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(8) SHIPPING

131. In 1947 net income from dry cargo shipping services amounted to \$121 million. This exceeded the corresponding figure for 1938, partly as a result of the rise in price levels, and it was achieved despite the fact that the fleet available is smaller and relatively older. At the same time, a large proportion of foreign shipping is being employed; there are unsatisfied requirements for ships of the right type and speed for the expansion of the export programme, the development of passenger and tourist trades, and for the cross trades. No comparative figures of earnings by tankers are available, but shipping requirements for the trade in oil have increased out of proportion to the tanker fleet. A much larger proportion of foreign tankers is now on charter to the oil companies than before the war and income from tankers barely balances outgoings.

132. The increase in exports in the next four years is not expected to require appreciably more shipping, since they will be carried in outgoing ships bringing imports into this country. It will, however, account for a large part of the increased income from shipping services that is foreseen.

133. For some years United Kingdom shipping resources have had to be concentrated mainly on the carriage of imports to the United Kingdom and to those territories for which the United Kingdom is responsible. Even so, by chartering tonnage, the United Kingdom has been able to maintain between 3½ and 4 million tons of shipping wholly in the service of other countries. The expected development in world trade should provide opportunities for British shipping to earn more foreign currencies in these so-called "cross trades," but performance must be improved by quicker turn-round and by the introduction of new and faster ships specially designed and constructed for the particular trades they are intended to serve. The rapidly increasing trade in oil requiring shipment from more distant sources of supply calls for a greatly increased amount of tanker tonnage as well as for faster and larger types of tankers.

134. The present programme of shipbuilding for the United Kingdom flag aims at building up, with a conservative allowance for obsolescence and losses, the tonnage of dry cargo vessels (of 500 gross tons and upwards including those with passenger accommodation) to 12·9 million gross tons by the end of 1952 as compared with 12·1 million gross tons at the beginning of 1948 and 13·9 million gross tons in 1939. Since this programme allows for an abnormally low rate of obsolescence, a much greater proportion of the shipping in use in 1952 as compared with before the war or even to-day will be over the age beyond which ships are normally not expected to give efficient service.

135. Delays in United Kingdom ports and in ports overseas in loading and discharging are still seriously retarding the turn-round of ships and reducing the effective performance of British dry cargo shipping. There is to be a sustained effort to improve turn-round in United Kingdom ports, and it is assumed in estimating earnings that conditions will have improved by 1952-53. Efforts are also being made to speed up ship repairs.

136. With the increased and better balanced fleet referred to above, it is expected that the net income on shipping account will be about \$360 million in 1952-53. The services of a substantial amount of foreign shipping will still be required, but an increasing proportion of these services should be provided by other participating countries as their own fleets increase. It is, however, a basic condition of the full attainment of these shipping objectives that the United Kingdom, like the other participating countries, should be able to offer shipping services throughout the world in free and fair competition and that there should be no governmental obstruction, by discrimination and other measures, to their acceptance.

137. The principal problem of the United Kingdom, so far as tankers are concerned, is to produce enough tankers for the British oil companies to carry their increased trade. The United Kingdom tanker fleet has already passed its pre-war volume and an increasing proportion of shipbuilding capacity will be employed in the building of tankers during the next four years. The British tanker fleet at the end of 1952 should be 4·3 million gross tons, 0·9 million gross tons more than end-1947 and well above 1939.

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138. Requirements, however, may increase by considerably more than this between 1947 and 1952. With a world shortage of tankers it may not be possible to fill the gap by chartering and the building of more tankers must be an important factor in the plan to increase net income from shipping. As more oil supplies have to be carried on the long haul from the Middle East, larger faster tankers operating at lower cost will be needed and port facilities will have to be adapted to accommodate them.

139. Present programmes require an investment by the shipping industry of between \$200 million and \$250 million a year throughout the period. This is limited not by the capacity of the yards but by the availability of steel.

(9) TOURISM

140. There are no precise figures of the pre-war earnings of the United Kingdom's overseas tourist trade, but they were probably about \$120 million per annum. This was at a time when travel was relatively easy and there were few obstacles in the way of the expansion of tourist facilities.

141. With the changed situation resulting from the war, particularly the loss of so many of Britain's invisible exports, tourism has acquired a greatly increased importance. It figures among those industries which can become, relatively rapidly and at a comparatively small cost in capital investment, raw material, labour, &c., one of our major exporting trades and, moreover, one whose dollar content can be outstandingly high.

142. In addition, and perhaps even more important is the fact that tourism, by bringing the peoples of the world together—people of all sorts and from all walks of life—can make an important contribution to the development of international understanding and the lessening of political tension. For this reason it has always been the policy of the United Kingdom to secure the removal of all possible restrictions on foreign travel. To this end agreements have already been negotiated with France, Belgium, Luxembourg, Norway, Denmark, The Netherlands, Sweden, Switzerland, Iceland and Italy for the mutual abolition of visas. The United Kingdom Government attach great importance to this removal of formal obstacles to the interchange of tourists between the participating countries. Nor do they believe it less important that restrictions should as far as possible be removed from the travel of visitors to the O.E.E.C. countries from the United States. By this means they hope that the understanding of the ideals and achievements of the European Recovery Programme will be stimulated among people in the countries taking part in it on both sides of the Atlantic. They are convinced that this will do much to ensure its success.

143. At present owing to financial difficulties there are necessarily still restrictions on the travel of tourists between the O.E.E.C. countries themselves. The United Kingdom Government hopes that as the European countries' balances of payments improve these financial restrictions can gradually be removed.

144. The United Kingdom has already suggested to the O.E.E.C. that the development of the European tourist industry is a promising field of joint activity for the participating countries. It can make an important contribution towards righting Europe's balance of payments with the Western Hemisphere. The United Kingdom will co-operate fully in the examination of joint measures for this purpose.

145. For its part the United Kingdom has taken many measures to encourage and develop tourism in the United Kingdom. The most important single step was the setting up of the British Tourist and Holidays Board and the Scottish Tourist Board, both non-governmental organisations, whose members are largely drawn from the tourist, hotel and catering industries. The British Board, particularly through its tourist branch—the Travel Association—and with the co-operation in Scotland of the Scottish Tourist Board, has the task of promoting the organisation of the tourist industry in this country. Much of the work being undertaken by these bodies is still only in its early stages, but there are already ample indications that the efforts being made will be repaid.

146. In 1947 some 300,000 overseas visitors came to the United Kingdom and earnings from this trade amounted to about \$80 million apart from the sums spent by tourists on transport to and from their homeland in British ships and aircraft. It is estimated that in 1948 the total number of visitors should reach about 500,000 and that total earnings should be in the region of \$140 million,

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