



IMCO

**INTERNATIONAL CONFERENCE ON
TONNAGE MEASUREMENT OF SHIPS, 1969**

SUMMARY RECORD OF THE SECOND PLENARY MEETING

held at Church House, Westminster, London, S.W.1,
on Tuesday, 27 May 1969, at 2.45 p.m.

President: Admiral E.J. ROLAND (USA)
Secretary-General: Mr. Colin GOAD
Executive Secretary: Mr. V. NADEINSKI

A list of participants is given in TM/CONF/INF.1/Rev.2 and Corr.1.

TM/CONF/SR.2

CONTENTS

	<u>Page</u>
<u>Agenda item 5</u> - Proposed Committee structure of the Conference and organization of work (continued)	3

TM/CONF/SR.2

AGENDA ITEM 5 - PROPOSED COMMITTEE STRUCTURE OF THE CONFERENCE
AND ORGANIZATION OF WORK (TM/CONF/3-12 and
Addenda) (continued)

Mr. PROSSER (UK) stressed the special importance of the Conference and the difficulties facing it in view of the numerous proposals submitted and the many amendments to those proposals.

As a first step, the Conference had to decide upon the way in which the study of the proposals could be approached so as to ensure that they would all be examined according to their merits, with due regard to the fact that some amendments constituted proposals in themselves.

As the Netherlands representative had said at the previous meeting, the general debate must first of all be directed towards determining what should be the aims of tonnage measurement within the framework of a new system, and to what needs those aims should correspond in the administrative field (determination of safety rules, calculation of dues by the authorities levying them, etc.). There should also be a thorough discussion concerning the main parameters to be used, their advantages and disadvantages so far as concerned, in particular, the relationship between the new system and the existing one, the probable future of the new system, the way in which it would be applied to existing vessels and the arrangements for its entry into force. Such a general discussion would lead to a better understanding of the points of view of the various delegations on all those questions.

For its part, the United Kingdom delegation wished to stress that, in spite of the difficulties, it was determined to do all it could to ensure the success of the Conference and to bring into being a new universal system of tonnage measurement.

TM/CONF/SR.2

A great deal of work had already been done on the subject, in particular by IMCO's Sub-Committee on Tonnage Measurement. The basic guiding principles which the Sub-Committee had originally adopted were largely reflected in the proposals submitted to the Conference. Unfortunately those principles had not yet led to a universal system and they would have to be examined in a wider context, and it would perhaps be necessary to modify them or to introduce new ones.

In the United Kingdom delegation's view, any new system must meet the following requirements: first, the system must be simple and easy to apply. Secondly, it must be possible to make a satisfactory comparison between ships measured by means of the system, so as to eliminate the anomalies of the present systems arising from the exemption of certain spaces. Thirdly, the new system must result in gross and net tonnages as close as possible to those at present in use, so as to obviate the need for modifying the various existing national and international regulations. Fourthly, it was essential to make sure before the entry into force of the new system that it would receive the approval of a large number of the Governments represented at the Conference and of the States possessing the greatest proportion of existing tonnage. Fifthly, the system of the tonnage mark, which gave rise to anomalies and functioned very imperfectly, should be eliminated from the new system. Sixthly, the position of existing ships must be safeguarded for a certain period and it must be ensured that the transition would take place without upheavals from the economic standpoint.

In view of those various considerations, the proposal which seemed most acceptable to the United Kingdom delegation was Proposal C, which made use of two parameters: gross volumetric tonnage and load displacement. Those parameters seemed satisfactory from the point of view of administrative formalities,

TM/CONF/SR.2

Safety Conventions and the calculation of dues. If the discussions should show that the Conference as a whole was in favour of adopting a single parameter, the United Kingdom delegation would be able to conform to that view, provided that the parameter was that of gross volumetric tonnage, as any other would be difficult to adapt to existing conventions.

Above all, a flexible attitude was called for, and it was to be hoped that all delegations would be prepared to make concessions with a view to arriving at a solution acceptable to all.

Mr. MURPHY (USA) was in favour of the suggestions made at the previous meeting by the Netherlands representative, which embodied the observations made by the Danish Government on page 5 of TM/CONF/3 and which, moreover, was in line with the indications given by the Secretariat in TM/CONF/11.

It was too soon to see whether agreement was possible on one or other of the proposals before the Conference. For the moment there could be only a general discussion which might bring out certain points of agreement contained in the proposals and show how they could be discussed in committee.

Although the work already carried out by IMCO, in which United States representatives had taken an active part, revealed that many points of disagreement still existed, certain principles could already be accepted by all: the need to adopt a system that could be universally applied, to devise a system that was simple and reasonable, to avoid influencing ship design, to agree on parameters having a real and practical meaning and to adopt a system which would not have unfavourable effects on the maritime transport industry in general.

TM/CONF/SR.2

The United States delegation suggested that a list of those common objectives, which were all equally important and which were connected one with another, should be drawn up and studied in a spirit of compromise. Such a procedure would enable agreement on certain points to be reached at the outset and would thus speed up the work of the committees, since the points of disagreement would at the same time be more clearly revealed.

Mr. BREUER (Federal Republic of Germany) supported unreservedly the observations made by the United Kingdom representative.

Mr. ROCQUEMONT (France) also agreed with the general statement made by the United Kingdom representative, as it showed clearly what the aims of the Conference should be. The French delegation also thought that ships must be able to be compared easily; in that respect it was important to take account of the needs of the users of tonnage measurement, namely, the ports, and to bear in mind the Resolution unanimously adopted by the International Association of Ports and Harbors at its meeting at Melbourne in March 1969 (TM/CONF/12).

The French delegation likewise thought that measurements giving figures similar to the existing ones for gross tonnage should be arrived at so as to avoid the need to modify conventions in force at present. Net tonnage could then be eliminated, in view of the existence of port tariffs. Finally, it would seem to be necessary to retain the tonnage values of existing ships until the new system applied to nearly all ships. The Melbourne Resolution did, indeed, express the wish that the transition period should be short, but it could be pointed out that, even if existing ships kept the same tonnage, a single tariff could be applied to existing and new ships by using a very simple equivalent coefficient.

TM/CONF/SR.2

Concerning the Danish proposal, the Government of that country had itself indicated that its proposal should be considered only as a variant of Proposal C. If that latter proposal appeared to command acceptance, it could be decided subsequently whether it was necessary to adopt a second parameter, for example total volume, as the United Kingdom delegation had suggested.

With regard to the common objectives mentioned by the United States representative, they had already been taken into account in the drafting of proposals A, B and C.

Mr. GUPTA (India) said that he, too, agreed with the remarks of the United Kingdom representative and also with the comments of the representatives of the United States and France.

The Indian delegation would be prepared to accept the Danish proposal.

Mr. CHRISTIANSEN (Norway) said he would like to make a few comments on the statements by the United Kingdom, United States and French representatives.

Generally speaking, the Norwegian delegation was in favour of the adoption of two parameters - for gross tonnage and net tonnage - which, to avoid upheaval in the maritime world, should be as close as possible to the tonnages of existing ships. Indeed, if the parameters differed too much, numerous national and international regulations would have to be altered, and that would take a considerable time. It was important, however, that the new universal system, which should be simple, should be brought into force as soon as possible. Moreover, if different parameters were applied to new ships, it would mean that for years there would be two parallel systems in operation.

TM/CONF/SR.2

It would be preferable if the new system could also be applied to existing ships. It ought to be possible, in the course of the discussions that would take place in committee, to arrive at a compromise on the basis of the proposals before the Conference.

The Norwegian delegation agreed that the tonnage mark system should be avoided, provided that existing ships with two sets of tonnages were authorized to retain them.

With regard to the transition period, it should obviously be very brief, bearing in mind the way in which the shipping industry had developed over the last ten years.

Mr. L. SPINELLI (Italy) agreed with the United Kingdom, United States and French representatives.

Above all, the new parameters that were to be adopted should be comparable and practical. Therefore the first question to be asked was what exact purposes those parameters should serve. In the first place, they should make it possible to measure the dimensions of the ship in order to determine the material services to be provided for ships (towage, berthing, etc.). Secondly, they must measure the earning capacity of the ship for the purpose of distributing as between ships of the same or of different types the costs of similar services rendered to all ships (harbour dues, expenses relating to safety, etc.). Lastly, the parameters chosen should make it possible to compare ships from a statistical point of view on an international basis.

In view of the difficulty of meeting all those requirements at once, it would be advisable to concentrate on a few of them and be content with an approximation as regards the others. In the opinion of the Italian delegation, the first requirement was undoubtedly the most important, particularly as it was often difficult to define earning capacity in view of differences in the size and nature of the cargo and the number of passengers carried.

TM/CONF/SR.2

The Italian delegation thought that there would be no great difficulty in relating the new parameters to existing regulations and conventions, even if the parameters were very different from the present figures, since the conventions, and the Load Line Convention in particular, already used factors which were applied to different types of ships used for very different purposes.

At the moment the Italian delegation was in favour of the Danish proposal or, failing that, Proposal C; but it would possibly change its views in the course of the discussions.

Mr. GRUNER (Finland) thought that the new system should be as simple and direct as possible and should satisfy two sets of objectives, the one commercial and the other administrative. It was clear that gross tonnage and net tonnage now no longer reflected either the true size or the true earning capacity of the ship. The shipowner's interest in tonnage measurement was limited to the further exemptions, and hence reductions in dues, which he could obtain. Moreover, the Moorsom system had given rise over the years to numerous interpretations which produced very different results when applied to large and small ships respectively.

Hence it was absolutely essential to work out a new system in which the parameters would correspond to some extent both to the present net tonnage - in order to avoid altering the apportionment of charges levied on different types of ships - and to the present gross tonnage - in order to safeguard the existing international conventions and to preserve the continuity of statistics.

In the light of the various proposals which had been put forward, it would obviously be impossible to arrive at a new system which would apply to existing ships as well as new ships.

TM/CONF/SR.2

It was vital that the Conference should look to the future rather than the past, and visualize the types of specialized ships which would be built in the future and the way in which their tonnage could be measured effectively. Like the Moorsom system, the new system would have to be capable of functioning for a hundred years or so, whereas all existing ships would probably have disappeared in thirty years' time.

The essential feature of the new system must be simplicity, because the more detailed the regulations, the easier it was to find loopholes. Moreover, in order to prevent tonnage figures being used solely to determine costs - and interpreted so as to reduce those costs - a parameter must be chosen which would make it possible to measure the earning capacity of the ship: either the effective cubic capacity or the deadweight tonnage of cargo ships.

Mr. WADA (Japan) said he was extremely interested in the establishment of a universal system of tonnage measurement, and hoped that the Conference would adopt a convention which would be acceptable to as many States as possible and, in any event, to all the great maritime nations.

Tonnage measurement contained implications for the safety of ships and the economics of shipping and the new system must take account of that. The Conference must approach its work with realism and with concern for the future.

It was desirable that the wording of the articles should be as close as possible to that of other maritime conventions and in particular the 1966 Convention on Load Lines. In regard to regulations on tonnage measurement, he was in favour of providing for gross and net tonnages which would make it possible to arrive at values as close as possible to present tonnages, in order to avoid any disruption of the shipping industry. He was broadly

TM/CONF/SR.2

in agreement with the views expressed by the representatives of the United States and Norway. The Norwegian proposal (TM/CONF/9/Add.1) was a valuable improvement on the original.

The Conference should begin by agreeing on the choice of parameters. Japan would like to see the present parameters retained, but simplified by taking the ship's moulded volume as its gross tonnage and by calculating its net tonnage by direct measurement of the passenger spaces and of certain cargo spaces. Japan was firmly opposed to the use of load displacement, which would complicate the calculation of port dues and of other taxes, and would make it more difficult for States to adopt the new provisions.

As to the tonnage mark system and the assignment of dual tonnages advocated by the IMCO Assembly in its Resolution A.48(III), it was difficult to apply and did not serve any practical purpose. Moreover, the majority of port authorities - starting with those of Japan - invariably used the higher tonnages.

Mr. DUBCHAK (USSR) expressed satisfaction at the progress made by IMCO. He hoped that it would enable the present Conference to adopt a universal tonnage measurement system which was called for by the rapid development of merchant shipping and of international transport.

The Soviet delegation shared the views expressed by the representative of Norway. The new tonnage measurement system would have to meet the following three criteria: (a) it should be applicable to all ships, both new and existing; (b) it should be based on two parameters, namely, gross tonnage, which defined the volume of the ship and was needed for statistical purposes and to meet the requirements of existing international conventions, and net tonnage which gave the ship's earning capacity; (c) it should not affect ship design or endanger the safety of navigation.

TM/CONF/SR.2

Mr. MURPHY (USA) said he wished to make it clear that in his earlier statement he had confined himself to expressing his views on the procedure to be followed and to singling out the points on which agreement appeared to have been reached.

In regard to the points of contention listed in the written observations submitted by Denmark (TM/CONF/3, page 5), the United States delegation thought that two tonnages (gross and net) should be used and that values as close as possible to the existing values should be obtained. His delegation supported the statements made by the representatives of Norway, Japan and the USSR.

Mr. MacGILLIVRAY (Canada) said he was in broad agreement with the views expressed by the representatives of the United Kingdom and France. Tonnage measurement had two purposes. In the first place, it enabled ships to be classified into categories for the purpose of determining the safety measures to be applied to ships of different sizes. Provided appropriate transitional arrangements were made, the future convention should not raise any problems in that respect. Secondly, it served as a basis for calculating port dues and other charges (canal and pilotage tariffs). The differences of view were explained by the differing economic situations of the various States. The cost of installations and services was closely linked to the size of the ships using them. The Canadian authorities consequently felt that if tonnage was to be used as a basis for calculating the dues and taxes to be levied, it should represent, in a simple manner, the ship's size as it affected the provision of those services and installations.

Accordingly, the Canadian delegation would support whichever system would best meet the following criteria: (1) the values produced should indicate the true size of the ship; (2) the calculations required should be simple and obtainable either from the ship's plans or from the ship itself; (3) the parameters

TM/CONF/SR.2

chosen should not lend themselves to manipulation or cause confusion;
(4) the system should not influence the design of ships.

Mr. NOZIGLIA (Argentina) shared the views expressed by the representative of the United Kingdom on the broad principles of the system, and said that he was prepared to accept Proposal C. The Finnish Proposal would perhaps be the only possible solution if the Conference decided to adopt one single parameter; but that would be liable to influence ship design and would prefer the new system to be based on two parameters. Finally, Argentina was not in favour of retaining the tonnage mark system, despite the fact that it was one of the States which had adopted it.

Mr. BACHE (Denmark) said he would confine himself to a few very general remarks. The Conference must take up the challenge and work out the new system, which was long overdue and which the maritime world was eagerly awaiting. The main feature of that system should be simplicity. Obviously there would have to be a transitional period, but the changeover from the old system to the new need not be unduly difficult, and users would doubtless manage to adapt themselves to the new provisions without too much trouble, once they had been formulated.

Mr. PEREIRA (Brazil) hoped that the new tonnage measurement system would be as simple and fair as possible and that it would be based on parameters expressing true values which would make it possible to compare vessels of different sizes. His preference was for the Danish proposal, which kept only one parameter, that of displacement, or for Proposal C.

Mr. de JONG (Netherlands) felt there was a need for two parameters, one of which would indicate the ship's volume and the other its cargo weight carrying capacity, if the requirements of all users were to be met. Those two parameters need not necessarily be indicated as gross and net tonnage. He favoured

TM/CONF/SR.2

a system under which two independent parameters would be calculated. The values of those parameters need not be close to existing tonnages. If such parameters were introduced and a suitable transitional period provided, the influence on ship design need not be feared, as the effect of one parameter would be counter-balanced by the effect of the other, and users of the new figures would have the opportunity to adjust their rates. At the end of the transitional period all ships should be provided with new tonnage certificates. Displacement and volumetric gross tonnage appeared best fitted to satisfy those requirements.

As regards the method of introducing the new provisions, he would refer participants to his written observations (TM/CONF/3, pages 36 and 37).

Mr. MUENCH (Israel) clarified his position (TM/CONF/3/Add.1) on certain basic points. In the first place, he considered that to introduce two new and completely independent parameters would merely complicate the situation. It would in fact be better to move towards the adoption of a single parameter - displacement - which would be adequate for most purposes and could be used to reach values close to existing tonnages by the application of suitable conversion factors. That was the system put forward by Denmark. It had the merit of simplicity, although it also had its drawbacks. In any case, scientific calculation had shown that it was impossible to devise any set of formulae which could eliminate all the anomalies and injustices of the present system.

Secondly, Israel had long favoured the use of the tonnage mark system, and was one of the few countries which had adopted it. In practice, however, the system was not workable, and the International Association of Ports and Harbors had recently recommended its abandonment (TM/CONF/12). The special problems of shipowners who had ships with exempted 'tween-decks or dual

TM/CONF/SR.2

tonnages must be solved in some other way and not by incorporating the tonnage mark system in the Convention.

Thirdly, port and harbour authorities and shipowners alike would be helped if the same system were made universally applicable to all ships, new and existing.

In short, his delegation supported the Danish proposal.

Mr. VAUGHN (Liberia), who reserved his right to revert to the question later on, stated that, for the reasons already advanced by the delegations of Norway, Japan and the United States, his country favoured the retention of two parameters, namely net and gross tonnages.

Mr. WILLIAMS (Australia) said that he agreed in the main with what had been said by the United Kingdom and French delegations; nevertheless, he believed that the best formula was that of the single parameter - displacement - in respect of all ships. That was the solution favoured by the International Association of Ports and Harbors and embodied in the resolution adopted at its last conference. He did not foresee any major difficulties as a result, and he considered the retention of two parameters - net and gross tonnage - to be undesirable.

Mr. RUSSELL (South Africa) felt it would be better if gross tonnage were retained as the only parameter in Proposal C. He had discussed the matter with representatives of the authorities responsible for assessing dues in his country, and they had assured him that it was a simple matter to adapt tariffs to that parameter. Shipping economics had already been badly hit by the unfortunate effects of the tonnage mark system, which the International Association of Ports and Harbors had viewed with disfavour. The adoption of a new system might give rise to anomalies, but the same was true of any system which might be adopted.

TM/CONF/SR.2

Mr. GUPTA (India) considered that the adoption of a single parameter - displacement - was the course that had most to commend it.

Mr. PROSSER (UK), reviewing the preliminary exchange of views which had just taken place, said it appeared that although there was a wide measure of agreement on the five first principles put forward by the Sub-Committee on Tonnage Measurement and on the general aims of the system, there was some difference of opinion as to whether one or two parameters should be retained, whether or not they should be identical or even similar to the parameters at present in force, and as to the treatment of existing ships.

The United Kingdom was in favour of retaining two parameters: total volume and displacement. The former could be of great value both in relation to the administrative formalities with which the ship had to comply, and in the application of conventions; as for the concept of displacement, it could offer the most satisfactory way of dealing with the assessment of charges. It was quite easy to obtain those parameters from shipyards and that in itself would bring an undoubted simplification.

Several delegations had spoken in favour of a single parameter. In the view of the United Kingdom delegation, that solution would give rise to serious difficulties, particularly in regard to the terms on which the proposed convention would come into force and to the administrative processes already mentioned. The first of those two difficulties would not be eliminated by the application of a conversion factor. At all events, by invoking the concept of total volume it would be relatively easy to achieve the result which was being sought by all those dissatisfied with the present system.

More particularly, so far as the assessment of dues was concerned, the two-parameter solution seemed to be the most readily applicable.

TM/CONF/SR.2

His delegation considered that the tonnage mark system had not really worked; it was important to avoid penalizing existing ships; and therefore to seek a formula which would be flexible, easily implemented and would take the interests of existing ships into account.

To sum up, there appeared to be the following areas of disagreement: the number of parameters to be retained and the relationship which should exist between one or other formula and the present system. While it was definitely in favour of a two-parameter system, the United Kingdom delegation had not established any close a priori relationship between any future system and the present one.

Mr. ROCQUEMONT (France), summing up the discussion so far, said he had two main comments to make. The first related to the remarks of the representative of the United Kingdom, and the second to the question of the revenue-earning capacity of ships. It was impossible to prove that net tonnage was an exact reflection of that capacity. As Mr. Spinelli had said, it was as rough a reflection as total volume or displacement. Moreover, while a number of delegations admittedly saw a need to retain the two parameters of gross and net tonnage, it was worth noting that those two parameters as expounded in Proposals A and B were in many respects very different from existing concepts of gross and net tonnage. He asked, further, whether implementation would really be radically disrupted by the emergence of a new formula. The present formula was contrary to reason and logic, and all countries would benefit if it could be improved. There was no reason to fear a transitional period if it was the precursor of a better future. There seemed to him to be a consensus in favour of abolishing the tonnage mark system and he shared the view of the representative of the United Kingdom that it should not feature in a new universal system.

TM/CONF/SR.2

Mr. CHRISTIANSEN (Norway), replying to the remarks of the representative of France, expressed concern at the idea of displacement as a parameter, since he believed that it could easily be tampered with. It had the further drawback of penalizing ships which needed heavy ballast for reasons of safety and those whose hull needed to be strengthened to withstand pressure from ice.

The French representative had maintained that the gross and net tonnage formulae submitted by his country were very different from existing formulae; in that connexion, he recalled the view expressed by his delegation that the moulded volume concept should not be adopted. Both volumetric and net tonnages should be dealt with by a conversion factor calculated on the basis of data supplied by the shipyards. Tonnage measurement should express an idea of volume.

Mr. de JONG (Netherlands) agreed that net tonnage was not an exact measure of a ship's revenue-earning capacity. In his view, speed was every bit as important a factor, if not more so. Displacement and volumetric tonnage were two distinct parameters, which should remain as independent of each other as possible. His delegation took the view that it might be dangerous to adopt displacement alone, and he accordingly wished to support the reservations entered by the Norwegian delegation on the importance of ballast for ship's safety.

Mr. ERIKSSON (Sweden) recalled that his country was one of those which had devised Proposal C. Speaking of the concept of net tonnage, he pointed out that at the present time it was being used for the same purposes as gross tonnage. The existence of two volumetric parameters was a source of confusion. Cargo density, volume and weight could vary considerably and two parameters, each independent of the other, would give a better representation of the actual position. A solution which was based solely on displacement would also be fraught with danger.

TM/CONF/SR.2

Mr. PROHASKA (Denmark) introduced his remarks by saying that they did not necessarily represent the definitive position of his delegation. He regretted that he could not endorse the views of the representative of Norway, who regarded displacement as an unsatisfactory parameter because it could easily be tampered with. In point of fact, displacement was the one parameter which it was impossible to falsify. As for the assertion that passenger ships would be penalized, the exact opposite would be true, as Denmark had already made plain in its proposal. He instanced ferry-boats operating under a monthly or yearly contract system with the countries between which they travelled and he pointed out that the Conference should not allow its conclusions to be influenced by the situation with regard to large passenger liners which were in any case decreasing in number.

Any strengthening of the hull which was necessary to meet the danger of ice involved only a slight increase in displacement. Moreover, the vessels which would bear the heaviest penalties according to the Norwegian argument would be ice-breakers and those were for the most part State-owned.

He doubted whether net tonnage could express the revenue-earning capacity of a ship with accuracy, as speed was a very important factor. In his view, the use of conversion factors or tables would be no more difficult with one system than with another.

Mr. QUARTEY (Ghana) said that the problem of shelter decks was very important as far as Ghana was concerned, since it affected nearly the whole of its merchant fleet. He therefore urged that it should be borne in mind when the future convention was being prepared.

TM/CONF/SR.2

Mr. GRUNER (Finland) feared that the replacement of net tonnage by displacement might alter the present economic equilibrium and put certain types of ship at a disadvantage; for instance, there were ships which had to be strengthened for plying in ice-bound waters, small tankers and nuclear-powered ships. That parameter was not more representative of a ship's earning capacity than volumetric gross tonnage. It was difficult to check and it was neither practical nor in current use in the shipping industry.

The meeting rose at 5.55 p.m.