

ANNUAL DINNER

The Seventy-First Annual Dinner of the Institute was held on Friday, 8th March 1974, at Grosvenor House, Park Lane, London, W.1., and was attended by 1519 members and guests.

The President, Dr. Simon Archer, was in the Chair.

The official guests included: His Excellency, Mr. Paul Koht, the Norwegian Ambassador; His Excellency, Mr. Tilak E. Gooneratne, High Commissioner for Sri Lanka (Ceylon); Y. K. Pao, Esq.; His Excellency, Dr. the Hon. Carel de Wet, Ambassador of the Republic of South Africa; His Excellency, Mr. B. K. Nehru, High Commissioner for India; His Excellency, Mr. Nicholas Broumas, the Greek Ambassador; His Excellency, Mr. Caldeira Coelho, K.C., M.G., the Portuguese Ambassador; His Excellency, Mr. T. H. McCombe, O.B.E., High Commissioner for New Zealand; Dr. Denis Rebeck, C.B.E., M.A., D.L., J.P.; His Excellency, Senor Manuel Fraga, the Ambassador for Spain; M. Jacques G. A. Gerard, Minister-Counsellor for Economic Affairs, representing His Excellency, the Belgian Ambassador; Vice-Admiral Sir George Raper, K.C.B., Director General (Ships), Ministry of Defence, Past President; Vice-Admiral Sir Frank Mason, K.C.B., Past President; J. E. Cooper, Esq., Counsellor (Defence Production), representing His Excellency, the High Commissioner for Canada; M. Gerard Mesnet, O.M., Defence Attaché, representing His Excellency the French Ambassador; Rear-Admiral R. K. S. Ghandi, Vr.C., Naval Adviser to the High Commission of India; Major-General Sir Leonard Atkinson, K.B.E., B.Sc., the Chairman, Council of Engineering Institutions; Dr. A. W. Davis, Deputy-President; Captain Filippo Mottolese, Defence and Naval Attaché for the Italian Embassy, representing His Excellency the Ambassador for Italy; M. C. H. A. Plug, Counsellor (Economic Affairs), representing His Excellency, The Netherlands Ambassador; Commodore L. N. Mungavin, Naval Attaché (Pakistan); K. K. Chan, Esq., Second Secretary, Information, representing His Excellency, the High Commissioner for Singapore; Baron Carl Gustaf von Platen, Counsellor for Economic Affairs, representing His Excellency, the Swedish Ambassador; B. Nikitin, Esq., First Secretary, representing His Excellency, the Ambassador for the U.S.S.R.; Commander V. G. Ernst, C.D., Deputy Liaison Officer (Maritime), representing the Senior Liaison Officer (Maritime) Canadian Armed Forces; F. B. Bolton, Esq., M.C., President, British Shipping Federation, Past President; Commodore M. J. McDowell, Head of New Zealand Defence Services, London; J. Arkell, Esq., C.B.E., Chairman, British Institute of Management; Commander W. H. Arnold, O.B.E., R.N. (Retd), President, Diesel Engineers and Users Association; The Reverend L. E. M. Claxton, M.C., M.A., A.R.C.M., Rector, St. Olave's; J. W. Common, Esq., President, North East Coast Institution of Engineers and Shipbuilders; J. B. Davies, Esq., President, Institution of Engineers and Shipbuilders in Scotland; Dr. R. Hurst, C.B.E., G.M., Director of Research, The British Ship Research Association; R. A. Huskisson, Esq., Chairman, Lloyd's Register of Shipping; B. P. Laight, Esq., O.B.E., President-Elect, The Royal Aeronautical Society, representing the President; Sir Kirby Laing, M.A., President, Institution of Civil Engineers; J. McNaught, Esq., Honorary Treasurer; Dr. I. Maddock, C.B., O.B.E., F.R.S., President, Institution of Electronic and Radio Engineers; R. McA. Marshall, Esq., the Chairman-Elect, representing the Chairman, British Marine Equipment Council; R. Munton, Esq., C.B.E., B.Sc., Past President; R. Rutherford, Esq., Chairman, Salvage Association; Professor R. W. H. Sargent, President, Institution of Chemical Engineers; M. A. Sinclair Scott, Esq., C.B.E., Past President; D. W. Spencer, Esq., Chairman, National Association of Marine Enginebuilders; B. E. Stokes, Esq., Chairman, Institution of Production Engineers, representing the President; D. M. Tree, Esq., Chairman, Social Events Committee; R. T. Young, Esq., B.Sc., President, American Bureau of Shipping.

The Loyal Toast having been duly honoured

THE PRESIDENT said: I hope Mr. Toast Master will

forgive me if I anticipate him in introducing to you tonight our distinguished principal speaker, Mr. Y. K. Pao, ship-owner and banker par excellence, entrepreneur, employer, educationalist, philanthropist and much more besides! (*Applause*)

Mr. Pao's reputation as head of potentially the world's largest privately owned shipping group is well known throughout the industry and to most of us here tonight. I understand that when not at his head office in Hong Kong, he divides his time mainly between New York, London and Tokyo. That he has found time to be here in London at our Annual Dinner is indeed fortunate for us and was probably not inspired by any desire on Mr. Pao's part to experience a British Parliamentary Election at first hand!

Could it be that he might have been attracted by the recently declared phenomenal profits of some of our larger banking houses, running into hundreds of millions of pounds? If Mr. Pao could persuade our worthy bankers to invest some of this hard-won "loot" (including the contributions from our overdrafts and bridging loans) in the cause of British shipping, he could certainly count on my benevolent approval, provided of course (and here I am sure my old friend Bob Young will not mind my mentioning it) any ships Y.K. may build are classed with Lloyd's Register and all engineer officers are members of this Institute. Surely, not a great deal to ask!

Nowadays shipowners and marine engineers, whether designers, builders or operators, are more than ever before mutually dependent. Without owners we marine engineers would be forced to compete for a living in a hard market ashore, though, mind you, we would probably make a fair job of it! Without marine engineers, owners would either be back in sail or have to get into the package holiday racket!

But enough! You certainly do not want to listen to any further preamble on my part. We are all looking forward to hearing Mr. Pao. I know he has several things very close to his heart to tell us about. And so, Mr. Toast Master, over to you! (*Applause*)

MR. Y. K. PAO, proposing the toast of The Royal and Merchant Navies of the British Commonwealth, said: First of all, Mr. President, I should like to thank you very much for your kind words. It is a great honour for me to be here this evening at this well known annual gathering and to be called upon to propose the toast to The Royal and Merchant Navies of the British Commonwealth. I feel you will understand my sense of pride in knowing that in a way this reflects recognition of the contribution Hong Kong, and Hong Kong shipowners, have made over the past two decades to world shipping in general and to British merchant shipping in particular. Whilst my life is now very closely tied to merchant shipping, I can also claim a casual acquaintance with the Royal Navy. Some years ago I believe we shared a salvage award with one of Her Majesty's ships—I suppose it could be claimed an early joint venture—anyway, it was a brief, happy and successful operation.

Another link has been forged in recent years through my association with the Hong Kong charities fair organized annually under the leadership of the Royal Navy Commodore in charge, to raise funds for local charities in aid of Hong Kong's handicapped and under privileged children. Much fine work is done by the Royal Navy in our community and this year the fair is on May 4th. May I broadly hint that donations from outside Hong Kong would still be gratefully received. (*Applause*)

Unlike some of my predecessors at this gathering, I cannot claim service experience on board ships in times of war or peace, and I hesitate to relate my personal experiences with ships as an owner during the last 20 years. I can say, however, that in the shipping world life is full of interest and a young man at the start of his career hoping to avoid a dull nine to five job can do no better than to get into shipping where he will get all the challenge and variety he needs.

Not being an engineer I cannot expound on matters technical. Shipping in its broadest sense, is a common factor

with the majority of us here this evening. Banking, which has been and still is an important aspect of my life and which I find fascinating, might be boring for some here, therefore, having come from Hong Kong to join you here this evening, I feel I can do no better than talk to you about Hong Kong hoping that there will be a few points of interest in what I have to say.

Over the past few years visiting places and meeting people throughout the world, I have often been asked the question, "What is the secret behind the success of Hong Kong, particularly as far as shipping is concerned?"

There is no simple answer to this question but I can tell you that Hong Kong's emergence as a trading and shipowning centre is linked with the fact that we are blessed with an encouraging business atmosphere, the virtual absence of exchange controls, low levels of taxation plus an ingredient of tremendous importance—a population still willing and determined to work hard to achieve their aims and ambitions. (Applause)

There is another factor with which I think some of my contemporaries will have conflicting views. I am convinced that the complete absence of Government support for Hong Kong shipowners has a significance of its own—there are no subsidies, no lower-cost finance, no investment credits or other special tax incentives and in fact no preference schemes of any kind. We have been forced to become self-reliant, and through this have developed the skills necessary to survive and grow in a keenly competitive world. (Applause)

As many of you will know, land is scarce in Hong Kong and we have looked towards the sea for our expansion. Proximity to Japan is significant and their development as an industrial giant certainly needs no elaboration from me.

Emerging Hong Kong shipowners were not slow to grasp opportunities through purchases, charters and joint ventures with Japanese interests and these mutually beneficial associations were reflected in the upward business surge in the region. Recent changes in the relationship between East and West and the consequent increase in the volume of trade will add considerably to the cargo movement through Hong Kong adding again to the need for more tonnage.

This brief background description of Hong Kong activity provides me with a spring board to touch upon a subject which I believe has not passed unnoticed here in Britain—that of an autonomous Hong Kong register. Despite various arguments which have been raised against the proposal, some valid and some rather far-fetched, the idea has merit. Some critics talk about the prospect of a lowering of standards but this is clearly not to be since the ships would fly the British flag and Her Majesty's Government, through the Department of Trade and Industry, would have a vested interest in the ships, their equipment and their crews meeting with international standards of safety and reliability.

Where the register would differ is on the matter of nationality requirements for senior officers especially below the rank of Master. The severe shortage of marine officers in the UK is one of the contributory reasons for this need to change the present regulations. Further points of difference would concern the testing and certification of a wider range of equipment of non-British manufacture and possibly some changes in accommodation requirements of differing but certainly not lower standards to better suit non-European marine staff on the ships.

Difficulties surrounding this subject are primarily technical and in the company of so many members of the Institute of Marine Engineers I know you will agree that all technical problems have a solution.

Greater flexibility and a modern approach to the problem could make a separate Hong Kong register a reality very quickly. World conditions are ever changing—it is essential to move with the times and a lead from the United Kingdom will ensure that British flag tonnage is restored to the top of the international league table. The benefits from the formation of an autonomous Hong Kong register can be summed up very easily. At this moment about half a million deadweight tons of shipping have Hong Kong as their home port whilst many more millions of tons are controlled from Hong Kong but are registered elsewhere.

It is estimated that with new buildings on order, Hong

Kong controlled tonnage will be taken beyond the 35 million deadweight mark by the end of 1978—a figure which can very well stand comparison with the total UK fleet tonnage at this time. (Applause)

The advantages of a separate Hong Kong register to individual owners are perhaps less tangible but also quite real. It would provide a sense of belonging and identity as well as giving Hong Kong a stronger voice in International Councils and in discussions with the various institutions representing the shipping industries of other countries. The final and of course most important benefit would be that in times of need Hong Kong could continue to look to the strength and safe umbrella of the Royal Navy. (Applause)

Turning for a moment to the developments of the past few months with the energy crisis and the resultant fuel shortage, depressed freight markets, accelerating inflation and the prospects of an economic slowdown, problems of the shipping industry at this time appear rather more acute than usual, but who in our industry is not well used to problems—they are a daily feature of our business lives and I have every confidence that they will be overcome with the same resourcefulness with which we deal with pollution control, greater safety at sea and changing ship technology.

Our industry being essentially competitive and individualistic cannot of course operate under a central command or as a unified force as can the Royal Navy in matters of the national interest. The "enemy" to us in commercial life is many more things at different times than the "enemy" is for the Royal Navy and yet we have so many things in common. Through the bond of the sea and through the links of the Commonwealth we can ensure close consultation, co-operation and joint undertakings and, gentlemen, it is my sincere hope that it will not be too long before Hong Kong is better represented within the merchant navies of the Commonwealth giving the Royal Navy, in the kindest sense, additional heavier responsibilities.

Gentlemen, in this spirit may I ask you to join with me in the toast to "The Royal and Merchant Navies of the British Commonwealth". (Prolonged applause)

DR. DENIS REBBECK, C.B.E., M.A., D.L., J.P. (Fellow), replied to the toast to "The Royal and Merchant Navies of the British Commonwealth" and also proposed the toast of "The Institute of Marine Engineers".

THE PRESIDENT, in reply, said: As President of the Institute of Marine Engineers I have the pleasant but quite impossible duty of replying to Dr. Denis Rebbeck, whose inimitable, witty and characteristic speech has convulsed us—I can think of no other word—tonight. We are most indebted to him for this speech which was a wonderful blend of humour and real seriousness which I think ought to go with a gathering such as this in respect of marine engineering. All I can ask him is this: did his wife serve her time at Harland and Wolff if she wrote such a wonderful speech? (Laughter)

In thanking Dr. Rebbeck for his wonderful speech, I welcome also this opportunity to speak for a few moments on certain matters of current importance which affect members and non-members alike. The Institute is a marine technology society whose influence and operations extend world-wide (as indeed do those of Mr. Pao, of course!) through an international network of divisions and branches. Our total membership now numbers over 22 000, and increases annually. It may not be generally known that at any one time, because of the divisional and branch structure, anything up to 700 members may be engaged, in greater or lesser degree, in the running of the Institute's affairs. We are a democratic Institute.

There are today great opportunities for this Institute to extend its influence and to provide its already wide range of services to all engaged in the shipping and marine industries of the maritime nations. Two areas of influence come at once to mind. I refer, on the one hand, to Hong Kong, Singapore and Japan, where maritime affairs have the authority of established tradition and, as is well known, have already in the last two decades or so been undergoing phenomenal expansion. The other area is the European

Economic Community—the EEC—where maritime affairs are still, communally speaking, in the early stages of co-ordination and development, even though the EEC now generates some 40 per cent of the world's seaborne trade and owns about 63 million gross tons of merchant shipping, or 25 per cent of the world fleet. It is a pity that Mr. Pao quoted in deadweight tons; I am always at a loss in comparing them.

And here one must not forget the vital North Sea gas and oil interests, so crucial for this country in the long term war against industrial stagnation.

There is a place, indeed a demand, for British engineers and British engineering to play an authoritative part in all these exciting developments which will figure so importantly in future world trade. Already through various channels, including the CEI of which the Institute is, of course, a founder member, the United Kingdom is making positive contributions in terms of engineering skills and "know how" and the members of this Institute are not lagging in their involvement in the marine aspects of these developments. In all these matters, maintenance of the highest standards, coupled with flexibility of outlook, are among the most important priorities. The qualifications and experience now demanded of engineers to achieve Chartered Engineer status under present CEI regulations have lifted the status of the professional engineer higher than ever before. While this is very desirable, I would even say essential today, it has raised doubts in the minds of some people, including marine engineers from abroad, whose certification systems do not entitle the particular engineer to the C.Eng. designation. I would therefore make it clear that there are appropriate membership classes making it possible for any suitably qualified engineer occupied in the marine industries of the world to become a member of the Institute of Marine Engineers with full entitlement to all services, meetings and functions provided by the Institute and with varying degrees of responsibility for its management. This responsibility, in the case of the Institute, is linked to registration by the Engineers Registration Board—the ERB—run under the aegis of CEI, deriving its authority from the CEI's Royal Charter.

This is not the occasion to dwell overlong upon our present all too familiar economic and industrial problems nor to attempt detailed forecasts of future developments or trends. Suffice it to remind ourselves that when the world can suddenly overnight be faced with quadrupled oil prices with all the obvious repercussions which must inevitably ensue, then clearly the pattern of civilized life, as we know it, must be profoundly affected.

Our Annual Dinner is the one occasion during a President's year of office when he has a maximum gathering of members, has at least a nominally "captive" audience, and that is why I have chosen to include in my speech tonight some admittedly rather controversial matters. If, as I hope, discussion is generated later, then we have our Annual General Meeting on 30th April or, alternatively, there are the columns of the *Marine Engineers' Review*.

Far be it from me, however, to threaten you with a political harangue; The echoes of so many are still ringing in our ears! Nevertheless, there may well be a lesson or two from the electoral battles, now so uneasily ended, which we in the marine industry could do well to note and perhaps even profit from.

One self-evident conclusion was that Government or control, whether of a nation, an industry or a company, becomes increasingly difficult the more sub-groupings there are and the more numerous the conflicting internal currents of opinion and self-interest. Might it not be that a similar conclusion could apply to the professional learned society institutions within our own industry?

In my Presidential Address last October, I emphasized our desire to promote the closest possible relations with our sister society, the Royal Institution of Naval Architects. Within CEI our essential affinity is unquestionably recognized, as we are the only one of the six major groups of constituent member institutions which can claim jointly to represent the interests of the marine technologist. As indications of the co-operative progress already achieved, it is worth noting

that the bye-laws of our own Institute admit suitably trained and qualified naval architects to full corporate membership and the converse applies in the case of RINA. Local joint branches of our two institutions have also been set up and are operating successfully in three areas in the United Kingdom—the Southern in the Southampton district and the Western in the Bristol/Bath district, and the latest in Northern Ireland. Apart from this, on occasion suitable papers are presented, either to joint meetings in London, or at least printed in both institutions' journals, and such collaboration is at times extended to national or international conferences. It is also gratifying to note that RINA administer certain long-standing bequests providing pre- and post-graduate scholarships in marine engineering. In the light of this encouraging, if perhaps so far rather limited convergence of services, would it really be too utterly optimistic to hope that some form of closer collaboration might one day be devised—call it "federation" if you will, or even ultimately "amalgamation" perhaps. (*Applause*) Both institutions are mutually complementary and each has so much to contribute to the common advantage and the probably much greater aggregate strength of such an all-embracing institution of marine technology (or whatever else it might be called). I personally believe that this would be to the ultimate benefit of British shipbuilding and marine technology. Not so very many years ago we had a good precedent for the merging of institutions in the "marriage" of the Automobile Engineers and the Mechanicals, and yesterday, in other marine circles it was announced that the Chamber of Shipping and the British Shipping Federation are to amalgamate (and I quote) "to provide a united voice for the industry at national and international levels".

There are also, of course, in other maritime countries successful examples of such united marine technology societies usually backed up by first degree and other educational courses embracing both naval architecture and marine engineering. Clearly, this might require some lengthening of the primary courses of academic and practical training in this country, but the resultant products of such a system would undoubtedly have a wider and more flexible approach to marine technology as a whole and, given some instruction in commerce and economics, would ultimately be far better management material. I am aware that certain British universities and perhaps also other educational establishments, have made a start in this general direction, but are we really progressing fast enough down this road?

As a long-standing Fellow of both our institutions and a graduate of both marine disciplines, I feel confident that despite any possible fears or prejudices which may arise, partly perhaps from the disparate size of our two institutions, and provided we all work together to generate an atmosphere of mutual trust and good will for the general benefit of all our members and therefore of the industry we jointly serve, it should not be beyond the bounds of possibility eventually to bring about a pooling of our knowledge, resources, facilities and activities (with the added incentive of reduced overhead and other savings) and in this way improve the scope and quality of our total services to the marine community. (*Applause*)

The other feature of our national professional marine institution scene is the separate and flourishing existence of local institutions in two of the major shipbuilding and marine engineering areas of Britain. These clearly fulfil a most valuable function and although not chartered constituent members of CEI, they are members of two of the sections of the ERB. One could conceive that in due time, if local opinion should so desire it, some means could be devised, such as federation with, or affiliation to, the envisaged larger national joint institution, or alternatively, affiliation direct to CEI. In either case, the mechanism would then exist for qualifiable members of such local institutions to be elected to chartered engineer status without the necessity, which now exists, of being corporate members of one of the 15 CEI institutions. In addition, it should eventually be possible to work out reciprocal benefits and services for members of all the marine institutions involved.

Whatever the future may hold, there is no denying that unity (as distinct, however, from uniformity) is strength and

I can only hope that this long-cherished suit of ours (even if not in my time) may ultimately enjoy a happier fate than did Ted Heath's ardent proposal to Jeremy Thorpe earlier this week. (*Applause*)

In conclusion, I must mention a very important domestic subject, something for which, I am sure, all of you here in our industry have a sympathetic ear. I refer to the Institute's Guild of Benevolence. As you may know, the Guild provides, in its house at Littlehampton in Sussex a secure berth for some of those in the industry who have reached a stage in their lives when they need extra care and protection. To accommodate as many of these needy people as possible, an extension to the Guildhouse is now being built and is scheduled for opening in mid-summer.

Various appeals have resulted in contributions amounting to some £20 000, which is just under one third of the total amount needed for the building.

On behalf of the Guild, I would like to thank your principal speaker tonight, Mr. Y. K. Pao, most warmly for

his very generous donation to the funds. (*Applause*) Others too in this room tonight, but you will appreciate that this is not the occasion for a lengthy list of names, have responded nobly to recent appeals, and it is most encouraging to know of such ready and practically expressed sympathy with this worthy cause.

In this connexion, I would remind you of the Open Golf Tournament to be held at Walton Heath Golf Club on June 27th. Please do write to the Guild Secretary at headquarters for details. If, Mr. Pao, we should have the honour of your presence in this country at about that time we should be delighted if you could find the time to join us. I know that you swing a useful club. (*Applause*)

Now it just remains for me to thank all our guests for being with us tonight and, particularly, our two speakers, both of whom are such extremely busy men. I hope that both members and their guests have enjoyed a really stimulating and rewarding evening. (*Prolonged applause*)

