

APPENDICES.

APPENDIX A.

Memorandum submitted to the Conference by the Representatives of the British Shipowners.

THE NAVIGATION AND SHIPPING BILL OF THE COMMONWEALTH OF AUSTRALIA.

The British shipowners note with great satisfaction the generous recognition in the Report of the Royal Commission of the facts that the welfare of the British shipping industry is of fundamental importance to the Empire, and that the British shipowner in the conduct of his business has to face most determined efforts on the part of other nations to wrest from him, by subsidies and other means, his hold on the sea-borne trade of the world. The Royal Commission recognise that in this contest the British shipowner has to pay higher wages than the shipowners of most other countries, whilst his vessels are subject to a more rigid system of inspection.

They further note with equal satisfaction that the Imperial Merchant Shipping Act of last year is in a very remarkable manner and degree in accord with the opinions and recommendations of the Royal Commission, and in submitting their suggestions and criticisms on the Commonwealth Bill they would point out that the President of the Board of Trade acknowledged in Parliament that that Act could never have been passed last Session if it had not been for the co-operation and assistance he received at their hands.

The Royal Commission founded in great measure their recommendations on the decline in the number of British seamen employed on British ships between the years 1890 and 1900, and in the increased proportion of the trade of the world carried by foreign vessels during the same period. As bearing directly on these questions the British shipowners would venture to direct the attention of the Commonwealth to the following points:—

1. The President of the Board of Trade stated last Session in the House of Commons that whilst since 1870 the number of British merchant sailors has decreased from 200,000 to 176,000, during the same period the Admiralty has practically taken the cream of the men anxious to engage in a seafaring life; and that the number of seamen employed in the Royal Navy had increased from 70,000 to 129,000. Therefore in the 30 years there has been a total increase of 35,000 in the number of British seamen employed in both services—an increase equal to 13 per cent.

Since 1900 there has been an actual increase of 6,000 in the number of British merchant sailors.

2. The British Manning Committee estimated that at the present time one out of every 36 of the male population of the United Kingdom over 15 years of age, in some form or another, earns his living on the sea.

3. The United Kingdom owns, in round figures, one-half of the oversea tonnage of the world, whilst its total population does not exceed one-twelfth of that of the other ship-owning countries.

4. It would be absolutely impossible, with the limited population of the United Kingdom, to maintain its mercantile marine as it now exists without employing foreign and lascar seamen.

5. In considering the increased proportion of the trade of the world carried by foreign vessels, the Royal Commission has in particular referred to the mercantile marines of the United States, France, Germany, and Russia.

The evidence given before the United States Commission on the merchant marine of that country, which was published in 1905, showed that the ocean-going tonnage of America which in 1861 was 2,600,000 tons had shrunk in 1903 to less than 900,000 tons, notwithstanding the fact that foreign commerce had in the interval quadrupled; and, further, that the percentage of the import and export

trade of the United States carried in American bottoms had fallen during the last 50 years from 72 to 9 per cent.

Great efforts are often made to prove the vitality of American shipping by reference to the tonnage employed in the coasting and lake trades, but the evidence given before the Commission showed that there are only some 900 American steam vessels of over 1,000 tons on the Lakes, on the Pacific, on the Gulf, and on the Atlantic.

In France, subsidies amounting to upwards of £1,500,000 are paid annually to maintain vessels of a net tonnage of 1,200,000 tons. These subsidies represent, probably, an annual payment of not less than 12½ per cent. on the total value of the French mercantile marine.

In Germany there has been a great increase of tonnage, but it must be borne in mind that this increase has, in great measure, been in the fleets of three or four large shipping companies, who have received and are receiving directly and indirectly great assistance from their Government.

In Russia the oversea mercantile marine is, for all practical purposes, a Government service.

6. There has of recent years been a marked and steady decrease in the number of lives lost from British ships. In 1872 the loss of life amounted to 3,533, whilst in 1904 it was only 1,113. During that period British shipping had doubled in size.

7. The reduction in the loss of British vessels through wreck during the same period has been equally striking. The comparative figures are not given until 1876, in which year 280,000 tons were lost out of a total of six millions, whilst in 1903 the loss was only 135,000 tons out of a total of 10½ millions.

The British shipowners in submitting these points for the consideration of the Commonwealth do not wish to minimise the importance of the considerations of safety and comfort on which the Royal Commission has laid so much stress, but they believe that they are justified in claiming that the British mercantile marine is at the present time better equipped and better manned than it has ever been.

If British shipping is to maintain its hold on the sea-borne trade of the world, it is essential that it should be managed on sound business lines. It must show reasonable security for the capital invested, and it must be made to yield a reasonable return on the investment, otherwise the capital employed will be diverted into safer and more profitable channels. Further, if the disasters which have overtaken the oversea shipping of the United States are to be avoided, the British shipowner must be allowed in his business to deal with its constantly varying and growing requirements free from all unnecessary rules and regulations, the enforcement of which place the British vessels at a disadvantage with their foreign competitors on the high seas.

Rules and regulations are necessary to secure the safety of life and property at sea, but it is essential in dealing with a world-wide trade, that all such rules and regulations shall be not only reasonable in themselves, but also that they shall fix standards applicable to all ports and on all seas.

The shipowners, as such, are not interested in questions of Constitutional Law, and they have no desire to conduct their business through the Law Courts. Therefore, in this memorandum they have not attempted to deal with legal difficulties. They have assumed that it is the desire of all parties to the Conference to enable British ships, without distinction of register, to trade on fair and equitable terms in all British Possessions.