

A MARITIME STRATEGY FOR BRITAIN

BY

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This article was presented as the 18th Blackadder Lecture at the North East Coast Institution of Engineers and Shipbuilders on 20 February 1984 and was first printed in their Transactions. The subject is of such vital importance to the nation and the Navy, and a background against which naval engineers work, that it is reprinted here with the permission of the Institution. The author has provided a new final section to bring it up to date.

Introduction

Mr. Chairman, Ladies and Gentlemen, as you would imagine it is always a singular honour to be invited to give the Blackadder Lecture. To be asked to do so in the Institution's centenary year is however a terrifying prospect made all the more daunting when placed against the background of our sombre national maritime scene.

However, the whole ethic and vision of this Institution was born out of an equally depressing situation a hundred years ago. Then, with 'grass growing in the shipyards', your forebears defied the gloom, mustered their nerves, intelligence and skills and started a recovery which had, by the end of the century, produced whole navies for China and Japan and 80% of the world's merchant ships.

There may just be time for us, inspired by their example, to help bring about an equally dramatic recovery.

In doing so we may have to convince others of the need for it, since what was probably self-evident in 1884 is now challenged not only by our competitors but also by powerful voices at home. Both claim that most of this maritime business should be left to the Developing World, whilst we concentrate on the boundaries of exotic technology, service industries and maritime museums.

This paper therefore aims first to identify the reasons why Britain should have a maritime strategy and what its purpose should be. It then addresses the main problems affecting such a strategy and proposes some possible actions.

National Maritime Strategy

Definition: A country's policy regarding the use of the sea.

Since the sea is the most economical, and often the only, highway for the carriage of most types of cargo, and since the world's oceans cover 71% of the surface of the globe and most people live within 100 miles of a coast, the use of the sea crucially affects world trade and prosperity. It therefore concerns all countries either directly or indirectly, especially those bordered by the sea, and is of paramount importance to densely populated industrialized islands of which Britain and Japan are the prime examples.

In 1982 Britain imported 157 million tonnes and exported 108 million tonnes by sea. This amounted to 98% by weight of our foreign trade. In 1983 our revenue from North Sea oil exceeded £9 billion, equalling the Public Sector Borrowing Requirement.

In 1982 two-thirds of our fish was imported at a cost of over £500 million. In 1974 the nett contribution of British-owned shipping to our balance of payments was £2.5 billion, the second largest item in our national inventory.

All these maritime activities could conceivably be left to our foreign competitors—trade to foreign carriers, the North Sea to the Norwegians and the EEC, and fish to foreign fishermen. If we did so, and we are already beginning to do so, our balance of payments would collapse and hundreds of thousands of people would be thrown out of work. On the other hand, if we tried to insulate ourselves against both fair and foul foreign competition we would, like, for example, Brazil and Nigeria, bankrupt our economy.

Alongside these economic threats is the overall maritime threat posed by the rising capability of the Soviet Union which has recently acquired the largest national navy and the sixth largest merchant fleet in the world.

The Aim

The aim of our maritime strategy must therefore be to ensure that we can so control and conduct our maritime affairs as to achieve the optimum economic benefit, and survive conflict. In other words—Control, Revenue and Security.

Elements of Maritime Strategy

The main elements of maritime strategy include shipping, shipbuilding, ship repair, marine equipment, marine business, fishery, offshore industry, ports, maritime forces, surveying, marine research, etc. Most of these interact with others: for example, shipping and maritime operations; shipbuilding and a sound home market for both warships and merchant ships; fishery protection and the protection of offshore installations, etc.

The diversity and individual make-up of these elements interest at least 13 Departments of State—Trade and Industry, Transport, Defence, Treasury, Agriculture, Fishery and Food, Employment, Foreign and Commonwealth, Education and Science, Health and Social Security, Environment, Scottish, Welsh, and Northern Ireland Offices.

The threats to which these elements are exposed are partly domestic and partly foreign, notably from Comecon (Communist Economic Countries) and certain excessive ambitions amongst the Developing World such as South Korea's declaration that all shipbuilding should be transferred to the Far East.

To try to take full account of every element and its interactions would probably obscure, rather than clarify, the main policy issues. This paper therefore concentrates on three dominant elements—shipping, shipbuilding, and maritime forces—in the hope that this will allow most of the problems to be identified and solutions proposed in the form of a national maritime strategy. A model of these main elements of British sea power is shown in FIG. 1.

Shipping

There are four main reasons why Britain, with its vital dependence on maritime trade, should be concerned about its merchant fleet.

First, our shippers need a British option if they are to avoid dependence on the policies and conduct of our economic competitors. Foreign monopoly of freight rates could eventually squeeze our industry out of business. The Developing World, with the strong financial and political support of the United Nations, through such devices as the UNCTAD (United Nations Conference on Trade and Development) liner conference Code, and financial aid, is naturally and understandably trying to squeeze into business as an

essential part of their economic emancipation. They are merely following what President Houphouet-Boigny of the Ivory Coast declared to an African Shipping Conference in Monrovia in 1980: 'The way to economic emancipation is the sea.'

Second, our shipping and its related services, such as insurance, classification and broking which owe their origins to our former dominant shipping position can, and should, remain major earners of national revenue. Shipping and related invisibles made the second highest individual contribution, £2.5 billion, to our balance of payments in 1974. About two-thirds of the shipping revenue came from cross-trading.

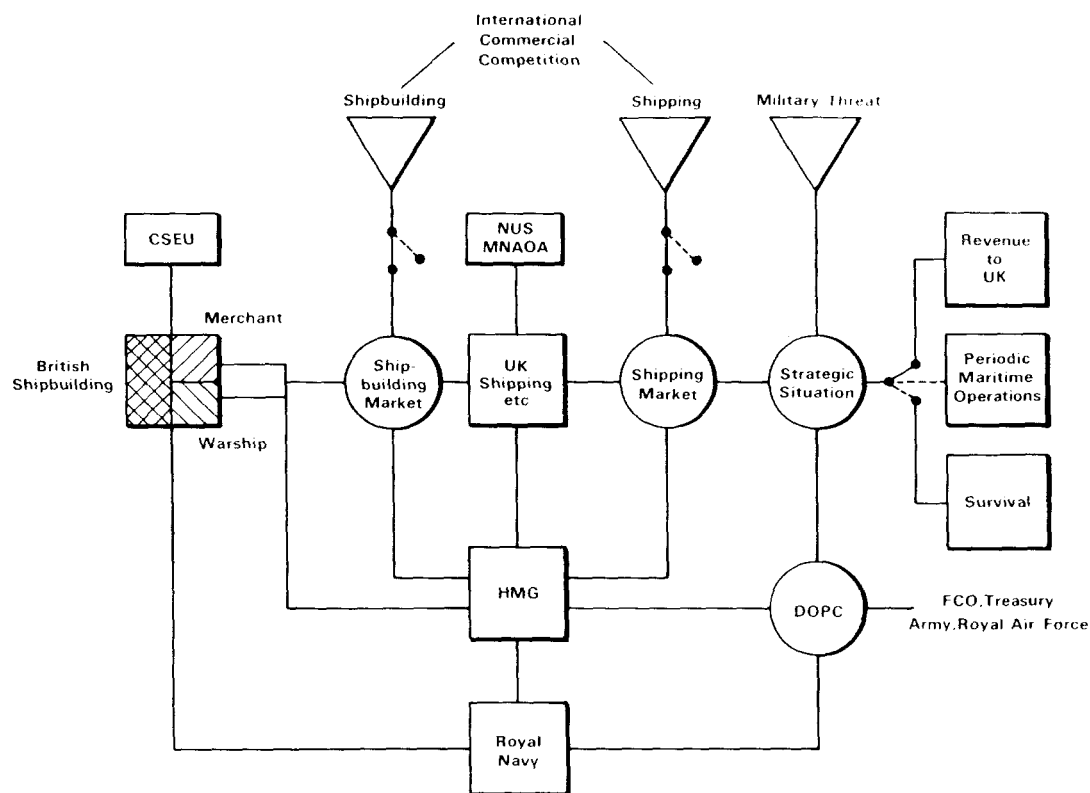


FIG. 1—MAIN ELEMENTS OF BRITISH SEA POWER
 CSEU: Confederation of Shipbuilding and Engineering Unions
 DOPC: Defence and Oversea Policy Committee
 FCO: Foreign and Commonwealth Office
 HMG: Her Majesty's Government
 MNAOA: Merchant Navy and Airlines Officers Association
 NUS: National Union of Seamen

Third, the British Merchant Fleet, as the fourth arm of defence, provides a reserve of tonnage to carry military cargoes and generally act in support of maritime operations, providing for example, 54 ships for the Falklands campaign. In extreme cases, as has happened twice within living memory, the country can become totally dependent on its shipping for its very survival as a nation.

Fourth, the industry provides a livelihood for several hundred thousand skilled people comprising not only seafarers and their families but also others who are dependent on shipping. Many are trained naval reservists.

Present State

Our fleet has been declining at an alarming rate and continues to do so faster than any of our Allies in NATO or the EEC. Its deadweight tonnage stood at over 50 million at the end of last year and is forecast by GCBS (General Council of British Shipping) to reach 16 million next year. Its annual net contribution to our balance of payments has been reduced by £1.5 billion since 1974. Great difficulty would be experienced now in meeting the operational requirements of a Falklands type operation. The number of seafarers has been declining by about 5,000 per year since 1975 and recruitment is now at such a low level—for example, engineer cadet entry has reduced from about 1,000 in 1975 to below 100 in 1983—as seriously to inhibit any major recovery.

Causes

According to HMG (Her Majesty's Government), as expressed in Mr. Sproat's press notice of 18th March 1983, 'The decline in the British Merchant Navy can be halted and reversed—but only if management deal with the problem of U.K. crew manning levels which in many cases are 25 per cent. higher than European competitors.' In fact the annual crew costs of U.K. flag ships with British crews are less than their West German equivalents and about half those of Japan. They are somewhat higher than for Greek ships and about twice that of most Flags of Convenience.

By far the most dominant causes of our decline are international and hence primarily matters for HMG to address. They include, of course, the world-wide recession causing the worst ever slump in maritime trade. This is coupled with a gross excess of world tonnage. Serious though this slump obviously is, it has not prevented the continuing growth of certain fleets, notably for example those of Comecon, South Korea, Panama, and China. Other fleets have declined at a lower rate than that of world maritime trade and the largest flag fleet, that of Liberia, having increased steadily throughout the crisis, has only just started to decline. So we can conclude that the dominant cause is not the recession itself but the way countries have reacted to it. Here we face the results of many different forms and combinations of protectionism applied by different countries in various ways including new construction subsidies, cheap home bunkering, state insurance, state payment of a substantial proportion of crew wages, credit terms more favourable than those adopted by OECD (Organization for Economic Co-operation and Development), cargo discrimination, selling cargoes c.i.f. (cost insurance freight) and buying them f.o.b. (free on board), minimal crew wages, and reduced safety standards.

In some cases counter-protectionism has been applied, for example by the French who have refused to accept some cargoes which have been shipped at less than the going rate.

The result is a chaotic shipping market in which few, if any, normal free traders can make any profit on a voyage. The roots of the problem are thus mainly international and hence primarily matters for HMG.

Actions by HMG

The Government appears to have three basic options internationally.

First, to continue to stand back, in which case we will probably have to face the consequences of an irreversible decline in our merchant fleet, leading possibly to its extinction. The consequences could well include a decline in our marine-related business, which accounts for about a third of the financial activity of the City of London, our research and training in naval architecture and marine engineering, our marine equipment business, our shipbuilding, and our defence.

Second, to join the protectionist club, and pour billions of pounds into the maelstrom. Apart from a devastating effect on our economy, such action would run counter to the world trend, strongly supported by the United Nations, of encouragement to the Developing World to stand on its own feet, thereby reducing its demands on the Industrial World.

Third, to counter protectionism by mobilizing world opinion and international agencies such as UNCTAD, the OECD and the EEC, to see that it would be in everyone's self-interest to restore order in the international market through self-restraint. Here there might well be merit in the adoption of a voluntary quota system whereby countries undertake to work within agreed limits. This is not a new idea. It is already being applied, for example, to the car trade, fishing, the European Monetary System, and the UNCTAD code for liner conferences. In following this course special attention would need to be given to open registries. Many owners are attracted to them by their financial benefits and relative freedom from regulation. Equally the Flag of Convenience countries have come to depend on their registration fees. However, the whole concept is fundamentally destabilizing: national shipping revenues are reduced, ownership and control is often dangerously obscured—as proved the case in the loss of the *Pacific Charger* on her maiden voyage—and national seafarers lose their jobs.

Apart from its international efforts the Government could do much more nationally, far short of protectionism, to support the industry on the lines repeatedly proposed by the GCBS, regarding fiscal policy, training costs, and shipping regulations. Recovery is not solely up to the Government.

Other Actions

The threats to our position as a leading cross-trader need to be recognized and countered as far as possible. The Developing World is determined, with United Nations support, to play a greater role in maritime trade. However our industry has a great deal to offer in expertise, infrastructure, and high quality ships and crews. It could therefore find new and worthwhile commercial opportunities in joint ventures with the shipping interests of the Developing World. HMG could well assist through its diplomatic links.

A far closer dialogue could well be established with British Shipbuilders. Both parties have valuable ideas about the future shipbuilding market which could be exchanged to mutual advantage and increase the chances of British industry being able to offer what shipowners want and at a competitive price. The present arm's length relationship contrasts unfavourably with the kind of dialogue enjoyed, for example, by the Finnish shipbuilding industry which maintains a five-year forecast of likely Soviet requirements. Whilst this dialogue carries no contractual obligation for either side, it allows the Finns so to direct their research, design and training efforts that they are far readier than their competitors to respond when contracts are offered.

A similar useful dialogue takes place between the Royal Navy, as the industry's largest single customer, and the warship builders. Perhaps British owners, British Shipbuilders and their respective trade unions could well do the same.

Finally, on the shipping front the Hong Kong Chinese have had the advantage of starting with a clean sheet of paper in commercially sympathetic surroundings. They have been able to structure their businesses from first principles and have succeeded to the extent that three companies now own more tonnage than the whole of the U.K. based merchant fleet. Amongst other measures, Sir Y. K. Pau, for instance, employs his ship masters not only to command his ships but also to act as his marine superintendents. The result is a major saving of overheads and increased morale amongst masters and crews.

Shipbuilding

For most of the past hundred years the story of world shipbuilding has been cycles of booms and slumps, with Britain usually emerging in a leading position, that is until we were overtaken by Japan in 1956. However, our present slump is different because new national industries have entered the market and, with the full backing of their governments, are determined to stay there regardless of normal market forces.

The attitude of most people in this country is either uninterested in or hostile to shipbuilding—a past glory which began to fade with the Empire or an increasing drain on our national resources since good and cheaper ships can easily be obtained elsewhere. Furthermore, the human consequences of any decline are all too easily brushed aside on the grounds that people should be better employed on other more relevant work which does not need to be subsidized.

The key factor overlooked in these attitudes is that as we are still an island practically all our trade, on which any country must depend for its prosperity, must continue to go by sea. Whilst this gives us welcome access to many world markets it also makes us vulnerable to certain kinds of maritime threats, both economic and military, by our competitors, because they have now taken to the sea.

Consequently it is essential that we retain sufficient control of our maritime trade by ensuring that our shippers do not have to rely wholly on foreign shipowners, that our shipowners do not have to rely wholly on foreign shipbuilders, and that, to counter any military threat, we can build our own warships.

Whilst we may have been able to tolerate the extinction of our motor cycle industry, the extinction of our shipping and shipbuilding industries would crucially affect our ability to conduct our maritime trade.

Our shipbuilding is threatened as never before as we face the now familiar assaults from countries which choose to promote shipbuilding as an essential plank in their economic strategy. Greenfield sites are developed through the latest bought-in technology, labour is given a fresh start, designs are readily acquired, and a comprehensive enterprise is launched with the wholehearted and co-ordinated commitment of government, the steel industry, and the banks.

Each newcomer has thus been able to undercut its predecessors. In the 1950s and 1960s Japan undercut the traditional shipbuilders of Western Europe by at least 20%. In the 1970s, prominent amongst several newcomers, South Korea undercut Japan by about 10%. The 1983 Annual Report of the Korean Shipbuilders Association makes interesting reading. In 1974 their industry produced about 0·2 million gross tonnes made up mainly of fishing vessels and various cargo vessels for domestic lines. By 1982 this total had increased by about 650% to over 1·4 million gross tonnes almost entirely from brand-new yards. They had drawn heavily on foreign technology to the extent of 83 technology contracts including Norway 21, Japan 14, U.K. 12, U.S.A. 10, West Germany 8, France 5, and the remainder 15. The average percentage of support provided by the Export-Import Bank for export vessels amounted to about 75%. The Korean Report included a recommendation that all shipbuilding should be transferred to the Far East, including any remaining technology, preferably free.

In the late 1970s the South Koreans became concerned about Comecon and asked British Shipbuilders for help. Now in the early 1980s, China is entering the market and is already undercutting South Korea by 10–15% for certain types of ship. China's capacity is set to exceed Britain's within the next two years.

Meanwhile Japan has not sat still. They have invested massively in imaginative plans for the future and are now deploying at least ten times the U.K.'s number of top quality designers. Their research programme is at least as substantial as that of the whole of Western Europe.

The result is that they are now poised to make another breakthrough based on a fundamental reappraisal of ship design and production. All traditional classification rules have been thrown out of the window. Totally new design concepts have been worked out which substantially reduce the weight of steel required and the work that has to be put into it. The resultant rationalization of steelwork has opened the way to robotics and automation on a comprehensive scale. Multiple standards of steel plate have been eliminated to the advantage of both cost and production time.

They will soon be producing new ships by these methods and their production costs are expected to be at least 30% lower than at present. They are achieving all this with the full involvement and co-operation of their workforce—in fact the first line of their plan makes clear that no one would be compelled to give up their livelihood.

It is a formidable challenge which sets us a target of at least a 50% reduction in our production costs if we are to save our industry from Far East domination.

The U.K.'s Response

Several elements of our response are clearly those already adopted by the Japanese. The first is a major investment in people, both in terms of the number of top quality designers who can rethink our whole approach and in the involvement, from the outset, of our entire work-force. Similar investment is demanded in robotics, automation, and the necessary production facilities on new or converted sites. The conceptual change will have to be at least as great as any which has been initiated by this country in the past. The Government, local authorities, raw material and equipment suppliers, and the banks need to be closely involved and committed from the outset. We might also, with due caution against delays or loss of control, consider enlisting the support of our European partners in the Association of West European Shipbuilders.

Since the Japanese are now re-emerging with a substantial technological lead, but one which is still based on steel, it might be to our advantage to consider an alternative to steel as our principal structural material. One possibility might be Kevlar, a man-made material with five times the strength of steel. It is a U.S. product which has already been applied in the aerospace industry. It does not corrode and is apparently not liable to brittle fracture. Recalling the way moulded and extruded plastics transformed our small craft industry several years ago, might not Kevlar mouldings and extrusions offer us a further revolutionary step on the wood/iron/steel trail and give us a world lead?

Faced with such challenges and problems, most of our current concerns with labour relations, work practices and the day-to-day involvement of the Government and the EEC in commercial management must warm the hearts of our competitors and cool the heads of our customers. Perhaps the most telling effect is loss of confidence, even if the price we offer seems to be competitive. Here Government-sponsored uncertainty about the future shape of the industry is drastically damaging confidence. The announced intention to return an integral part of the industry, namely the so-called profitable warship yards, to private ownership is a prime example.

The fact is that when British Shipbuilders began its task, its fundamental approach was to co-ordinate the many strengths of the industry and discard its weaknesses. At the outset there were about 120 companies, not all of

which were trading; a few were close to bankruptcy or trading illegally. They have been organized into five main divisions embracing 30 companies, with additional companies for training and technology. Many yards and businesses have been closed. There were 17 trades unions and numerous industrial relations agreements leading to 168 annual wage bargaining points. All trades unions are now co-ordinated by the Confederation of Shipbuilding and Engineering Unions; there is one industrial relations agreement for the entire industry and one main annual wage negotiation. Fifty-two different centres of research throughout the country are drawn on in a way co-ordinated through the British Ship Research Association. Twenty-three banks and numerous pensions and insurance schemes have been unified to commercial advantage. There was gross overmanning at all levels and little inducement through normal terms to accept voluntary redundancy. With the involvement of the Confederation of Shipbuilding and Engineering Unions a special redundancy scheme was approved by Parliament and it then proved possible to reduce the merchant shipbuilding workforce by 24,000 people in three years—several thousand of these were transferred to other work. The time lost through industrial disputes in 1979 was the lowest on record. Commercial security barriers which had inhibited the exchange of research and designs were removed and this also allowed the transfer of labour and resources to iron out any peaks or troughs which occurred anywhere in the industry. Centralized marketing was introduced which cut out unreasonable competition and provided customers with a single point of entry for a wide variety of requirements. Training for the entire industry is co-ordinated through a single company. The specialist warshipbuilders, Vickers, Vosper Thornycroft, Yarrows, and Brooke Marine act as leaders for selected classes of warships and produce construction packages to allow other yards, such as Swan Hunter, to build repeat ships of a class. In recent years Swan Hunter, even though it is not a specialist warship builder, has had more tonnage of warships under construction than most of the specialist yards.

This is not an exhaustive list, but it may be sufficient to show what would be largely undone if a substantial part of the industry were hived off into private ownership. It is not an argument against private ownership—indeed the sooner the industry can act commercially the better. It is a strong argument against breaking up what has, through painstaking involvement of the workforce, become a co-ordinated industry with a much better chance of survival than it had before. In other words there could be major advantage in normal commercial ownership provided the industry remained a co-ordinated entity—possibly on similar lines to those of BP.

However, the main point at issue is customer confidence and the sooner that can be restored the sooner British Shipbuilders will become profitable.

Maritime Forces

The prime purpose of our maritime forces is to deter war or interference with our maritime trading system by naval threats. Here only the defence staffs have the data and knowledge of the threat to be in a position to state requirements. Whether or not these requirements are met is a political decision. HMG has decided to limit our surface escort fleet to 'about 50'. They point out that the new ships will, not surprisingly, be better than the old and hence smaller numbers would achieve an adequate effect. The policy is seriously flawed because not only has the quality and quantity of the threat increased—the Soviets now have more nuclear submarines than the rest of NATO combined—but also, as HMG has abandoned any significant mid-life modernization programme, most of our fleet will be obsolete.

SACLANT has repeatedly pointed out that we do not have enough ships to meet our declared priority commitment to NATO let alone our out-of-

area tasks. Our strategic priorities therefore need to be radically reviewed. It must be a great comfort to Soviet planners to find a country as dependent on the sea as Britain and having such expertise in maritime affairs, giving priority to a continental strategy. Like the Maginot Line this strategy has already been outflanked. Cuban troops deploy freely to Angola and the Horn of Africa. Major Soviet forces are stationed in the Gulf of Aden, off the Straits of Hormuz, and in Camranh Bay.

Much has been done during the past two years to make better use of the limited money available. The lower levels of threat are beginning to be covered by less expensive types of units which can therefore be afforded in reasonable numbers—they include the Type 2400 conventional submarine, the Type 23 frigate, and the new escort vessel which is planned to cost one-third of a Type 23. Batch ordering is being adopted and more use is being made of commercially designed, and hence more exportable, equipment.

However, NATO procurement remains a most fruitful area for further major savings since most naval equipment is obtained nationally instead of internationally. For example, massive and expensive design and production resources are devoted to fourteen different classes of NATO surface escorts, whereas the Soviets happily make do with four. The successes in NATO procurement, such as marine gas turbines, Exocet, the Tornado and several types of helicopters, should be applied throughout all warships and equipment. The key to these successes was the involvement of top industrialists from the outset in positions of authority and responsibility from which they could make the best policy decisions affecting the interests of both the country and their people.

A final maritime force point concerns the Merchant Navy. Often referred to as the fourth arm of defence, the Merchant Navy's physical ability to meet that role is rapidly declining. The total number of ships is now half what it was in 1975 and is continuing to decrease. The types of ship have also been changing and an increasing proportion consists of VLCCs, LPG carriers, and large container ships which are unsuitable for carrying most military cargoes or providing logistic support for naval forces. An increasing number of ships have foreign crews. The practice of prefitting ships to carry weapons or special gear if required is no longer afforded. The number of trained seafarers has been declining at the rate of 5,000 per year since 1975. Our intake of officer recruits has reached an all-time low. Foreign ships have had to be chartered to support our forces in the Falklands.

There must therefore be serious doubt not only about the Merchant Navy's ability to support maritime operations but also its ability to reinforce and supply this country in war. A comprehensive study is needed to determine essential requirements for ships, equipment, crews and training. And on the subject of training, major economies should be possible through substantial integration of Merchant and Royal Navy training for both officers and ratings.

Co-ordination

Shipping, shipbuilding, and maritime forces are all closely related, as are such other sectors as fishery, marine business, offshore, ship repair, marine equipment, hydrography, etc., which cannot properly be addressed in this short paper. The common factors which link them all are their importance to this country's prosperity and the fact that they all impinge on each other.

The central need, therefore, of our maritime strategy must be co-ordination. That is, co-ordination nationally amongst government departments, shipowners and shipbuilders, the Merchant and Royal Navies, government and industry, the national research base, management and the trades unions, ship designers and aircraft designers, etc.

International co-ordination, too, is manifestly essential to safeguard Western maritime interests against excessive ambitions of the Developing World or Comecon, and to make far more economical use of NATO industry.

Co-ordination is primarily the concern of Government—but there is no co-ordinated policy or unifying authority with the power to devise and sustain it. Various possibilities, such as a single Minister or Commission for Maritime Affairs, have been tried abroad, for example in France and Argentina. They have failed through lack of power to reconcile diverging ministerial interests.

HMG's attitude on this point is contained in a statement at the end of the House of Lords debate on shipping on 28th November 1983 as follows:

I believe it would be more helpful if I were to . . . turn my attention instead to his (Lord Hill-Norton's) vigorous plea for a Minister of Sea [Lord Hill-Norton did not so plead. He advocated a Maritime Committee of the Cabinet]. I would have to reject this suggestion. Government departments direct their efforts in the main to meeting objectives. When objectives have been totally identified and have been collected together, it is then decided which department is best able to meet objectives. It would be rather odd—would it not?—if we decided on a Ministry of Sea to look after the Royal Navy; what would the Ministry of Defence do? Would it look after just the Army or the Royal Air Force alone? We try to group objectives and have them dealt with by the most appropriate department. We believe that the present arrangement whereby the Secretary of State for Transport has the leading role in co-ordinating maritime policy while other Ministers continue to have the primary role for some specific fields, if necessary, is the most satisfactory one.

This statement could scarcely have made the point at issue more clearly. It talks about identifying objectives, collecting them together and deciding which department is best able to meet them. The question remains as to who is going to make these judgements. Is the Secretary of State for Transport going to overrule the Ministry of Defence, or the Ministry of Agriculture Fisheries and Food, or the Departments of Industry and Trade etc.? There seems very little if any chance of achieving anything more than the lowest common denominator and that very slowly. It is for this reason that a task so important and complex as our national maritime strategy can be properly dealt with only at Cabinet level, perhaps on the lines of the Defence and Overseas Policy Committee. Given such authority, a firm policy regarding Britain's use of the sea could be established and maintained. Essentially it would include:

- (a) A thriving Merchant Navy under the British Flag, manned by British crews, of a size and quality to ensure adequate control of our maritime trade, optimum revenue and the necessary contribution to our national security.
- (b) A thriving shipbuilding capability which would naturally attract orders from British owners and be capable of meeting the warship needs of both the Royal Navy and foreign customers.
- (c) A maritime security force to ensure our maritime trade can be conducted without military interference.

Such a policy, based on the points made in this paper, would include actions by both Government and industry as summarized below.

Summary of Proposals

- (a) Promote recognition of Britain's dependence on the sea.
- (b) Recreate an orderly international market, based on enlightened self-interest and possibly the adoption of a voluntary quota system.
- (c) Encourage joint shipping ventures with the Developing World.
- (d) Bring about closer liaison between the Royal and Merchant Navies, especially over training and equipment.

- (e) Vigorously apply new technology, especially automation and possibly Kevlar, to both shipping and shipbuilding.
- (f) Improve NATO procurement through more authoritative participation of industrialists.
- (g) Foster industrial relations through more effective involvement.
- (h) Encourage close dialogue between shipowners and shipbuilders.
- (i) Encourage shipowners through improved fiscal policies and reduced regulation.
- (j) Promote confidence amongst warship customers.
- (k) Encourage fishing, surveying, marine business, offshore development and all other related elements of Britain's maritime interest.
- (l) Reappraise Britain's contribution to NATO strategy to ensure that any military threats to maritime interests are deterred.

Amongst all these, probably the most important is the first, since it is the basis of the will required to overcome a serious crisis for our country's prosperity and possibly even survival. We need to rekindle the will behind the creation of this famous Institution in 1884.

An Update

This paper was written at the beginning of 1984. Since then the size of the British Merchant Fleet has continued to decline. The GCBS has predicted that its numbers and deadweight tonnage will be down to 400-500 ships and 10-12 million tonnes deadweight at the end of 1985 and they estimate that these figures will be 300 ships or 7-8 million tonnes deadweight by the end of 1990. The number of qualified seafarers is expected to drop to 30,000 in 1985, and finally the annual net contribution to national balance of payments has fallen to about £2 billion less in 1983 than it was in 1974.

The British Maritime League is concentrating its attention on the Merchant Fleet and acquainting HMG and Parliament of the facts. A Parliamentary Maritime Group, drawn from both Houses and all three political parties, has been established under the chairmanship of Sir Edward du Cann.

Reference

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