

The Race for Ocean Supremacy

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A little more than ten years ago I crossed the Atlantic on the first trip of what was then the largest ocean liner in the world. A distinguished ship-builder who made the voyage at the same time expressed the opinion that this steamship marked the practical limit in size of marine construction, not because of structural difficulties, but because the depth of channels and the extent of fairway in the important harbours on both sides of the Atlantic precluded any considerable increase in draught or length. For half the ensuing decade this prediction held measurably true, and there were relatively slight increases in these two dimensions in the new liners constructed. Within the past five years, however, a new period of expansion has set in. The advent of the *Lusitania* and *Mauretania* in 1906 led a renewed movement toward great advances in size. Steamships exceeding the ocean giants of ten years ago by two hundred feet in length and three times as great in displacement are now afloat or on the stocks.

Transatlantic carriers of course do not continue to increase rapidly in number, size, and elaborateness without an increase in the business they are designed to handle. The great expansion of the ocean fleet during the past ten years — greater, perhaps, than in any similar period since the beginning of steam navigation — is an indication of the constant growth of trade and travel between the United States and Europe.

But the fleet of great liners has grown far more rapidly than has ocean traffic. During the past ten years the tonnage entering and clearing from the port of New York in the foreign trade has increased over sixty per cent. This is practically twice the increase in the value of exports and imports during the same period. In 1900 there was not a single 20,000-ton liner in existence. At the present time there are fifteen steamships of 20,000 tons or more, if we include the *Olympic* and *Titanic*, in service between New York and Europe, adding more than 375,000 tons of carrying capacity in this one class that has come into existence within the decade. The output of newer and ever larger liners, therefore, not only marks the growth of ocean trade, but even more strikingly measures the intense competition that prevails for the commerce of the seas.

Answering- to the demands of this keen struggle, great works of improvement in terminal facilities have been carried out. Harbours have been enlarged, channels dredged to a greater depth, new and larger docks have been built. But so keen is the race for supremacy in ocean transportation that the growth in size of the liners has outstripped these improvements on both sides of the Atlantic. Giant steamships are being built even before port facilities are prepared to receive them, in the knowledge that the same pressure of competition that leads to their construction will force the provision of adequate terminal accommodations.

A case in point is that of the *Olympic* and *Titanic*, the huge new White Star liners which begin their service this season. These big boats, each 882 feet in length, were built at Belfast. So vast is their bulk in proportion to the harbour space that they could not be launched in the ordinary manner, but were sent off the ways diagonally to the shore line. After taking the water and while being completed it has been necessary to keep dredges at work to prevent sand from accumulating underneath their hulls, so nearly

does the draught of the ships match the depth of the harbour.

This situation has brought sharply home to New York the necessity of extending the docking facilities of the port in order to maintain the leading position that it now enjoys in the handling of transatlantic travel and trade. The most obvious immediate way of meeting the requirements imposed by the fact that the steamships have outgrown the docks would be the permanent extension of the latter a hundred feet outward from the shore. This would provide room for vessels 900 feet long. The control of this matter, however, rests with the Federal Government, since it concerns navigable waters, and heretofore the Federal authorities have refused to permit any encroachment upon the fairway of the harbour beyond the length of the present piers. While permission has been granted for a temporary extension of two docks to the length of 925 feet, this grant holds good only for a year and a half, and is issued merely to give time for the provision of satisfactory permanent arrangements.

It happens that the Chelsea improvement is located at the point where the North River is narrowest. Permission to extend the pier line on the New York side of the river necessarily would be accompanied by a similar concession on the New Jersey side. Even with a reduction of two hundred feet in the navigable width of the stream there would remain a free space of 2,650 feet, and it is pointed out that this is greater than the fairway in most of the great European ports. At Antwerp the river Scheldt is 2,000 feet wide, at Hamburg the free space is 1,200 feet, and at Liverpool the distance across the Mersey is from 2,000 to 2,400 feet.

Various plans have been put forward designed to provide ample docking space without extending the bulkhead lines along the North River beyond their present length. One of these is a proposal to build diagonal piers which would give increased length without any further reduction of the navigable area. Such piers have been constructed farther up the North River by the New York Central Railroad, and it is considered practicable to utilize piers of this type for docking large steamships. While it would be feasible to construct new piers on this plan, it is obvious that to change existing piers to this form would involve tremendous expense.

It is possible, of course, to provide docking space for the largest liners now in existence, or likely to be built, at other points in New York Harbour without raising any question of undue encroachment on the fairway. In South Brooklyn the great Bush Terminal system of docks, warehouses, and manufacturing plants is equipped with piers 1,300 feet in length, and is rapidly becoming one of the great freight centres of the city. The objection to the use of these piers for the docking of the big Atlantic liners is their distance from the hotel and railway terminal district of Manhattan. The steamship companies naturally find an advantage in delivering their passengers as near as possible to their destination or to points from which they can continue their journeys.

A proposal which has been put forward many times in the past, but never very seriously considered until the present situation arose, would solve the problem by taking the largest liners entirely away from New York. This plan contemplates the creation of a new port at Montauk Point, the extreme easterly end of Long Island, and the transfer of passengers to New York over the lines of the Long Island Railroad, which now passes under the East River in tunnels, and would deliver the voyagers at the great new Pennsylvania Station in the very centre of Manhattan.

It is probable that the greater convenience to passengers of landing close to the heart of the city will outweigh other considerations, and that permission will be given for the permanent lengthening of piers on both the New York and the New Jersey sides of the North River. A large extent of water-front is

available farther up the river for the building of longer piers without interference with the harbour traffic. From present tendencies it seems likely that this course will be followed, and that some of the liners that now dock at other points in the harbour will be transferred to the Manhattan water-front to the northward of the Chelsea improvement, and in close proximity to the new hotel, theatre, and shopping district of the city.

The question of providing adequate facilities for the larger ships now afloat or likely to be constructed is one of vast importance to New York, for much of the prosperity and influence of the city is built upon its position of leadership among American ports in the handling of transoceanic travel and trade. In fact, the sharp struggle that characterizes ocean transportation in all its branches extends in full force to rival port cities, and one that lags behind in the provision of greater and ever greater facilities for this enormous business is likely to find itself displaced by some more enterprising competitor.

An example of the keen rivalry that exists between competing port cities is afforded by the sharp struggle that has been going on for years between Liverpool and Southampton. Liverpool has long been a port for shipping from all the seven seas, while the rise of Southampton to its present importance dates only from 1895, when the American Line made it its European terminus. Within the past few years, however, a number of the largest British liners have been diverted from Liverpool to the newer port, its nearness to London and to the Continent making it more convenient for many travellers. Great sums have been expended by both these cities in order to provide facilities for handling the largest ships afloat.

Another port that has grown very rapidly in importance is Hamburg. Hamburg is at once an old city and a thoroughly modern one, its commercial importance having been acquired chiefly within the past half-century. More steamship services converge here than at any other port. During the past twenty years more than \$100,000,000 has been expended in improving the port facilities of Hamburg, and an additional sum of \$50,000,000 is to be devoted to this purpose. In tonnage it has risen from a position of comparative unimportance until it ranks second only to New York.

While there has been a vast and constant increase in the volume of the world's trade, and consequently in ocean traffic, the value of the products entering and leaving the United States by sea having doubled every twenty years for the past century, the increase of facilities for handling this trade, under pressure of the never-ending contest for supremacy, has led and stimulated the increase in business instead of merely following it as in the case of some lines of effort where the struggle is less strenuous. Travel is a habit that grows by what it feeds upon, and its growth among the people of the United States has been rapid beyond comparison with any other nation, partly because of the abounding prosperity of the country, but partly also because travel has been made easy, cheap, and attractive for Americans. Every year sees an increase in the number of voyagers who cross and recross the Atlantic. Twenty years ago ocean travel was confined practically to the summer months. Now there is merely a change of routes with the change of seasons, and the great liners, running on special winter cruises to the Mediterranean, the Orient, the West Indies, and the southern hemisphere, are only less crowded than they are when plying on the main Atlantic highway at the height of the summer season. Since travel stimulates trade, the swift progress that has been made in adding to the ease, comfort, and safety of communication with other lands has had an undoubted effect upon the commercial development of the country, another of the far-reaching effects of the sharp contest for supremacy upon the ocean.

The very inaugural of line service across the Atlantic was the occasion of a contest for speed supremacy between two rival British vessels. The Sirius, a small steamship that had been plying between London and Cork, and the Great Western, pioneer of the line of the same name, started for New York within three days, the Sirius leaving Cork on April 4, 1838, and the Great Western sailing from Southampton on April 7. After nineteen days, on April 23, the Sirius dropped anchor off the Battery in New York Harbour. A few hours later the crowd that had gathered to view the new arrival was aroused to enthusiasm by the appearance of the Great Western, which had made the voyage in sixteen days, and had all but

succeeded in overtaking the smaller contestant.

The real beginning of transatlantic steamship traffic as a regular and continuous service dated from 1840, when the Cunard Line established its route between Liverpool and Boston. The Great Western Line, as we have seen, was established two years earlier, and there had been many crossings under steam previous to that time; but since the *Britannia* made her initial voyage from Liverpool to Boston in the then fast time of eight hours over two weeks, there has been a steady and continuous connection between the Old World and the New. Incidentally it may be interesting to note that the *Britannia* was 207 feet in length, with a tonnage of 1,139, or about one-thirtieth that of the largest ships of her line at the present time.

The beginning of the transatlantic steamship service fell, therefore, in the proudest period of the whole history of the American merchant marine. It was the heyday of the Yankee sailing ship that for years had been the pacemaker of the ocean highway, able to outfoot anything else that carried sail, and even to show her heels to the plodding steamships of the period. When it became clear, therefore, that sails must give place to steam, in handling passenger and express business at least, it was natural that Americans should endeavour to retain a leading part in the trade. In 1849 American capital established the Collins Line, with the avowed purpose of excelling the Cunarders, and with a promise to cross the Atlantic in less than ten days. The boats of this line were built for speed and luxury, although they would be sorry little vessels indeed beside the great liners of to-day, and conservative business men of the period were astonished at the extravagance of investing \$700,000 in a single steamship. The hopes of the projectors of the line were realized in one respect, however, for one of their boats, the *Pacific*, in 1851 established a new record of nine days and twenty hours from Liverpool to New York. Soon afterward this record was reduced to nine days and thirteen hours by the *Baltic*, of the same line. For several years there was a keen struggle between the rival representatives of the two nations, but the Americans found record-breaking an expensive business, and after the loss of two of their boats the panic of 1857 gave the company its finishing blow.

The Civil War followed. As a result of that conflict, and of economic conditions to which it contributed, the United States ceased to be a serious factor in the ocean carrying trade. For many years Great Britain's supremacy remained undisputed, and although in 1891 the United States, by the provision of a mail subvention, established its flag once more on the North Atlantic over four steamships that for a time furnished lively competition in speed with the best British boats, the effort never grew beyond its original accomplishment.

Meanwhile another competitor of Great Britain for the laurels of the ocean carrying trade arose on the other side of the North Sea. The Germans, having taken up the ocean transportation business, proceeded to master it with German thoroughness, and to extend their operations to all parts of the world. By the record for efficiency in the essential features of speed, safety, and service which they established they set a new mark which their competitors were forced to attain. By 1900 the largest of the German lines had produced a steamship which in its combination of size, speed, and luxurious equipment was superior to any product of the ship-builders' art up to that time, and in the years that have followed they have gone on producing ever larger, finer, and more complete vessels.

In the face of this vigorous competition the Britons have been spurred on to renewed efforts, and even the British Government has lent its direct and powerful aid to the effort to maintain the leading position which they had held for many years. As a result, the past decade, instead of witnessing any slackening in the race for ocean supremacy, has seen a decided accentuation of the struggle. The staid business men of sixty years ago who shook their heads over the recklessness of investing \$700,000 in a single steamship might well stand aghast if they could see the readiness with which the modern leaders of this traffic spend ten times that sum to secure the temporary advantage of a few feet in size or a few hours in the time of an ocean-crossing over their nearest competitors.

Following the output of the big, swift German boats at the end of the nineteenth century came the seven-hundred-foot White Star giants Celtic and Cedric, the first steamships with a tonnage of over twenty thousand tons. By 1906 the Hamburg-American Line had carried the record for size up to 25,000 tons in the Kaiserin Auguste Victoria. In that year the Cunard Company put out the giants Lusitania and Mauretania, measuring 790 feet, and with a tonnage of 32,500. The present year sees the appearance in service of two more White Star champions, the Olympic and Titanic, which carry the record for length to 882 feet, and the figures for tonnage to 45,000. The race is proceeding without a halt, however, and both the Cunard and the Hamburg-American Lines have under construction steamships which will exceed these in every dimension. The Europa, of the Hamburg-American Line, with a tonnage of 50,000, is to be ready for service in two years, and will be the first 900-foot steamship.

At a conservative estimate some \$60,000,000 has been invested during the past ten years in ships of 20,000 tons or more running between Europe and the single port of New York, and this takes no account of the large number of fine new liners approaching these in size which have been placed in service over the same routes within this period. In no other business in the world, probably, has competition over a long period been so intense as in the ocean steamship business; in no other have such tremendous sums been expended in the effort to gain such slight and temporary advantages, and in no other have such heavy losses been endured over a long period in the effort to win supremacy.

The public undoubtedly has been the gainer by the fact that during recent years this competition has been one chiefly of service and not of rates. In the earlier period rate wars almost constantly prevailed. Steerage rates from Europe to America fell as low as \$10, as much as half of this going to the booking agents as their commission. It is a truism that in industrial warfare of this sort only the strongest can survive and that in the end the public bears the cost of such wars. The remedy for this condition in the ocean steamship business was found in the establishment of the various steamship conferences which agree upon rates, make differentials for older and slower boats which enable them to compete, and provide an equalization of rates and service. This is the same measure for the prevention of ruinous rate wars that the railways have applied to land transportation.

On the other hand, the keen competition which prevails and the great increase in the number of big steamships have kept transportation rates low while adding vastly to the comforts and conveniences provided for travellers and to the expedition with which freight is conveyed. This development is most notable where the competition has been most keen—that is, on the North Atlantic.

Freight rates here are probably the lowest to be found for an equal distance anywhere in the world. They are so low, in fact, that they have driven the tramp steamships—in spite of their low operating cost and general cheapness—entirely out of this trade.

In the handling of passenger traffic the same movement toward lower rates and improved service has been manifest. The rate advertised from New York to Liverpool on the Great Western in 1838 was \$250 for a stateroom, and \$150 was the lowest price charged for a cabin berth. To-day the minimum prices of cabin fare are about half these, and of course there is no comparison between the two periods in the quality of food, the degree of comfort, and the variety of conveniences provided. In hardly any other business has the principle of regulated competition worked out such effective and beneficial results as in the handling of ocean traffic.

In this connection it is instructive to note also that efficiency is the determining factor of success on the free ocean highways. The rapid rise of the German steamship interests is illuminating on this point. They have come to occupy a leading position in handling the world's commerce through their successful adjustment of the factors of service and economy. The experience of many nations is eloquent of the fact that, while subsidies, subventions, or other forms of governmental support can set a certain number of ships afloat and can keep them afloat, the only factor that can create a successful merchant marine is

efficient service at a cost as low as that of competing nations. The largest of the German steamship companies, the Hamburg-American, which is now the largest company in the world, has been built up entirely without the aid of subsidies or Government support of any kind. The great merchant fleet of Great Britain is kept afloat only because of its success in meeting the competition—in service and in cost—of other nations.

That there has been more profit to the public than to the owners and operators of ocean steamship lines from the great advances in size, engine power, and general cost of steamship operation is indicated by the fact that the earnings of ocean transportation lines are uniformly lower than are recorded in most other lines of business requiring a heavy capital investment. According to statistics published in a British shipping journal which is a recognized authority, twenty-three of the larger English companies, with a total capital of \$102,000,000, paid an average dividend of 4.85 per cent in 1910, while eighteen German companies, with a capital of \$90,000,000, made dividends of 3.93 per cent. Even in years of brisk trade some of the companies operating the largest and fastest liners have been unable to earn any profits for their owners.

The social and economic effects of the rapid growth in size and number of the ocean fleet are not the least interesting of its influences. While it is the outgrowth of the habit of travel, it has helped to confirm and to encourage that habit, particularly among Americans. An imposing array of figures can be marshalled to show the vast sums expended by American tourists abroad, but one need be only a moderate optimist to feel that in its broadening and stimulating influences, in providing a fairer outlook and a saner judgment of both the outside world and our own world, foreign travel is worth all it costs and more. On the side of trade as well these giant liners, shuttling back and forth across the ocean, causing it to shrink to a half, a third, a quarter of its former breadth, are weaving in closer and closer mesh the fabric of the world's commercial interdependence, are making the world's industrial machinery more efficient, war more difficult and more unprofitable.

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