

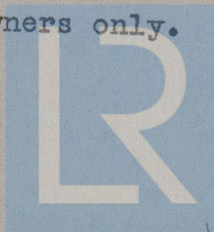
MEMORANDUM on the position of Lloyd's Register of Shipping

In the shipping casualty investigations held before Lord Merrivale it has been suggested that certain surveyors concerned were controlled by the shipowning branch of the shipping industry. On behalf of Lloyd's Register of Shipping it should be made clear that (at least in the case of Lloyd's Register) the shipowners have no such control, and this can in fact be shown by a consideration of the origins and constitution of the Register itself.

From the earliest times, whenever the shipping industry has become important, a class of marine insurers has sprung up, and in England this class who used to meet in early days at Lloyd's coffee house banded together in 1760 to subscribe to a register of such ships as their members were likely to have offered to them for insurance purposes.

The register was therefore a list of ships classified for the Underwriters' convenience and supported by the subscriptions of these Underwriters alone. Subscribers were called "members of the Society" and rigid rules were made to prevent members from passing on the register's information to non-members. The funds of the Society were used to pay a staff of surveyors.

In 1797-8 the committee of the register instituted a new scheme of classification by age and place of build. This gave overwhelming advantage to London built ships, and would have acted as a check on shipbuilding enterprise, and the London shipowners eventually in 1799 produced a rival register book - "The New Register Book of Shipping". This though said to be run by a society of merchants shipowners and Underwriters was in fact managed by the shipowners only.





The system of two registers proved however inconvenient and during the next thirty years both books fell into disrepute until after various agitations a committee of enquiry recommended that a single registration society should be established with a set of rules for the classification of ships. The Society was to give fair and equal representation to all parties immediately interested. In 1833 a meeting between the committees of the two registers took place and in 1834 the two registers were in fact fused with a new constitution and the first edition of "Lloyd's Register of British & Foreign Shipping" was produced. The book was intended to give an accurate and faithful classification of mercantile shipping for the use of merchants, shipowners and Underwriters. All persons subscribing annually were to be members of the Registry and the superintendence of the affairs of the Society was to be entrusted to a committee of merchants shipowners and Underwriters in London. The original regulations have been modified to suit present requirements but the relevant section in the Rules and Regulations of Lloyd's Register of Shipping for 1934-5 now reads :-

"Section 7. The superintendence of the affairs of the Society to be under the direction of a General Committee composed of Merchants, Ship Owners, and Underwriters (twentyfour elected in London, namely, nine by the Committee of Lloyd's, twelve by the Committee of the London General Shipowners' Society, and three by the Committee of the Institute of London Underwriters, and thirtyseven at the principal Outports), and the following namely: Shipbuilders and/or Engineers, not exceeding ten, who may be elected by the General Committee: additional Members not exceeding eight, who may be elected by the General Committee; past Chairmen of the Society, who may be elected by the General Committee, and the following ex officio members, namely :- The Chairman, or, in his absence, the Deputy-Chairman, of the London General Shipowners' Society: the Chairman, or, in his absence, the Deputy-Chairman, of the Institute of London Underwriters, and the Chairman of each Branch Committee established abroad".

From this survey it will be seen that the system of registration originated with the Underwriters and that the present general Committee is composed of merchants and Underwriters as well as shipowners. At the least it will therefore be difficult for the Shipowners to control the



Committee. The constitution of the Committee obviously does not in general contemplate control by one section of its members.

As an instance of the support which Lloyd's Register has in fact given in the past to the underwriting interests, it may be added that Tables of Freeboard were in fact considered by the Society's Chief Surveyor as far back as 1873 and that amended Tables of Freeboard were approved by the Committee in 1882 and this system of Tables of Freeboard was eventually adopted by the Board of Trade in 1886.

Finally by the Merchants Shipping Act 1890 it was specifically required that the Board of Trade should appoint the Committee of Lloyd's Register to assign Freeboards in accordance with the Tables and Regulations appended to the Act.

A.M.R.

4.7.35

