

C253487

VI - TRADE

1. The quarter has been perhaps the most encouraging in the war from the point of view of merchant shipping. Not only have losses due to enemy action been very small, but the enormous output of new ships has nearly made up the losses suffered by the United Nations in four years of war. Unless shipping losses increase over the 1942 level in the next four months the merchant shipping space at our disposal in February 1944 will be greater than the space available in 1939 and, what is of even more importance, the ships will be faster and more uniform in speed, and they will be protected by twice or thrice as many escorts and aircraft than they were as lately as two years ago. The enemy will continue, no doubt, to sink ships, but the cost will be higher than ever before.
2. During the quarter it was possible to take advantage of the lull in U-Boat activity to a very considerable degree. Independent routings of merchant ships increased convoys were discontinued in some areas and routes were shortened to conform closely to the peace time great circle courses. All this of course effected a great saving in time and fuel expenditure.
3. In the Gulf of St. Lawrence SQ and QS convoys were discontinued on the 9th of September. Admiralty suggested that ships with M.W.T. cargoes be sailed independently within these waters; and as these ships were the most important part of the convoys it was decided to discontinue them altogether and use the escorts released to form a kind of general defensive patrol.
4. At the beginning of August convoy cycles were again altered. SC and ONS convoys were sailed every 13 days instead of every 11 days and HX and ON convoys were sailed six and seven days apart alternately instead of five and six days apart. Canadian convoy cycles were also altered to fit into this scheme, and have since been sailed at six and seven day intervals. This scheme of convoy cycles is to continue at least to the end of October and possibly beyond that time. It has one outstanding advantage in that it provides for those merchant ships which can load and unload quickly. The schedule allows four or five days in each terminal port, between the arrival of an inbound convoy and the departure of the next outbound convoy so that tankers or freighters with easily unloaded cargoes can keep moving supplies across the ocean with no long delays in port except when a refit is needed.
5. The size of convoys and ships has been steadily rising as can be seen from the following table: