

Shipping Policy of British Government

Caustic article by Walter Runciman in which he warns Britain against after war competitors.

Right Hon. Walter Runciman, M.P., formerly president of the British Board of Trade, in the Asquith Government, contributes an interesting, if critical, article to the annual number of "Fairplay," London on "Governments and the Future of Shipping." Mr. Runciman was from 1896 to 1905 managing director of the Moore Line of cargo steamships, of which his father, Sir Walter Runciman, M. P., is the head. The latter is also senior partner of Walter Runciman & Co., New Castle-on-Tyne & London, and has written several works on shipping. In part his son's article in "Fairplay" reads as below.

Neither the Royal Navy nor the Armies abroad, nor the Allies, could have outlasted many months of war if our merchantmen had been inadequate. No Government improvisation, no supermen, no "push-and-go" statesmen, could have made up for the lack of the thousands of vessels flying the red ensign. That they were available at the beginning of the war, and for three and a-half years have made the Alliance possible, was due to one distinct outstanding characteristic peculiar to this country alone of all the belligerents. That characteristic was private initiative and enterprise — nothing more, nothing less — with no government aid, no subsidies or grants, no encouragement by legislation or regulation, nothing but private initiative and enterprise. Magnificent regular liner services to and from this country and the dominions, and the amazing fleet of general traders, the finest bulk cargo carriers in the world, by which every big trade was fostered and fed at home and abroad, and the endless stream of British vessels which ran on purely foreign routes to and from none but foreign ports, the very coaling stations which became the pivots of naval action — all without exception were devised and developed by private persons of courage and ingenuity and ceaseless industry. No Government has ever been able to plan, much less to carry out, such a world-wide complexity of service and economy, or to add to the benefits of the earth by building up and managing fleets of cargo and passenger vessels of every type, size and speed, all for specified and definite purposes, and all this achieved with a surprising, almost incredible, absence of waste. No government will ever be able to create anything like it.

Mark what happened! Within two years vulgar fellows were encouraged to write for the newspapers torrents of abuse of shipowners and managers. And in three years two Cabinet Ministers vied with a Parliamentary Secretary in their denunciation of the very community which had created this most magnificent and unrivalled imperial service. The price of food went up; that is the doing of the shipowners, said one minister; but he did not lie, he only believed what was untrue. Labor felt that it was not being well enough paid, that is because shipowners made scandalous profits, said another minister, who is himself something of a shareholder in wound-up concerns. Shipowners are always greedy and stupid, deduced the parliamentary secretary, who was sure that in six, or may be seven, memoranda he could devise a far better organism than the British merchant navy had ever been before he turned his attention to its reconstruction. Vilifying the creators of these merchant fleets became for a time the official order of the day, and prejudice, combined with ignorance and spite in calumniating shipowners, of whom every foreign nation was envious, whom every ally would have given hundreds of millions sterling to have secured. That phase, scandalous only to those venomous or superficial slanderers, is rapidly passing away, and I prophesy that in 1918 the British public will begin to turn its attention anxiously to restoring the mercantile strength which has been lost since 1914, but more in 1917 than in any previous year. This new frame of mind will be better than savage attacks on honorable business men and demagogic denunciation of the very companies and individuals without whom neither the British, French, nor Italian peoples could have been saved from hopeless starvation and defeat.

FEARS INTERLOPERS.

Let no one suppose that we have merely to release vessels from requisition, and all will be well. The position will not be so clear when the war is over. There will be interlopers in many of our old trades. The Japanese will have a grip of the Asiatic ports

and of merchant connections which it will be almost beyond our power to displace. They have had no excess profits duty to keep down their reserves or building funds; they have had no limitation of freights or blue book rates to restrict their gross earnings. Their funds will be full to overflowing, and will enable them to expand their ownership and to fight their British competitors. The Norwegians, Swedes, Danes and Dutch have amassed immense wealth, ten times greater than anything obtainable during the war by British concerns, wherewith to enlarge their fleets of tramps and liners—but particularly tramps, the very branch of shipping in which before the war we were, beyond all comparison, supreme. America is building — or will shortly build — at feverish pace millions of tons of cargo carriers, and these will be under the American flag when the war is over. As she is financing our American supplies, and maintaining our American exchange by her own money, she is entitled to withhold from our register even the vessels which our government bought in American shipyards or on American books, in so far as the Washington Treasury or the Federal Reserve Board have to find the purchase money. At all events, America will have a great cargo fleet, the effect of which will be seen in the River Plate, the Brazils, on the coasts of Chili, Peru, China and in the Gulf of Mexico — to say nothing of European waters.

Such foreign competition cannot be met by clever politicians or writers in Westminster, or by orators at the Guildhall, or versatile gentlemen at the Admiralty. The British genius in a thousand different ways must be given the fullest and freest play, and no national inducement withheld from those who contrive and scheme the multifarious activities of commerce, and design and construct the hulls and engines on which economical carriage can alone be made possible, in competition with the rivals who have had nearly every artificial advantage during the war. British brains must be given every chance of once more gaining their legitimate reward. Talk of eliminating competition and putting life on another and a better moral basis may be appropriate to other trades (I have not yet seen this proved to the satisfaction of any private mind), but in shipping such talk is childish. The foreigner will not cease to compete merely because some society or manifesto-writer declaims against competition, or merely because some hastily young men think our present miseries are all due to the competitive system. If we are to share in the seafaring services of the world we shall have to plunge into rivalry with Scandinavian, American and Asiatic, determined to struggle for every particle of the trade which we once possessed. If we do not compete, hotly, intelligently, ceaselessly, freed from controllers and all their assistants, giving private enterprise every inducement to devote itself to regaining what has been temporarily lost, the British Merchant navy will never recover its greatness, and we should enter the next war—if there is to be another—weak, and in humiliating dependence on other ocean States.

Scandinavia's Merchant Marine

In the Glasgow "Herald" K. F. Knudsen reviews the experiences of Norwegian, Swedish and Danish shipping since the beginning of the war. Norway's tonnage in August, 1914, he states, amounted to 2,550,000 gross tons, valued at about \$80,000,000. The mercantile marine has been the means of bringing vast sums of money into the country, but this is subject to qualifications. While, for instance, the war losses of the Swedish mercantile marine amounted to about 100,000 tons between January 1, 1916, and the end of September, 1917, and while the war losses of the Danish mercantile marine amounted to 200,000 tons from the beginning of the war until the end of September, 1917, the Norwegian war losses have amounted to 12,000 tons gross in 1914, 78,000 tons in 1915, 285,000 tons in 1916 and 575,000 tons in the first nine months of 1917, or a total of 950,000 tons. While the total diminution of tonnage was only 450,000 tons at the end of September last the fleet has been renewed to the extent of 500,000 tons by very expensive purchases, chiefly from abroad.

The situation in 1917 was at times very hopeless, he says, and the policy of allowing the fleet to be used to the full for Entente purposes seemed likely, and does even now seem likely, to cost the country dear. Nevertheless the owners know that the future of Norway depends very largely on the maintenance of its shipping industry. They have, therefore, placed lately a large number of contracts, probably about 100, with English yards, for delivery after the war. Probably the total deadweight of the steamers so or-

dered approaches 600,000 tons. Further, they have placed contracts with Scandinavian yards for about 400,000 tons, and in Holland for about 80,000 tons. There are also other contracts with United States and Canadian yards for 870,000 tons, but it is doubtful whether they will get delivery of more than a very small part of these. Reckoning without the 320,000 tons under construction in the United States, it will thus be seen that Norwegian owners have placed contracts for about 1,100,000 tons, most of which is unlikely to be ready for delivery before three, four, or five years have passed. Probably the contract prices will amount to about \$165,000,000, or about 2½ times the estimated value of the Norwegian fleet at the outbreak of war.

TRAMP BUSINESS PREDOMINANT.

Most of the Norwegian shipowning has been of the tramp kind, but during the past ten years a great deal of energetic work has been done to establish oversea lines. Shortly before the war the Norway-America Line was formed. It has been a fortunate thing for Norway that that line was established. After the outbreak of war the managers bought nine tramps, and they have in that way been able to secure for the country some of the most essential imports. On November 1 last the tonnage of the company was about 38,000 tons gross. The Norway, Africa and Australia Line are endeavoring to maintain, even during the war, their regular trade, and they have succeeded in increasing their tonnage from 26,000 tons to 36,000 tons. The Norway-Mexico Gulf Line have increased their tonnage from about 6,000 to about 16,000 tons; Messrs. Fred Olsen & Co. have maintained as far as possible their numerous lines between Norway, the United Kingdom and France, but their fleet has been reduced from 42 steamers of 64,00 tons to 28 of 43,000 tons, and Messrs. Fearnley & Eger, who have maintained several lines between Norway, the Baltic, France and Spain, have had their tonnage reduced from 33,000 tons to 13,000.

The Bergenske Steamship Company and the Nordenfjeldske Steamship Company have continued as far as possible their regular routes between west Norway and the east coast of the United Kingdom. Their fleets measured on the outbreak of war about 31,500 and about 28,000 tons. The figures on November 1 last were about 41,000 and about 29,000 tons, respectively. Otto Thoresen has continued his regular services between Norway and the Mediterranean. In 1914 his fleet measured about 31,000 tons. It has been reduced to about 24,000 tons. Thor Thoresen, Jr., continues services from Norway to the west coast of the United Kingdom and Ireland, and he has also endeavored to maintain a service between Norway and East Africa. Before the war there were several lines trading between Norway and Germany, but nearly all of them has disappeared.

The Norwegian sailing ship owners have had a disappointing time. In the early days of the war they did very well, and vessels changed hands at enormously increased values, but when the submarine campaign started in earnest the risks to which they were exposed were quite out of proportion, and the vessels have gradually been withdrawn, and are now employed in American and more distant waters.

SWEDEN'S EXPERIENCE.

Swedish shipping consisted at the outbreak of war of vessels of 1,100,000 tons, and on September 30, 1917, it stood practically unaltered at 1,094,800 tons. Up to September 30 the war losses amounted to 143,000 tons gross, or 13 per cent of the total. Steamers measuring 41,000 tons were sold abroad in 1916, and the usual proportion of ships were lost through ordinary marine risks. Swedish owners have thus been successful in maintaining their tonnage by the output of the Swedish yards and by purchases from abroad. The losses have been sustained chiefly by the tramp owners, whereas the liner companies have been increasing their fleets. At the beginning of this century there was hardly any transoceanic liner traffic under the Swedish flag.

The Swedish-North America Line has been formed since the war began, and now has a capital of \$3,000,000. The company runs the largest Scandinavian passenger steamer, the Stockholm, and the intention is, when circumstances permit, to increase the fleet by ten large modern ships. The Sveabolaget, with about 70,000 tons gross; the Svenska Lloyd, with about 113,000 tons deadweight, and the Goetabolaget maintain lines between Sweden, England, France, Holland and Finland.

The year 1916 showed splendid results for Swedish owners, but the policy adopted by the authorities during 1917 has resulted in the inactivity of about one-half of the fleet. A number of the smaller steamers have been kept running between Great Britain