged in the coasting trade of the United States, or in the trade between Japan and China, or were building or launched but not yet completed, or had been laid up for a term of years. The 2,014 included in Lloyd's Shipping Index but not in the Imperial Shipping Committee's Card Index of Voyages were either tankers, or engaged in coasting trades other than the American, or in short sea trades other than that between China and Japan, or had been laid up for shorter terms.

The following table gives an analysis according to flag of the 4,627 ships, liners and tramps, included in the Card Index of voyages, and also enumerates the liners normally trading within or to and from the Orient in 1936:—

Flag.	Total number of vessels in Card Index (Liners and Tramps).	Of which, <i>liners</i> normally trading in Orient.
British	1,777	387
United States	578	58
German	324	80
Japanese	273	233
Norwegian	263	25
Italian	261	32
Netherland	214	97
French	206	27
Others	731	45
Total	4,627	984

APPENDIX IV.

SOURCES OF INFORMATION.

§ 16. There are no data to show the proportions of all the trades to and from countries in the Orient carried under the British and other flags. In the case of each country there are figures of entrances and clearances of shipping tonnage; but since vessels often call at a port without loading or discharging much cargo, or embarking or disembarking many passengers, it cannot be assumed that the proportion of entrances and clearances under a particular flag necessarily corresponds to the proportion of traffic carried under that flag. There is, however, some information as to carryings of a particular trade or a particular group of trades in the Orient under the various flags:—

(1) Japan publishes figures showing the proportions of Japanese trade, measured by value, carried under the various flags.

(2) In the case of the United Kingdom, since 1935, and of the United States, before 1932, there are figures showing the values of particular trades carried under the various flags to and from the United Kingdom and the United States respectively. Data similar to the foregoing, except that they are based on volume and not on value, are available in Italian, Greek, Danish and Egyptian official statistics for the trades based on those countries. In the case of the Philippines, there are figures for a considerable number of years showing both the volume and value of particular trades carried under the various flags to and from that country.

(3) There are figures of tonnage of shipping and of the traffic through the Suez and Panama Canals, distinguishing the various flags.

(4) The foregoing information has been supplemented by information supplied by shipowners and by our Card Index of Voyages.

In the case of the United Kingdom, we have figures supplied to us by the Chamber of Shipping of the United Kingdom of the gross earnings of British shipowners in particular trades in 1936; and in the case of Japan, there are figures published by the Japanese Government of the gross earnings of Japanese shipowners, distinguishing earnings in "direct" trade to and from Japan and earnings in "indirect" trade between other than Japanese ports.

§ 19. The division of traffic through Suez and Panama into "Oriental" and "Non-Oriental" is based on tonnage of shipping. It was calculated, in the case of Suez, from figures compiled from the Returns of Shipping, Cargo and Passenger Traffic in the Ports of Egypt and Suez Canal Transits, issued by the Statistical Department of the Ministry of Finance of the Kingdom of Egypt; and in the case of Panama, from figures compiled from successive issues of the "Panama Canal Record".

§§ 32-3. Almost the whole of the transoceanic trade of the world is carried in vessels of over 3,000 tons gross. The figures have been compiled from Lloyds' Confidential Index.

§§ 38-44. These figures are compiled from the Returns of Shipping, Cargo and Passenger Traffic in the Ports of Egypt and Suez Canal Transits (see § 19 above). It has been ascertained that the movements of cargo and passengers shown in these Returns as originating in or bound for different countries are based on the country in which the ship began its outward or homeward voyage, and not on the countries of origin and destination of the cargo or passengers carried. Thus, labourers carried in an Italian vessel from Italy to Massawa would be shown as bound for China if the Italian vessel proceeded to a Chinese port as its last port of call on the outward voyage. For this reason, the figures given must be taken as being only approximately accurate.

§ 45. Statements based on our card index of voyages.

§ 47. Statistics compiled from the Accounts relating to the Sea-borne Trade and Navigation of British India, issued by the Department of Commercial Intelligence and Statistics, India.

Since there is a larger amount of cargo for export from the East coast of India than from the West coast, there is a considerable transfer of ships which have unloaded on the West coast round to the East coast for loading, but in such cases only the first entrance and the last clearance have been shown in the Indian statistics. The local traffic between India and Ceylon is also distinguished in the returns, and since the separation of Burma from India only took effect in 1937, the considerable traffic between those two countries is not included in the statistics relating to Indian foreign-going trade in 1936.

§ 49. Figures compiled from "Overseas Trade of the United Kingdom, 1936: Nationality of Carrying Vessels", H.M. Stationery Office, 1937, and from the corresponding publication dated 1938.

§ 57. Based on information supplied by the Burma Chamber of Commerce.

§ 58. The official statistics of British India include under the heading of Coasting Trade the entrances and clearances of foreign-going ships which call at more than one Indian port to discharge or take on cargo and/or passengers of foreign origin or destination, irrespective of whether they also load cargo or embark passengers at one Indian port for another Indian port. There are no published statistics to show the nationalities of vessels carrying coasting trade proper—in other words, cargo or passengers between Indian ports only.

§ 71. Figures compiled from "Overseas Trade of the United Kingdom, 1936: Nationality of Carrying Vessels", H.M. Stationery Office, 1937, and from the corresponding publication dated 1938.

§ 75. The speeds of the vessels are as indicated in Lloyd's Register of Shipping, 1938-9, Vol. III, where it is stated:—"The speeds recorded are given on the authority of the Owners as being the speeds which the Steamers and Motor-ships are capable of maintaining at sea in ordinary weather and under ordinary conditions of loading. The Society of Lloyd's Register of Shipping is not responsible for the accuracy of the information so furnished."

§§ 76 and 78. Statistics compiled from the Straits Settlements Blue Books for 1929 and 1936.

§ 91. Statistics compiled from Annual Reports of the Insular Collector of Customs to the Honourable Secretary of Finance, issued by the Commonwealth of the Philippines Department of Finance, Bureau of Customs, Manila.

§ 95. Figures compiled from the "Trade of China", Vol. 1, published by the Maritime Customs of China.

§§ 100-106. Based on information supplied to the Imperial Shipping Committee by Messrs. John Swire & Sons.

§ 112. The figures of Japanese vessels have been compiled from the statistical tables of Lloyd's Register of Shipping, and the figures of value and volume of Japanese trade from "The Foreign Trade of Japan", published by the Japanese Government.

§ 113. This paragraph is based on the result of enquiries which were made of Lloyd's and the Chamber of Shipping.

§ 121. The information in this paragraph was obtained from various sources, but mainly from oral and written evidence from British ship-owners and merchants.

§ 126. Statistics compiled from "Foreign Commerce and Navigation of the United States" for the calendar years 1929, 1931 and 1936, published by the United States Department of Commerce: Bureau of Foreign and Domestic Commerce.

§§ 138-149. These paragraphs are mainly based on our card index and on the answers to a questionnaire which we addressed to the Chamber of Shipping of the United Kingdom.

§§ 150-151. Information supplied by the Chamber of Shipping of the United Kingdom.

§§ 158-160. Information supplied to the Imperial Shipping Committee by the United Kingdom Post Office.

§§ 161-198. The paragraphs on subsidies are mainly based on information, marshalled from various sources, compiled by Overseas Officers of the Department of Overseas Trade. For obvious reasons, the completeness and accuracy of the information cannot be guaranteed. Moreover, subsidies are not usually given in respect of shipping services to and from Oriental ports only, and it is therefore often difficult, if not impossible, to determine the subsidies which are ultimately spent on such services.

Published Authorities which have been consulted include "Shipping and Shipbuilding Subsidies" by Jesse E. Saugstad—a publication issued by the United States Department of Commerce; and "Subsidies to Shipping and Shipbuilding in the Post-War Years 1919-1930" by Ernst Walther Schiedewitz, Hamburg, 1931.

In certain cases, also, it has been possible to obtain copies of relevant laws or decrees.

§§ 224-232. These paragraphs are mainly based on a memorandum prepared for the Imperial Shipping Committee by Professor G. C. Allen, of the University of Liverpool. The information in this memorandum was obtained from various sources; from conversations with business men (Japanese and foreigners) in Japan, from officials of the Mitsui, Mitsubishi and Sumitomo groups who made some specific inquiries at Professor Allen's request in 1936, from M. Susuki's study entitled *Nihon Zaibatsu Ron* (An Essay on the Japanese *Zaibatsu*) and other books and articles (in Japanese) on this question, and from articles in the *Mitsubishi Monthly Circular* and the *Oriental Economist*.

§§ 250-294. Mainly based on evidence supplied to the Imperial Shipping Committee by the British Shipowners concerned.

§§ 295-306. Mainly based on information supplied to the Imperial Shipping Committee by the Department of Overseas Trade.

APPENDIX V.

SUEZ CANAL.

*Commercial Traffic according to Nationality of Vessel, 1909-13, 1929, 1936, and January to June, 1938.
(In thousands of tons net—Canal measurement.)*

Nationality.	Average, 1909-1913.		1929.		1936.		1938 (January-June).	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
British	11,141	62.5	18,493	56.9	14,657	49.0	8,548	49.8
Italian	226	1.3	1,517	4.7	4,474	15.0	2,352	13.7
German	2,788	15.6	3,453	10.6	2,880	9.6	1,577	9.2
Netherland	1,026	5.7	3,543	10.9	2,255	7.5	1,488	8.7
French	831	4.7	2,141	6.6	1,615	5.4	867	5.0
Norwegian	74	.4	702	2.2	1,275	4.2	685	4.0
Greek*	—	—	—	—	—	—	407	2.4
Japanese	343	2.0	952	2.9	835	2.8	385	2.2
Danish	124	.7	404	1.1	422	1.4	247	1.4
U.S.A.	3	—	513	1.5	484	1.6	221	1.3
Swedish	103	.6	368	1.1	279	.9	171	1.0
Others	1,149	6.5	528	1.5	693	2.6	222	1.3
Total	17,808	100.0	32,514	100.0	29,869	100.0	17,170	100.0

Note.—The above figures, which have been taken from the Suez Canal Company's "Bulletin Decadaire," are not strictly comparable. For the years prior to 1935, the figures relate to merchant vessels and mail vessels (including those in ballast) but exclude Government owned and Government Chartered vessels; for the year 1936 the figures exclude only warships and military transports; for 1938 the figures include commercial vessels, mail and other (including those in ballast) and warships and military transports.

* Prior to 1938, figures for Greek tonnage were included with "Others."

APPENDIX VI.

CAPE OF GOOD HOPE. COMMERCIAL TRAFFIC WITH THE ORIENT ACCORDING TO NATIONALITY OF VESSEL IN 1936.

(In thousands of tons net.)

Nationality.	Tons.	Per cent.
British	1,008	44
Japanese	383	17
Netherlands	359	16
Greek	184	8
German	128	6
Norwegian	100	4
American	53	2
Danish	47	2
Others	15	1
Total	2,277	100

Note.—The above figures have been compiled from the Card Index prepared by the staff of the Imperial Shipping Committee (see Appendix III.) They do not include warships, military transports, tankers and vessels bound for other than Oriental ports. They are, therefore, not comparable with the figures given for Suez Canal traffic in Appendix V.

APPENDIX VII.

SHIPPING CONFERENCES.

The following table, based on material submitted to the Imperial Shipping Committee through the Chamber of Shipping of the United Kingdom, gives the names and members of the Conferences covering the cargo and passenger trades between the United Kingdom/Continent and the Orient. The Conferences are usually known by their terminal ports, but they deal in most cases with rates of freight at a number of intermediate ports.

<i>Conference.</i>	<i>Membership.</i>
INDIA.	
A. Between India and U.K.	
U.K./Calcutta Conference.	P. & O. B.I. Clan. Ellerman's City. T. & J. Harrison. T. & J. Brocklebank.
Glasgow/Calcutta (part of U.K./ Calcutta Conference).	T. & J. Brocklebank. Ellerman's City. Clan.
Calcutta/U.K. Conference.	P. & O. B.I. T. & J. Brocklebank. Ellerman's City. T. & J. Harrison. Clan.

<i>Conference.</i>	<i>Membership.</i>
U.K./Bombay Conference* (Bombay Outward Freight Conference).	Ellerman's Hall. Ellerman's City. Clan. Anchor. P. & O. B.I.
U.K./Karachi Conference.	Ellerman's City. Ellerman's Hall. P. & O. B.I.
U.K./Madras Conference.	P. & O. B.I. Clan.
Madras/U.K. Conference.	P. & O. B.I. Ellerman's City and Hall. Clan.
 <i>B. Between India and Continent.</i>	
Calcutta/Continent Conference.	P. & O. B.I. T. & J. Brocklebank. Hansa (German). Holland/B.I. (Neths.). Wilhelmsen (Norw.). Swedish East Asiatic (Swed.).
Continent, Bombay and Karachi Conference.	P. & O. B.I. Ellerman's Wilson (Dunkirk only). Hansa (German). Holland/British India (Neth.). Wilhelmsen (Norw.). Swedish East Asiatic (Swed.).
Cont./Colombo and Madras and Calcutta Conference.	P. & O. B.I. T. & J. Brocklebank. Hansa (German). Holland/B.I. (Neth.). Wilhelmsen (Norw.). Swedish East Asiatic (Swed.).
 <i>CEYLON.</i>	
<i>A. Between Ceylon and U.K.</i>	
U.K./Colombo Conference.	P. & O. B.I. T. & J. Brocklebank (Well Line). Bibby. Clan.
Colombo/Homewards Conference.	Aberdeen & Commonwealth. Ben (Wm. Thomson & Co.). Bibby. B.I.

* In the trade from Bombay to the U.K./Continent there is no Conference, but there is a system of co-operation by means of Agency Meetings in Bombay.

Conference.

Colombo/Homewards Conference—
(*cont.*)

B. Between Ceylon and Continent.
Colombo/Continental Conference.

Membership.

T. & J. Brocklebank.
City.
Clan.
Glen (Glen & Shire Joint Services).
Hall.
T. & J. Harrison.
Alfred Holt.
Orient.
P. & O.
Blue Star.
Nippon Yusen Kaisha (Jap.).
Messageries Maritimes (French).
Osaka Shosen Kaisha (Jap.).

Aberdeen & Commonwealth.
Bibby.
Blue Star.
B.I.
T. & J. Brocklebank.
Alfred Holt.
City.
Ellerman & Bucknell.
Glen (Glen & Shire Joint Services).
Hall.
T. & J. Harrison.
Orient.
P. & O.
Clan.
Messageries Maritimes (French).
Chargeurs Reunis (French).
Compania Trasatlantica (Sp.).
North German Lloyd (German).
Deutsch-Australische Dampschiffs
Gesellschaft (German).
Hansa (German).
Dollar Line (U.S.).
Det Ostasiatiske Kompagnie
(Danish).
Hamburg Amerika Linie
(German).
Holland British Indie Lijn
(Neth.).
Holland Australie Lijn (Neth.).
H.O.A.L. (Neth.).
Rotterdamsche Lloyd N.V.
(Neth.).
Stoomvaart Maatschappij (Neth.)
"Nederland" N.V.
Lloyd Triestino (Italian).
Nippon Yusen Kaisha (Jap.).
Osaka Shosen Kaisha (Jap.).
Svenska Ostasiatiska.
Kompaniet (Swed.).
Wilhelmsen (Norw.).

Conference.

BURMA.

*Between Burma and U.K./
Continent.*

Rangoon Conference.

FAR EAST.

*A. Between U.K. and Far East.
U.K./Straits, China and Japan.**B. Between Continent and Far
East.*Outward Continental/Far East
Conference.Homeward Japan, China and
Straits Conference.*Membership.*P. Henderson.
Bibby.
B.I.
Hall.P. & O.
Alfred Holt.
N.Y.K.
Ben (Wm. Thomson & Co.).
Glen & Shire Lines.
Ellerman.
Blue Star.
M.M. (French).
E.A. Co. (Danish).
Compania Trasatlantica (Spain).P. & O.
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Glen & Shire.
Ben.
Ellerman.
Blue Star.
M.M. (French).
N.D.L. (German).
H.A.L. (German).
E.A. Co. (Danish).
S.E.A. Co. (Swedish).
Wilhelmsen (Norw.).
O.S.K. (Jap.).
N.Y.K. (Jap.).
H.O.A.L. (Neth.).
*S.M.N. & R.L. (Neth.).
Rickmers Line (German).P. & O.
Alfred Holt.
Glen & Shire Lines.
Ben.
Ellerman.
M.M. & C.R. (French).
N.Y.K. (Jap.).
O.S.K. (Jap.).
H.A.L. (German).
N.D.L. (German).
H.O.A.L. (Neth.).
E.A. Co. (Danish).
S.E.A. Co. (Swedish).
Wilhelmsen (Norw.).
Lloyd Triestino (Italian).
Dollar Line (U.S.).
Compania Trasatlantica (Spanish).
S.M.N. & R.L. (Neth.) (from
Straits Settlements only).

* Holland to Malay Peninsula only. (Separate agreement with German Lines operative from April, 1936.)

<i>Conference.</i>	<i>Membership.</i>
Outward Europe/Philippines Conference.	P. & O. Alfred Holt. Glen & Shire Lines. Ben Line. Ellerman. M.M. & C.R. (French). N.Y.K. (Jap.). O.S.K. (Jap.). H.A.L. (German). N.D.L. (German). H.O.A.L. (Neth.). E.A. Co. (Danish). S.E.A. Co. (Swedish). Wilhelmsen (Norw.). Compania Trasatlantica (Spanish).
Homeward Philippines/Europe Conference.	P. & O. Alfred Holt. Glen & Shire Lines. Ben. Ellerman. Prince Line (to Naples only). Silver Line (to Naples only). M.M. (French). N.Y.K. (Jap.). O.S.K. (Jap.). H.A.L. (German). N.D.L. (German). H.O.A.L. (Neth.). E.A. Co. (Danish). S.E.A. Co. (Swedish). Wilhelmsen (Norw.). Lloyd Triestino (to all ports in Italy and Mediterranean ports East thereof only). (Italian). Dollar Line (to Naples, Genoa and Marseilles and Spanish ports with transhipment at Genoa and Marseilles only). (U.S.). Compania Trasatlantica (to Spanish ports only). (Spanish).
Batavia Vrachten Conferente. (Batavia Freight Conference.)	N.V. Stoomvaart-Maatschappij (Neth.). Rotterdamsche Lloyd (Neth.). Nederlandsche Stoomvaart-Maatschappij "Oceaan" N.V. (Neth.). Nippon Yusen Kaisha (Jap.). Osaka Shosen Kaisha (Jap.). Lloyd Triestino (Italian). Deutsch-Australische Dampfschiffs Gesellschaft (German).
Deli Freight Conference.	Alfred Holt. P. & O. S.M.N. (Neth.). R.L. (Neth.). K.P.M. (Neth.). N.D.L. (German). Lloyd Triestino (Italian) (Adriatic and Levant ports only).

Conference.

Far Eastern Passenger Conference.

Membership.

P. & O.
 British India.
 Messageries Maritimes (French).
 Chargeurs-Reunis (French).
 Dollar Line (U.S.).
 Hamburg-America (German).
 Norddeutscher Lloyd (German).
 Lloyd-Triestino (Italian).
 N.Y.K. (Jap.).
 Rotterdam Lloyd (Neth.).
 Nederland Line (Neth.).

APPENDIX VIII.

MONTHLY CREW AND VICTUALLING EXPENSES ON BRITISH AND JAPANESE CARGO LINERS IN 1936.

1. *British Cargo Liner.*

(Information supplied by the British India Company.)

(Middle Seniority Rates.)

	Rs.	<i>Sterling at 1s. 6d.</i>	
		£	s. d.
Master	900	67	10 0
Chief Officer	425	31	17 6
2nd "	305	22	17 6
3rd "	255	19	2 6
4th "	200	15	0 0
Chief Engineer	680	51	0 0
2nd "	425	31	17 6
3rd "	305	22	17 6
4th "	255	19	2 6
Junior "	200	15	0 0
	<hr/> Rs. 3,950	<hr/> £296	5 0
Wireless Operator		10	15 0
Clerk	250	18	15 0
Carpenter	120	9	0 0
		<hr/> £334	15 0
<i>Deck Crew.</i>			
1 Serang	60		
1 Tindal	37		
1 Cassab	30		
1 Winchman	28		
4 Seacunnies, Rs. 55 each	220		
14 Lascars, Rs. 24 each	336		
1 Bhandary	25		
2 Topasses, Rs. 22 each	44		
1 Barber	—		
	<hr/> 26	<hr/> Rs. 780	<hr/> £58 10 0

		Rs.		Sterling at rs. 6d.	
				£	s. d.
<i>Engine Crew.</i>					
1	Serang ... ..	...	60		
2	Tindals, Rs. 32½ each ... ..	...	65		
1	Cassab ... ..	...	28		
1	Donkeyman ... ..	...	28		
1	Lampman... ..	...	26		
3	Oilmen, Rs. 26 each ... ..	...	78		
9	Firemen, Rs. 23 each ... ..	...	207		
9	Trimmers, Rs. 18 each ... ..	...	162		
1	Bhandary ... ..	...	25		
<hr/>					
28			Rs. 679	50	18 6
<hr/>					
<i>Saloon Crew.</i>					
1	Butler ... ..	...	80		
3	Cooks, Rs. 45 each ... ..	...	135		
1	Pantryman ... ..	...	37		
4	General Servants, Rs. 30 each ... ..	...	120		
1	Topass ... ..	...	22		
<hr/>					
10			394	29	11 0
<hr/>					
Total Wage Bill		...	...	£473	14 6
<hr/>					
<i>Messing.</i>					
11	at Rs. 82s. 8d. ... ..	...	907	8	0
2	at Rs. 45s. od. ... ..	...	90	0	0
64	at Rs. 12s. od. ... ..	...	768	0	0
<hr/>					
			Rs. 1,765	8	0
<hr/>					
Wages and Messing ... ..		...	...	£606	2 9
Plus Leave Pay of Officers and Engineers, one-sixth of £296 5s. od. ... ..		...	...	49	7 6
<hr/>					
Per Month ... ..		...	...	£655	10 3
<hr/>					
Per Year ... ..		...	...	£7,866	3 0
<hr/>					

2. Japanese Cargo Liner.

(1936 Scale, over 2 years' Service.)

Note.—Except in the case of 4th Officer, Junior Engineer, Clerk, Boatswain's Mate and Storekeeper, all rates of wages are from the Schedule of 1/8/1936 as published in the "Maritime Statistical Handbook" of the International Labour Office (League of Nations), 1936, but against sundry unspecified allowances and to give a reasonable liner standard all scheduled minimum rates have been increased by 25 per cent.

		Yen.		Plus 25 per cent.	Yen.		Sterling at rs. 2d.	
							£	s. d.
Master	... ..	225	56½	281	16	7	10
Chief Officer	... ..	145	36½	181	10	11	2
2nd	"	100	25	125	7	5	10	
3rd	"	80	20	100	5	16	8	
4th	" (if carried)	60	15	75	4	7	6	

	Yen.	Plus 25 per cent.	Yen.	Sterling at 1s. 2d.
				£ s. d.
Chief Engineer	225	56½	281	16 7 10
2nd " "	145	36½	181	10 11 2
3rd " "	100	25	125	7 5 10
4th " "	80	20	100	5 16 8
Junior (if carried) ...	60	15	75	4 7 6
Wireless Operator ...	125	31½	156	9 2 0
Clerk	75	18¾	94	5 9 8
Carpenter	70	17½	87	5 1 6
	<u>Y. 1,490</u>		<u>1,861</u>	<u>£108 11 2</u>
<i>Deck Crew.</i>				
Boatswain	75	75		
Boatswain's Mate ...	50	50		
4 Quartermasters,				
2 at	62			
2 at	57	238		
10 A.B.s, average rate	44	440		
2 O.S., average rate	30	60		
	<u>18</u>	<u>Yen 863</u>		
	Plus 25 per cent.	216	1,079	62 18 10
<i>Engine Crew.</i>				
Donkeyman	75	75		
3 Greasers,				
1 at	62			
2 at	57	176		
9 Firemen, average				
rate	44	406		
9 Trimmers	40	360		
1 Oilman	57	57		
1 Storekeeper	55	55		
	<u>24</u>	<u>Yen 1,129</u>	<u>1,411</u>	<u>82 6 2</u>
	Plus 25 per cent.	282		
<i>Saloon Crew.</i>				
Chief Steward	75	75		
3 Boys	44	132		
2 Cooks	62			
	and	57	119	
	<u>6</u>	<u>Yen 326</u>		
	Plus 25 per cent.	81	407	23 14 10
				<u>£277 11 0</u>
<i>Messing.</i>				
11 at 22s. od. = Yen	242			
50 at 18s. od. = Yen	900			
	<u>61</u>	<u>1,142 at 1s. 2d.</u>		<u>66 12 4</u>
		Per month		<u>344 3 4</u>
		Per year		<u>£4,130 0 0</u>

APPENDIX IX

EFFICIENCY OF MODERN CARGO VESSELS.

[*Note.*—This appendix was prepared for the Imperial Shipping Committee in January, 1938, by the Engineer-Surveyor-in-Chief of the Board of Trade of the United Kingdom and his staff. It incorporates material accumulated and analysed by the Board of Trade, and also the substance of memoranda prepared for the Committee, at the instance of Mr. Clement Jones, C.B., by Mr. Sanderson, head of the Construction Department of the Booth Line, and by Mr. MacMillan, Director of the Blythswood Ship-building Company, Limited, of Glasgow.]

1. Very considerable improvements have been effected in the last two decades in the design of hulls, machinery, cargo spaces and crew accommodation, and in the facilities for handling cargo. In pre-war days, when the price of bunker coal was low (10s. to 12s. per ton at colliery ports in the United Kingdom), shipowners were inclined to regard efficiency as of less importance than first cost, and accepted a bluff form of hull and the simplest form of machinery such as the steam reciprocating engine with coal-fired boilers; a margin of power was not usually provided, and the rated speed could only be maintained in service when the weather was favourable and the fuel efficient.

2. Pre-war conditions no longer hold to-day. The price of bunker coal has almost doubled in the United Kingdom and correspondingly higher prices prevail abroad.

Oil fuel has not varied so much in price. It can be obtained in the United Kingdom at 45s. per ton and at lower prices in the vicinity of the oil-producing districts, and the fact that it has 50 per cent. more energy available over a similar weight in coal makes possible its wider use for ships. In many cases oil fuel is used for firing boilers, and to a large extent Diesel engines for marine service have been adopted.

Older vessels built to meet earlier conditions are left at a serious disadvantage.

3. In the following paragraphs an attempt is made to assess the competitive advantages of vessels of modern construction of 5,000 to 6,000 tons gross, over similar size cargo vessels built about 1912 and 1924 respectively. These advantages are summarised in the following paragraphs, and a number of typical cases are given in Annex A for reference.

(i) A modern vessel has a greater earning power than a comparable pre-war vessel by virtue of greater deadweight cargo capacity, and in addition has lower operating costs in loading and discharging, and in reduced port charges. Where a shallower draft is adopted wider trading conditions are available.

These advantages have been achieved by:—

(a) Improved design of hull form for economy in power, with larger beam and if necessary reduced draught; larger hold spaces with wider hatches; and wider spacing of hold pillars to reduce obstruction of cargo stowage.

(b) Improved modern methods of construction including the adoption of welding, resulting in an appreciable reduction in scantlings and weight of hull structure; such gain results in an increase in the cargo deadweight rating.

(c) Improvements in machinery design resulting in decreased weight and space required for a given power particularly in the case of the Diesel engined vessel; additional gain as in (b).

(d) Less space required for fuel bunkers in view of more economical machinery; and in oil fired steamers and Diesel vessels, the use of double bottom tanks for the storage of oil fuel.

(e) Improved auxiliary machinery, more efficient steering gear and improved facilities for ease of stowage, and the quick handling of cargo and the provision of appliances for heavy lifts.

(ii) Present day practice is towards higher speeds. The average speed of a pre-war medium-sized cargo vessel was 8 to 9 knots; the average speed of a comparable modern vessel is 10 knots or more. The modern vessel can be designed to maintain her rated speed in service even under adverse weather conditions and with poor quality fuel. As an instance of such provision, a recently built vessel with modern equipment averages in the same service $1\frac{1}{2}$ knots more than similar vessels of earlier design. On a basis of only one knot faster, assuming 230 days per annum at sea (many merchant vessels in the Orient spend about one-third of their time in port), a modern vessel would travel 5,500 nautical miles further in a year than a pre-war vessel. The difference in earning-power is therefore considerable, particularly in times of prosperous trade. Where quick passages have to be made, the pre-war vessel is either unable to compete or can only make them at the cost of a high rate of fuel consumption.

(iii) The modern cargo vessel requires considerably less fuel than a comparable older vessel to perform a given voyage at the speed of the older vessel. A typical British cargo vessel of some 6,000 tons gross, built in 1912, consumes 42 tons of coal per day in maintaining a speed of $10\frac{1}{2}$ knots. Another vessel of approximately the same tonnage, built in 1924, requires 33 tons of coal a day to maintain the same speed. A comparable vessel built within the last two years requires about 22 tons of coal per day for this speed, i.e. about half the amount required by the vessel referred to built in 1912. Taking the best case of a pre-war vessel (on Welsh coal) the comparative consumptions would be $36\frac{1}{2}$ tons pre-war and 22 tons modern, or a reduction of about 40 per cent. in fuel.

Assuming these vessels were 230 days at sea in a year, the modern vessel would require about 5,100 tons of coal; the post-war vessel about 7,600 tons of coal; and the pre-war vessel from 8,400 to 9,600 tons. If the coal cost 25s. a ton, the annual fuel bill of the modern vessel would be £3,100 less than that of the post-war vessel, and £4,100 to £5,600 less than that of an old vessel. These comparative costs are obviously approximations, for coal obtained in various ports varies considerably both in cost and in quality.

Even when modern vessels maintain higher speeds to obtain a greater mileage over a given period of time, their fuel bill is not always greater than that of older vessels. As shown in Appendix B, the fuel bill of an efficient pre-war vessel maintaining 10 knots over 6,300 nautical miles was £200 (or 30 per cent.) greater than that of a typical modern vessel maintaining 11 knots over a similar distance.

(iv) Since 1924 there has been a large increase in the building of Diesel-engined vessels, and considerable improvements have been effected in the hull and machinery of such vessels. A Diesel vessel of about 5,000 tons gross, built in 1924, requires 10.4 tons of oil per day to maintain a speed of 10.2 knots, whereas two modern Diesel vessels require respectively 7 tons per day for 11 knots and 11 tons per day for 12 knots. The modern Diesel vessel, on account of smaller machinery space and the use of double bottom tanks for stowage of oil fuel, can carry considerably more cargo than a comparable pre-war steam vessel, and is better suited to maintain the rated speed at sea. Where good Diesel oil is available at reasonable rates, as in Burma and Java, the Diesel engined vessel may have an advantage over a modern steam driven vessel, and many British and foreign* owners

* 36 of the 48 vessels built under the three Japanese scrap-and-build schemes of 1932-7 are Diesel vessels.

have adopted Diesel vessels for certain Oriental trades. The modern steam vessel on the other hand, is better suited to certain trades in the Orient. The advantages in earning power of the modern Diesel or steamer over the pre-war steamer are referred to later.

(v) The modern vessel also embodies considerable improvements for the comfort of the officers and crew. Under recent regulations, seamen and firemen have to be accommodated in separate rooms for each watch. Sanitary arrangements have been improved and hot water is available in wash places. Such improvements must tend to bring more efficient men to modern ships, and make it difficult for owners, especially when trade is prosperous, to find suitable men for the pre-war type of vessel.

4. It is not easy to assess the advantages in the preceding paragraphs in terms of earning capacity for comparison of the modern and pre-war vessel, but a schedule* covering four kinds of vessel is shown in Annex B. The four kinds are (a) an efficient pre-war vessel, (b) a steamer built in the last few years, (c) a modern steamer embodying the latest practice, and (d) a modern Diesel-engined vessel.

5. It will be seen from this Annex that, on the basis there taken, the modern steamers of greater speed have 20 per cent. to 30 per cent. greater earning capacity than the pre-war vessel, while the Diesel-engined vessel has approximately 34 per cent. greater earning power than the old type of vessel. The advantages of the modern vessel over an average pre-war vessel are even greater.

6. No account is taken of costs of maintenance and repairs, which would be heavier for the old pre-war vessels, or of interest and redemption on capital cost which would somewhat offset the advantage of the Diesel vessel. The comparisons are also approximations for full cargo passages. With all reserve for these deficiencies, however, it is evident from the table that considerably greater earning power is available with a modern vessel.

7. On the whole the advantages of the modern vessel by virtue of the improvements referred to and the other reduced operation charges may be set down as of the order of £10,000 to £15,000 a year. The actual gain in any given trade would not be constant, but would vary with circumstances such as freight rates, cargo available, and passages in ballast.

8. In Oriental trades it is possible that a modern British vessel would possess advantages over an old foreign vessel which would more than counter-balance any advantages which any such foreign vessel might possess by way of lower operating costs arising from lower wage-rates or depreciated currency. It will, however, be manifest that as against the vessels of a foreign flag combining the advantages of modern construction and efficiency with those other advantages the British owner will find it difficult, at any rate in times of depression, to obtain freights for vessels other than those of recent construction.

* N.B.—The basis taken is *reasonably true for comparison* but is not intended as a measure of earning capacity over a period of say one year. Such a measure would be based on freight passage earnings less cost of passages in ballast.

ANNEX A.

Analysis of Coal-burning cargo vessel consumptions.

Age of Vessel.	Fuel Coefficient.	Reduction in Fuel Consumption.	Remarks.
Pre-war vessel ...	16,000	Per cent. —	Average
Post-war vessel...	18,500	13·5	Average
Modern vessel ...	26,000	38·5	Average
Modern vessel ...	32,000	50·0	Outstanding cases

Actual cases referred to a speed of 10½ knots.

Year of build.	Type of machinery.	Gross tonnage.	Length in feet.	Tons of coal per day.	
1912 ...	Reciprocating ...	6,368	410	42	} Average 22
1924 ...	Reciprocating ...	4,373	367	33	
Modern...	Turbine ...	5,267	410	23·7	
Modern...	Reciprocating with reheat ...	5,171	425	19·7	

Estimate of Earning Power of Cargo Vessels.

Basis. Passages of 6,300* nautical miles with full cargoes, for comparison only.

Vessel.	(a) Efficient pre-war (coal).	(b) Average modern (coal).	(c) Outstanding modern (coal).	(d) Modern Diesel (oil).
Gross tonnage	5,002	5,029	5,171	4,960
Length and Beam	400' by 51' 9"	412' 6" by 55' 9"	425' by 57' 6"	422' 9" by 54' 3"
Draught	24' 6 $\frac{1}{4}$ "	24' 0 $\frac{1}{2}$ "	24' 6"	25' 6"
Deadweight tonnage	8,400	8,714	9,250	9,200
Speed, knots... ..	10	11	10 $\frac{1}{2}$	10.22
Fuel consumption (tons per day)...	30.5	26	20	6.73
Passage, in days	26.2	24	25	25.6
Total deadweight, tons	8,400	8,714	9,250	9,200
Non-earning d.w., tons :—				
Crew, stores, fresh water, etc. ...	50 } 1,010	50 } 800	50 } 650	50 } 257
Bunkers for passage, plus 20 per cent.	960 }	750 }	600 }	207 }
Net cargo deadweight	7,390	7,914	8,600	8,943
Freight earned at 25s. od. per ton...	£9,237	£9,892	£10,750	£11,178
Deduct :—				
Fuel at 22s. 6d., coal; 45s. od., oil	£900 }	£703 }	£562 }	£387 (oil) }
Crew, wages, stores, etc. ...	£660 }	£660 }	£660 }	£660 }
Net earning for passage	£7,677	£8,530	£9,528	£10,131
Passages per year of 230 steaming days.	8.8	9.6	9.2	9
Potential earning power per annum	£67,557	£81,878	£87,657	£91,179
Percentage Increased Earning Capacity.	—	Per cent. 21	Per cent. 30	Per cent. 34
On a basis of 10 knots	—	Per cent. 15	Per cent. 25	Per cent. 32

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Note.—No allowance made for costs of maintenance and repairs (which would be heavier for the old vessel), or for interest and reduction of capital which would to a certain extent offset the advantage in case (d).

* A fair average voyage to or from the Orient (e.g., United Kingdom—Bombay).

APPENDIX X.

TRANSLATION OF JAPANESE SHIPPING ROUTES CONTROL LAW.
 Law No. 35 of 29th May, 1936.
 Enforced from 1st August, 1936.

Art. 1.—The word “shipping” as used in this Law shall be taken to mean the business of transporting in ships, as a common carrier, either goods or passengers.

Art. 2.—This Law shall apply to Japanese subjects and to Japanese juridical persons engaged in shipping in distant waters, local waters, or in such coastal districts as are designated by Imperial Ordinance.

Art. 3.—(1) The Government, having in mind the sound development of shipping, shall, when it is deemed necessary, issue advice relating to the prevention of excessive competition amongst shipping concerns.

(2) In cases where the advice mentioned in the previous clause proves inefficacious, the Government may, when it is deemed necessary, order the formation of a Conference for the operation of shipping routes, or may prohibit or control the operation of the routes.

(3) The prohibition or control of the operation of a shipping route shall only be put into effect where the formation of a Conference ordered under the previous clause has not been carried out; except in cases where circumstances render it essential.

Art. 4.—When the Government deems that the fares and freights charged, or other operating conditions are contrary to the public interest, it shall issue the necessary instructions with regard to the terms of operation.

Art. 5.—Shipping concerns shall report to the competent authority on all matters prescribed by ordinance.

Art. 6.—For the purpose of carrying out the functions prescribed in Articles 3 and 4 the competent authority may order to be made, an investigation of, or a report on, shipping concerns.

Art. 7.—In cases where a shipping firm is neither a Japanese subject nor a Japanese juridical person, but the whole or a part of the capital is owned by Japanese subjects or by Japanese juridical persons, this Law shall apply when it is so laid down by Imperial Ordinance.

Art. 8.—(1) Except in cases where special regulations are provided by Imperial Ordinance, when orders are to be issued under Article 3 clause (2) and under Article 4 the Committee for the Control of Shipping Routes shall be consulted.

(2) The necessary provisions relating to the Committee for the Control of Shipping Routes shall be laid down by Imperial Ordinance.

Art. 9.—Any contravention of an order relating to the control or the prohibition of the operation of shipping routes under the regulations of Article 3 clause (2) or of an order under the regulations of Article 4 shall be punishable by a fine not exceeding Yen 5,000.

Art. 10.—Any refusal, obstruction, or avoidance of the investigation mentioned in Article 6, or failure to supply the report mentioned in the Regulations of the same Article, or the publication of a false report, shall be punishable by a fine not exceeding Yen 300.

Art. 11.—The manager or other representative of a shipping concern, or the master of a ship or any other person employed, shall not, if he contravenes this Law or the orders based on it, escape punishment on the ground that he was not acting on his own initiative.

The fines applicable to shipping concerns specified in this Law and in the orders based on it, shall be applied in the case of legal persons, to directors, managers or other officers in charge of the business, or if these should be minors, or persons adjudged incompetent, to their legal representatives.

Art. 13.—(1) Contravention of Article 5 shall be punishable by a fine not exceeding Yen 500.

(2) The regulations of Articles 206-208 of the Procedure in Non-Contentious Cases Law shall be applied to any penalties levied under the previous clause.