



IMCO

FOR PARTICIPANTS ONLY

INTERNATIONAL CONFERENCE ON
TONNAGE MEASUREMENT, 1969

Technical Committee

PROVISIONAL SUMMARY RECORD OF THE FOURTH MEETING

held at Church House, Westminster, London, S.W.1,
on Monday, 2 June 1969, at 9.45 a.m.

Chairman: Mr. F. SPINELLI (Italy)

Secretary: Mr. Y. SASAMURA

A list of participants is given in TM/CONF/INF.1

N.B. Corrections to be incorporated in the final summary record of the meeting should be submitted in writing (two copies in French or English), preferably on the provisional summary record, to the Documents Officer, Committee Room 2 and after the Conference to the IMCO Secretariat, 22 Berners Street, London, W.1, not later than 8 July 1969.

CONTENTS

	<u>Page</u>
<u>Agenda item 3</u> - Consideration of matters as instructed by the Conference (TM/CONF/WP.3; TM/CONF/6, Corr.1 and Add.1; TM/CONF/9/Add.1; TM/CONF/C.2/WP.5 and Corr.1 and WP.6 (continued))	3

AGENDA ITEM 3 - CONSIDERATION OF MATTERS AS INSTRUCTED BY THE
CONFERENCE (TM/CONF/WP.3; TM/CONF/6, Corr.1
AND Add.1; TM/CONF/9/Add.1; TM/CONF/C.2/WP.5
AND Corr.1 AND WP.6) (continued)

The CHAIRMAN suggested that representatives should confine themselves to new points arising out of reflection on the previous meeting's discussion and should not repeat arguments already advanced. He invited attention to two new Notes submitted by Norway on the determination of tonnage for open and closed shelterdeck ships independent of a definition of a second deck (TM/CONF/C.2/WP.5 and WP.6).

Mr. CHRISTIANSEN (Norway) introduced the two documents which were concerned with the net tonnage and the gross tonnage concepts respectively. He drew attention to a correction to document TM/CONF/C.2/WP.5: the end of the second line of the opening paragraph should read: "... document TM/CONF/9/Add.1 is".

The CHAIRMAN, in reply to a question from Mr. PRIVALON (USSR), said that he had had in mind that the Committee should first hear from any members who might have additional information on the gross tonnage or net tonnage concepts. He would then try to ascertain, by an informal show of hands, whether there was a majority in favour of two figures or of one figure being inserted on the ship's certificate; or of a system permitting a reduction in gross and net tonnage for both old and new ships, when the draught was reduced to a certain limit, or in accordance with actual draught. If it was found that the Committee was in favour of continuing the shelterdeck practice for new ships, the next point to consider would be whether it would be necessary actually to build a deck or not. After the preliminary discussion and the informal decision, the Committee could go into the question more deeply and see if it could

reach agreement on which tonnage parameters to recommend to the plenary meeting as being most likely to gain support.

Mr. GRUNER (Finland) proposed that the Committee should discuss his proposal for deadweight as a parameter, in which case he would like to introduce it.

Mr. ULLMAN (Sweden), expressing the views particularly of port authorities, said that the Committee might be moving in the wrong direction. He recalled a statement made in the report of the Sixth Biennial Conference of the International Association of Ports and Harbors (IAPH) in Melbourne in March 1969 and repeated by the representative of the Panama Canal Company, to the effect that the tonnage measurement system was supposed to serve two purposes. The first, and most important, was size limits in safety, manning and similar provisions. The second was to form a basis for shipping dues including towing, piloting and other charges. The first purpose seemed to be causing some difficulty to members of the Committee. Dues and charges varied according to many different factors; but many of the proposals submitted seemed designed to favour a special type or special types and sizes of ship.

As to the opinion of the Swedish port authorities - which was shared by many other dues-collecting organizations - he said that any dues-collecting authority would reply in the same way as the Panama Canal Company representative who had said that the Company would decide its action on a new tonnage measurement system when it knew what that system was. Port authorities all over the world were waiting for the new system and hoping that the Conference would produce a really useful one. It was essential for the Conference to bear in mind that the new system would be useful only if it provided reasonably accurate information on

the magnitude of ships of various types and sizes: a system which permitted exemptions or deductions would not be useful. Experience with the tonnage mark had made port authorities more knowledgeable about tonnage measurement and aware of such matters as exempted cargo space. If the result of the Conference was a system with a variety of exemptions and deductions - concealed or otherwise - its work would have been in vain, for port authorities would not use the system.

The purpose of a universal tonnage measurement system was not to favour special groups of ships. If such favouring had any economic justification it would be provided for by competition between ports.

Mr. WILLIAMS (Australia), endorsing the views of the Swedish representative, said that the Australian port authorities had supported the resolution adopted at Melbourne by the International Association of Ports and Harbors (TM/CONF/12). Prior to the Conference they had expressed the wish for a single figure only for tonnage dues, to represent the true size of the ship, especially as regards services to be used and paid for by the shipowner. They had also said that they were not prepared to accept a system with exempt spaces and imaginary decks: although all but two of the Australian States used tonnage mark figures as they were intended to be used, they could not guarantee to do so in the future. He suggested that the Committee should agree to a single figure - which could be gross - to represent the relative sizes of ships; the port authorities had said that if the Conference decided on one figure they would adjust dues accordingly. He did not think that they would necessarily raise their rates - as feared by the United States representative:

that would depend on the relationship between new and old figures. He doubted the practical value of a second figure - the "net" figure - since it depended on exemptions and imaginary lines.

Mr. NOZIGLIA (Argentina) said that if two parameters - gross tonnage and net tonnage measurement - were used, they could not both vary according to freeboard: the size of shelterdeck spaces would have to be measured accurately. Moreover, from the financial, economic and operational point of view, there would be a discrepancy if both varied according to freeboard. With a variable parameter, it would be difficult to ascertain the size of ships which did not depend on freeboard.

If there were to be two parameters, one could be variable, but the gross tonnage should be fixed.

Mr. ROCQUEMONT (France) shared the concern of the previous speaker. At the previous meeting it had seemed that some representatives hoped that a ship could have a strong and a weak value in the same parameter to replace net tonnage and gross tonnage. Some representatives wanted the ship to have two measurement values: peak and lowest. The IAPH resolution was a serious warning on what would happen if ships reached ports with varying values. The port authorities would notice variations in the tonnage of the same ship; they would accuse the Conference of covertly reviving the International Tonnage Mark scheme and would want to recognize only the highest value. Those representatives did not say clearly if they wanted international regulations concerning safety and crew conditions to be applied. If they wanted a change in the ship's tonnage value, they were acting dangerously in advocating a high and a low figure.

The French delegation had always maintained that a ship's tonnage should be as constant as possible. Under the present suggestion a ship might change its character frequently or even overnight.

Mr. MURRAY SMITH (UK) said that he strongly agreed with the previous speakers. After carefully considering the proposals made at the previous meeting, his delegation had come to the conclusion that the Committee was in difficulty because it was trying to perpetuate the concept of open shelterdeck space. In discussions prior to the Conference, his delegation had had to bear in mind the view of certain national interests that there was some validity in retaining the open shelterdeck space concept. After taking into account all the relevant considerations, the United Kingdom shipowners generally had decided that there was no point, in respect of new ships, in retaining the shelterdeck exempted space concept, although for existing ships it would have to be retained for a period.

Another member of his delegation would speak, on behalf of the shipowners, on the need or otherwise to retain the shelterdeck concept.

Mr. BOLTON (UK) said that the shipowners considered that the position of existing ships must be maintained for a reasonable period. The tonnage of new ships was another matter: the shipowners must know the Conference's decisions before building new ships. It was essential, therefore, to see that the position of existing ships was preserved and a reasonable time given for them to run out their life; and to obtain a new, reasonable and logical system - which meant measuring the size of the ship and not pretending that certain spaces existed. All ships should be measured alike throughout the world: then it would not matter what the measurement was because all would compete fairly. The Conference would have failed if it ended

without producing a system based on measuring the size of the ship.

Mr. CUNNINGHAM (USA) said that his delegation's concern from the outset had been to protect the United States shipping economies. It considered that there should be gross and net tonnages, which should be as close as possible, and that any attempt to change to one number - whether it were higher or lower - would cause upheaval and disruption. He did not agree with the Australian representative that a single figure would not necessarily result in higher port charges. A lower figure would give the ports smaller numerical basis and rates would have to be raised; a higher figure would give them an advantage but they were most unlikely to reduce their rates. The International Tonnage Mark system was much more stable.

The US delegation considered that a tonnage system was needed, and as soon as possible, which meant a system with two numbers. Gross and net tonnage should be as close as possible. It recognized that some change was inevitable but it need not be overwhelming.

Mr. PRIVALON (USSR) said that his delegation had given objective consideration to the proposals made at the previous meeting. The proposal by the Israel representative gave less satisfactory results than Proposal C, perhaps because there was no linear relationship between gross tonnage measurement and displacement. None of the proposals offered a real solution or a real tonnage. He wondered why the Committee was considering new proposals when the Plenary Meeting had not asked it to do so. The proposals circulated before the Conference offered better possibilities.

His delegation had also considered the displacement parameter but felt that it was unsatisfactory because of the inconsistent value of displacement.

According to document TM/CONF/10, port dues were levied on the basis of net tonnage which had been, and should continue to be, the carrying capacity feature. Hence, there should be a parameter connected with cargo and passenger spaces rather than an abstract notion of spaces. But it would not be logical to speak of net tonnage used for other purposes. Perhaps a third parameter was needed.

It was a wise idea to consider the advice of the canal and port authorities. The International Association of Ports and Harbors had asked for a scheme not based on draught but on constant parameters found in a ship's register. Consideration of displacement as a parameter went counter to the wishes of the IAPH. The displacement parameter was no new idea: it had been tried for the first time in 1891 and suggested again in 1911, 1913, 1931 and at other times. If it was such a simple idea as some seemed to think, why had it not been adopted? Perhaps it conflicted with safety requirements at sea and the improvement of seamen's living conditions.

He recalled that Mr. Rocquemont in his paper "Where matters stand on the Eve of the International Conference on Tonnage Measurement" expressed the opinion that the ports themselves would develop a second coefficient for size of ships. The tonnage parameter should, in any case, be real and concrete rather than abstract; his delegation, for one, firmly advocated the use of volume measurement.

He went on to point out that although the Technical Committee had received a very clear and comprehensive mandate (TM/CONF/WP.3)

to discuss Proposal C (TM/CONF/6) and the Norwegian Proposal (TM/CONF/9/Add.1) it had nevertheless spent much time considering other possibilities and had so far failed to find a compromise solution incorporating the most important aspects of the two basic proposals.

Mr. CHRISTIANSEN (Norway) stated that in order to avoid confusion in the ports his delegation firmly believed that two figures, namely gross and net tonnage, should be featured in the tonnage certificate, that those values on the new system should be close to the existing ones and be brought into force as soon as possible. He also considered that tonnage was a measurement of volume and that it was immaterial which parameter was used to arrive at the volume value so long as it gave a number, such as the size of the ship, to be used for safety purposes, manning, etc. Furthermore, as the Soviet Union delegation had pointed out, a second parameter was needed to indicate the carriage capacity of the ship, the two parameters being strictly independent of each other. On the subject of the history of the displacement concept referred to by the Soviet delegation, he recalled that in the hearings before the Sub-Committee on Panama Canal of the Committee on Merchant Marine and Fisheries (US House of Representatives, Ninetieth Congress, 1967) it had been concluded that displacement could not be used as a measure of ship size.

Professor PROHASKA (Denmark) said he understood that the Committee at its third meeting had reached agreement on a formula for gross tonnage containing one term proportional to the displacement and one depending on passenger space or on passenger number; his delegation believed that a second term was indeed necessary but that it was premature to state exactly what that should be.

He observed that the USSR representative had mistakenly cited the Danish delegation as believing that displacement could not be used as a criterion; on the contrary, his delegation had always advocated it as the preferred parameter. Contrary to criticisms which had been levelled at it, displacement had the advantage of being the first and the simplest parameter to be determined in the design of a ship and, according to the Danish definition given in TM/CONF/7, the displacement measured to the summer load line as defined by the 1966 Load Line Convention, it was a fixed value which did not vary from day to day for any one ship. Furthermore, there was no basis for the belief that the displacement parameter gave any incentive to shipowners to provide insufficient living space for seamen.

Under the 1966 Convention a ship could have two different displacements according to the load line mark; the British shipowners had deemed it unnecessary to extend that scheme to new ships whereas other owners, especially those operating ships on long voyages with very heavy cargoes on outward journeys and light ones on return, had disagreed. It seemed perfectly feasible however, to incorporate the dual value system into the new Convention. He cautioned that although the representatives of the ports authorities had definitely called for abolition of the tonnage mark scheme they could not be construed as having requested a single tonnage only; he believed that once the tonnage mark had been replaced by a satisfactory system they would find no further fault with the shelterdeck concept.

Mr. MURRAY SMITH (UK), supported by Mr. KING (Kuwait), referring to the USSR statement, observed that although, strictly speaking, consideration of proposals by the Technical Committee other than those in TM/CONF/6 and TM/CONF/9/Add. 1 might be procedurally out of order, in his view it might nevertheless be allowed to consider other parameters. Examinations made by the United Kingdom delegation on the formulae proposed on 30 May indicated that none of the proposed formulae could be considered satisfactory.

Referring to the United States statement to the effect that adopting a gross volumetric measurement would considerably raise all gross tonnages, he noted that that was only the case for "bastard" ships; i.e. shelterdeckers with "unrecognized" spaces on board. As for the United States delegation's belief that the dues-collecting authorities would not find that acceptable, he was convinced that, on the contrary, they favoured a simple system of levies and recognized the advantages of having a single parameter.

Mr. de JONG (Netherlands) supported the views of the United Kingdom shipowners; his delegation had maintained in the Sub-Committee for some ten years that it did not matter whether the figures reached under a new Convention should approach the existing ones so long as a reasonable transitional period was provided and measures were adopted to ensure fair competition between ships operating on the old and new systems during that time. The Netherlands delegation had originally thought in terms of 20 to 25 years, but had come to believe that 10 to 13 years would be adequate.

It was also convinced that one parameter would suffice and favoured displacement on minimum freeboard, according to the strength of the ship. Shipowners building their ships entirely as open shelter-deckers would have a low tonnage; those designing a ship for a larger draught, entailing a considerable amount of steel in the construction at a more elevated cost, would have to be prepared to pay higher dues throughout the life of the ship.

Mr. ROCQUEMONT (France) disagreed with the assertions made by the Soviet delegation, firstly, that the Melbourne Resolution condemned the use of displacement as a parameter and, secondly, that the solution for a formula for gross tonnage measurement considered by the Committee at its third meeting was not a good compromise on two very different original proposals. His delegation felt, on the contrary, that the new tentative formula met the wishes of the Norwegian delegation in so far as the parameter replacing gross tonnage could be lower when a ship had a lighter cargo and yet also satisfied some features of Proposal C in respect of the weight of the ship.

Mr. CHRISTIANSEN (Norway) stated his delegation's view that the shelter-deck concept should be maintained for existing ships and extended to new ones, at least for the near future, in the interests of uniformity in the transitional stage from the old Convention to the new.

The CHAIRMAN suggested that the Committee should proceed to voting on various general matters, in order to elicit tentative conclusions prior to coming to final decisions at the afternoon meeting.

The SECRETARY explained that, although the Credentials Committee had not as yet completed its work, the Legal Officer informed him that the Committee was empowered to vote under rule 5 of the Conference's rules of procedure. Decisions in the Committee would be taken by a simple majority, as opposed to the two-thirds majority required in Plenary in respect of matters of importance.

The CHAIRMAN put to the vote the question: whether the open shelter-deck concept should be retained for existing ships.

There were 31 votes in favour of retention and 1 against.

The CHAIRMAN put to the vote the question: whether the open shelter-deck concept should be applied to new ships.

There were 16 votes in favour of application and 13 against.

In response to points made by Mr. ROCQUEMONT (France) and Mr. GUPTA (India), the CHAIRMAN put to the vote the question: whether conversion from open to closed shelter conditions and vice versa should be allowed at infrequent or frequent intervals

There were 18 votes in favour of infrequent changes and 7 in favour of frequent changes.

The CHAIRMAN put to the vote the question: whether tonnage should embody two figures or one figure.

There were 26 votes in favour of two figures and 7 votes in favour on one figure only.

The CHAIRMAN proposed to put to the vote the various parameters that might be used for calculation of gross tonnage, as represented by the following formulae:

- | | | |
|----|---------------------|----------------------------------|
| 1. | $GT = f(DWT)$ | DWT = Deadweight in tons |
| 2. | $GT = f(V)$ | V = Volume in m^3 |
| 3. | $GT = f(\nabla)$ | ∇ = Displacement in m^3 |
| 4. | $GT = f(\nabla, V)$ | |

In response to a point made by Professor PROHASKA (Denmark), he added a fifth possibility:

$$5. \quad GT = f(V, P) \quad P = \text{Passenger space volume} \\ \text{or passenger number}$$

Professor PROHASKA (Denmark) said his delegation would much prefer formulae 4 and 5 to be combined in a single equation but the point was one for later discussion in the light of the voting on the first three.

In answer to points raised by Mr. CUNNINGHAM (USA), Mr. SOLDA (Italy) and Mr. ROCQUEMONT (France), the CHAIRMAN explained that V, as used in the formulae, represented the total volume of the ship's enclosed spaces. Questions concerning passenger space or water ballast space would come up for later consideration.

Multiple voting, i.e. affirmative votes for two or more of the formulae, would be immaterial, since the basic idea was to determine which solution enjoyed the greatest support.

Mr. PRIVALON (USSR) suggested that confusion would be avoided by restricting the voting in the first instance to the basic questions of principle exemplified by the formulae 1, 2 and 3. The various functional details could be taken up later in the light of the basic decision.

Mr. GUPTA (India), Mr. MURRAY SMITH (UK), Mr. ERICSSON (Sweden) and Mr. LUENGE (Israel) supported the Soviet proposal, Mr. MURRAY SMITH adding that each delegation should have one affirmative vote only on the three items.

The CHAIRMAN confirmed, in answer to Mr. SOLDA (Italy), that the formulae 1, 2 and 3 related to ships both with and without passenger accommodation.

Professor PROHASKA (Denmark) said he would endorse the Soviet proposal on the understanding that, if selected, formula 2 or formula 3 could be amplified to take account of passenger space or number.

The CHAIRMAN noted that the Soviet proposal was generally acceptable on that condition.

There were 2 votes in favour of deadweight (formula 1); 23 votes in favour of volume (formula 2) and 10 votes in favour of displacement (formula 3).

The CHAIRMAN suggested that the Committee proceed to voting on the general parameters for the calculation of net tonnage (deadweight, volume or displacement), before taking up the formulae 4 and 5.

By 13 votes to 4, it was so decided.

Mr. ROCQUEMONT (France) said his delegation would vote in favour of displacement; but displacement was not the only parameter to be taken into account for determination of net tonnage.

Mr. de JONG (Netherlands) pointed out that the possibility set out in Proposal C should also be voted on.

Mr. GRUNER (Finland) thought that, before proceeding to the voting, some clarification should be given as to the formulae that would result from using volume or displacement as the parameter. The implications of using deadweight were perfectly plain to all parties concerned, but the same was not true of the other two basic parameters. The Port Authorities were not subject to directives from outside; it would therefore be wise to provide a reliable figure that was generally acceptable, for their use as a basis for the levying of dues.

Mr. PRIVALON (USSR) suggested that, as in the case of gross tonnage, voting should be restricted in the first instance to the points of principle.

It was so agreed.

The CHAIRMAN put to the vote the question: which parameter, deadweight, volume or displacement, should be used for the formula determining net tonnage.

There were 2 votes in favour of deadweight, 14 votes in favour of volume and 20 votes in favour of displacement.

The meeting rose at 12.45 p.m.

