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IN THE KYOTO UNIVERSITY

THE ORGANISATION OF THE SHIPPING MARKET
Sempei SAWA

JAPANESE ECONOMY IN THE INTER-WAR PERIOD
Hideo AOYAMA
Toru NISHIKAWA

THE PROBLEM OF JAPANESE EMIGRATION
Kazuichiro ONO

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THE ORGANISATION OF THE SHIPPING MARKET

By Sempei SAWA*

I. Foreword

The present treatise is intended to supply a new method for understanding the problems of the construction of shipping market in its entirety.

First to be reviewed in the status of a ship operator. Here, the ship operator roughly signifies the “exercitor” as mentioned in the Roman maritime law, the “armateur” as known in France, the “Rheederei” in Germany, and the “operator” in the United States and Japan, and refers to one who, operating either his own ship or chartered ship, earns freightage as a business, and, as such, represents one of the most highly advanced forms of shipping occupations. This, at the same time, means that he is in contact with the most extensive scope of shipping world, and the circumstance renders it most convenient to start a review of the problems of the organisation of shipping market, with an examination of the status of a ship operator.

A ship lessor who delivers his own ships to the demise charterers and earns bare-boat charterage as a business is inevitably confined to a limited scope in the shipping interests, while a ship-owner, who places his own ships, fully equipped and manned, at a time charterer’s service has a more extensive

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scope of shipping world. Such ship-owner who commissions operation to others, a unique practice in Japan, may well be considered a variation of the normal ship operator.

Now, the shipping market may be divided into:

1. Ship-attending market, and
2. Ship-operating market.

While an operator manages a ship, transports freight or passengers and earns the compensations for such transportation, he has first to attend to for procuring a ship and a crew, two most vital items in his business management. Of these two items, the manning of a crew, forming a special labor market, will be left out of the present treatise, and, thus, the only issue to be attended to will be the procurement of a ship. The procurement of a ship, a gigantic fixed asset, will inevitably require a specific market. Construction of a new ship, or purchase of an already built vessel does not necessarily constitute the only means for the purpose, for ships may be leased, chartered or commissioned for a prescribed term. It is needless to point out that the method employed for such procurement or attending of a ship will affect to no small extent the formation of the shipping freight market which concerns the operation of ships. Although the ship procurement market may not directly affect the ship operation market (shipping freight market), both markets will inevitably come to affect each other closely in so far as the preparation and working of the required fund concerns.

Thus, while it is seen that the shipping market, naturally, consists of two opposing and nevertheless mutually correlated markets for procurement of ships and for their operation, such composition in itself is markedly historical in nature. At a time when the shipping market was operated on the principle of private-carriage, in which traders carried their merchandises on board their own ships, there was practically no issue of tonnage ownership and tonnage operation being separated or conflicting to each other. In other words, the absence of such conflict or separation would rather be said to have constituted one of the salient features of private-carriage. Private-carriage, so to speak, was "self production," where the cargo and the shipping with which to carry it would be possessed or operated by the same person. In the case of carriage-for-hire or paid carriage, there would be no guarantee that the shipping tonnages would always be utilized just sufficiently, excess or shortage of tonnage, to a certain extent, being unavoidable. In case shipping in operation is found short of tonnage, of course, some tonnages would be hired or chartered from other ship-owners, or, on the case of available shipping being found in surplus, the superfluous bottoms would be hired or chartered to others, in an effect to get an equilibrium between demand and supply there. Such,
however, would not necessarily be rendered possible under any circumstances. In any case, as “carriage-for-hire” or “paid carriage” has become to be a common practice, a special market for procuring tonnage owned by other owners would become feasible in order to supplement self-operated shipping tonnages through such practices. Essentially, the time charter carriage by the shipowner constitutes maritime carriage for the sake of the ship-operator.

While, thus, the shipping market is broadly classified into the market for procuring shipping and that for operating shipping, each of these markets may further be subdivided: the former into the market for procuring self-tonnage and that for procuring tonnage from others, and the latter into the market for private-carriage and that for carriage-for-hire.

While each of these will be specifically dealt with later on, it may be pointed out here that the shipping market, essentially, is organized on multiple combinations of these four sub-markets, as shown below:

- Market for procuring tonnage
  - Market for procuring self-tonnage
  - Market for procuring tonnage from others
- Market for operating tonnage
  - Private-carriage market
  - Carriage-for-hire market

It should be noted that the “private-carriage market” has been mentioned here specifically for the purpose of properly initiating the reader into the problems. Evidently the only market for the professional ship-operator could be the carriage-for-hire market, the private carriage market never assuming the role of an operator’s market, because there would never be a phenomenon concerning to freight rates. For clarifying the historical and actual natures of the shipping market, however, even the private carriage may not be left out of sight, and, on this account, it has likewise been included as follows.

II. Procuring Tonnage

Here, the market mentioned above means a market for the operator to procure tonnages needed for his sea carriage, and, as such, it consists of:

- (a) Market for procuring self-tonnage; and
- (b) Market for procuring tonnage from others.

The market for procuring self-tonnage, as such, is the simplest form of market. Shipping, per unit, signifies a considerably big asset and it will be not necessarily an easy matter to procure one in the form of the owners’ own possession, and, because of this, joint ownership, partner ownership and corporate ownership were often in evidence in the comparatively early stages of the history of shipping industry. As overseas sea routes were extended and
the size of ships became larger in the modern ages, the inevitable recourse was a stock company, under the form of which necessary funds would be collected by stocks.

This new form, stock company, has brought about a significant change to the organization of shipping industry. Such primitive form of the owner-skipper would combine in himself the ownership and management of capital; as soon, however, as a larger sum of capital is needed, it will have to be collected also from others who are not directly concerned with the enterprise, which ought to result in a separation of ownership from operation. Such tendency was seen already in the commenda, the managing-owner of the middle ages while, in a stock company, separation between the ownership and operation of the capital is most prominent and distinct.

Now, the market for procuring self-tonnage may be divided into the markets for newly-built tonnage and that for second-hand tonnage. In the former case, the operator will directly place orders with the shipbuilders for construction, upon the completion of which delivery will take place. A considerable period of time is naturally required between the placing of orders and the completion, this unavoidably including the risks that the shipping freight rates will have undergone considerable changes in the meantime. This may be contrasted with the market for procuring second-hand tonnage, where ships in activity may be the object of selling and buying, and, thus, a considerable time between the demand and supply may not intervene. An intermediary agent will usually act between the buyer and the seller of ships and a predominantly international tint is inescapable. For the construction of new ships government subsidies will willingly be granted, while, in the second-hand tonnage market, instances are frequent where government-owned vessels are sold out to private hands.

It has already been mentioned that, in carriage for hire, a separation between owned shipping and operated shipping is liable to happen, and, naturally, it will necessarily retain a considerable tonnage of unused capacity to ensure that maximum bottoms required may be available at any time. This, needless to say, means waste of money, and, in view of this, it would be desirable that, to meet a passing demand for shipping bottom, such tonnages as is owned by others be either hired or chartered. The so-called bare-boat charter meets such demand, where the hire-money or charterage will constitute part of the operating costs involved. It, coupled with the expenses for the crew and navigation, will be contrasted to the freight rates revenue accrued from the operations thus done, the balance of which, either in plus or minus, will mean profit or loss on the part of the operator. However, it should be noted that, in a market for procuring tonnage from others, it does
not always happen that adequate bottom is found ever available and then
this inevitably needs the services of an intermediary agent.

With the formation of a market for procuring tonnage from others, a
speculation market on the time-charter will come into being, where sometimes
others' bottoms will be chartered for a prescribed period without an explicit
intention of operating it but for the purpose of subchartering it to some other
operators, the profit being accrued from the balance between the original
charterages and those for sub-chartering.

In the case of bare-boat charter, however, it will be to no purpose unless
the bottom is properly manned. The demand market for bare tonnage, accord­
ingly, will be limited. Essentially different is time charter. Time charter
is, as it were, the employment of sea transportation service. Historically, the
practice of time charter has preceded bare-boat charter, and the former has
already been in more and more extensive practice than the latter. Bare boat
charter, in contrast to it, will always constitute a specific and considerably
limited market. It is widely-known that the bareboat charter has its origin
in the “hadaka” (裸 “bare”) charter party in the Japanese shipping market.

Another form of procuring tonnage from others is sailing commission.
As contrasted to bare-boat charter and time charter, it is more substantially
equipped for actual operation, where delivery of cargoes and receipt of freight-
money will be conducted at the hands of other ship-owners (sailing consignor).
Advantages for the operator (sailing consignee), in this case, consist in more
carriage business being thus carried out, and, as far as this particular aspect
is concerned, it amounts to the same situation as procuring tonnage from
others. The circumstance fully explains the increase often seen in demand
for sailing commission, especially in the face of a shipping boom. The sailing
commission (運航受託) is a special form in Japanese shipping market after the
second World War.

| Market for procuring | Market for new built tonnage |
| Market for self-tonnage | Market for second-hand tonnage |
| Market for procuring | Market for bare-boat charter |
| tonnage from others | Market for time charter |
| | Market for sailing commission |

III. Market for Shipping Operation

Maritime carriage may be divided into carriage for self (self-carriage; private carriage) and carriage for others (carriage for hire; paid carriage), in
the same sense that goods production in general comprises production for self and production for others.

As has already been explained, self-carriage (private carriage) signifies that one's own cargoes are carried by one's own shipping, and, as such, assumes the simplest form. As far as carriage is concerned, it is sort of a self-business where freight charges as the compensation of transportation charges will not be involved.

Now, private-carriage is divided into merchant carriage and industrial carriage. In the case of the former, a merchant will carry the cargo he buys or sells aboard his own ship, while, in the case of the latter, an industrial manufacturer will operate his own ship in order to carry the raw material he buys or the manufactured goods he intends to sell. While no essential difference exists between them, more cases of merchant carriage will be seen in the early stages of economic history and more instances of industrial carriage seen in its modern higher stages. Industrial carriage, evidently, is closely related to the general historical development from the modern capitalism.

That sea carriage, historically speaking, began with private-carriage as its essential form. It was entirely due to the circumstance where the whole economic process ranging from production to consumption was undertaken on the basis of a self-support system, and, it, as such, was a natural form of business. In a self-support economy as a closed system, each economic unit will operate individually and independently over the entire range of production and consumption, and, therefore, there would be no division of labor. Only after a division of labor comes to the fore, the process of exchange, and, in its wake, the phenomenon of prices, will be in evidence. Division of labor, initially, will take the primitive form, where production being in the main undertaken to meet one's own needs only, outside orders will sometimes be met. In terms of sea carriage, this will correspond to the semi-common carriage, which, though standing principally for carrying self-cargo, will sometimes, as shipping bottoms are found in surplus, undertake to carry others' cargo, likewise, for which, needless to say, due charges will be asked. After such semi-common carriage was in practice for a considerably long period of time, a carriage for hire (or paid carriage) came up to the fore.

Just as self-production, a form of self-support economy, develops into odd-job production or work for customers before it evolves into general market production for others, self carriage will take the form of semi-common carriage before it attains the status of paid carriage for hire. This, in essence, means the tramp carriage, where, if the demand for transportation is calculated to pay, it will be met and the ship will be operated to whatever destination specified, just to earn the freight money involved. In case no sufficient
demand for transportation is forthcoming, the ship will be moored at port, awaiting for such demand to come along. In the sense that demand and supply meet on an equal footing, on the basis of which the freight rates involved is determined, the market of tramp carriages may be called a freight market. Through the history of sea carriage, this form of practice (tramp carriage) has lasted for the longest period of time, until, only in the middle part of the 19th century, the practice of liner carriage became to play an important rôle. The essential feature of tramp carriage as a practice consists of trip charter under which a part of ship-hold or full ship-hold would be utilized for the transportation of a bulk cargo. As occasional production is intended for particular and limited number of customers, however, tramp carriage, in this case, is likewise merely for a particular and comparatively limited number of shippers.

Just as production has generally developed from occasional production into market production prompted by an extraordinary increase of the productive capacity as a sequel to the industrial revolution, maritime transportation has developed from the early stages of tramp carriage into the modern stages of liner carriage prompted by the same factors through the industrial revolution. In liner carriage, the procedure is not that ship is equipped and operated after a definite order has been received from shippers. Irrespective of whether the quantity of cargoes to be shipped are large or small, sailing will be secured and forwarded to a definite destination under a prescribed date according to a pre-arranged schedule. Such being the intrinsic feature of the system of liner carriage, it may be likened to a market production.

It goes without saying, that there exists a vast difference between general merchandise which essentially is a material or stock commodity and service of transportation which is immaterial or instantaneous commodity. Market production of material or stock commodity and that of immaterial or instantaneous commodity may not be mentioned in the same breath. In so far, however, as production is undertaken in anticipation of a certain amount of demand, both are common in some aspects. The high-level organization of market in general, witnessed after the middle part of the 19th century, made it possible to sustain a large scale of liner carriage which may be likened to the system of market production of commodities. The development from tramp carriage to liner carriage may be generally considered to amount to an epochal development in the whole history of sea carriage in the sense that it, essentially, is homogeneous to the development of world economy into market production form occasional production. A comparison between the system of free rates determinable on the case-by-case negotiations in practice for tramp carriage and that of fixed tariff rates, determined irrespective of personal shippers,
applicable for liner carriage, will help understanding of this aspect. Liner carriage is the typical form of common carriage.

The important factor which distinguishes liner carriage from ordinary market production exists in the fact that liner carriage is possible only on the premise of monopoly or oligopoly. The fixed tariff contract in practice for liner carriage is a "contrat d'adhésion" applicable for an indefinite and numerous number of customers. In determining the rates more or less arbitrarily under the presumption that customers will, as a matter of fact, follow him, the owner of liner carriage needs not enter into specific negotiations. They are a set of arbitrary and monopolistic rates in the same way as the rates or charges for gas, electricity, water and railway. In sea carriage, conference rates are a historical product in the latter part of the 19th century, when, as capitalism has been developed into a monopolism, liners have organised themselves into alliances or cartels, which would venture to set a system of conference rates arbitrarily and monopolistically. The alliance, then, has proceeded to evolve a system of contract system and deferred rebate system as a most effective means for tying shippers. This was an effort to cover up the inevitable loss due to the difficulties in "selling up" the liner service, an instantaneous commodity, because the enforcement of the tariff rates, in itself, would not necessarily guarantee such complete employment of carriage capacity as would pay for the expenses involved.

On the other hand, again, the monopolistic capitalism entailed trusts and concerns at the same time that it evolved cartels, in which related enterprises will come under the monopolistic sway of big capitalists, and so the "from private carriage to common carriage" trend which has been accomplished after scores of centuries of the world shipping history, has taken a reversed direction. This, evidently, was in contravention to the general tendency of private carriage developing into common carriage, while it is especially in evidence relative to certain categories of shipping intended for specialized carriage, such as oil tankers, cement tankers and ore carriers. In case an oil company intends to carry its oil cargo by its own ship, it is the private carriage in the full sense of the word; no payment of freight rates occurs in such an instance of industrial carriage. In some cases, the oil cargo of an oil company A will be carried at the hands of the shipping company B, which belongs to A's concern. In such case, even though payment of freight rates will occur, the rates in question will be of a different nature as compared with such agreed rates which are contracted upon as a result of negotiations conducted among the parties concerned in the free and open market. These are the so-called dependent rates which are peculiar to the affiliated carriage (buyer's market). Here the cargo-owner or the mother company will be allowed to
enjoy a dominant say, and, in this aspect, the dependent rates may be said to be exactly in opposition to the tariff rates in the case of the afore-mentioned liner carriage (seller's market).

At any rate, such industrial carriage (self-carriage) and affiliated carriage, inasmuch as they are intended for the majority of cargoes to be carried by tramp shipping, the scope covered by tramp carriage is seen to be in the process of being steadily narrowed, while the narrowing of the market for tramp shipping, on the other hand, is taking place by dint of a tendency being spontaneously born in the very market for tramp shipping or contract carriage. Especially after the second World War, as far as Japan is concerned, the practice of charter carriage for spot cargoes has gradually been falling away, it being replaced by the practice of “contracts” (契約物) in which a large quantity of cargo will be contracted upon at a time, which will be carried in parts on several sailings or the practice of “series” (連続物) where a certain series of carriage will be engaged in charter parties intended for several sailings on prescribed routes. In these cases, the ports of sailing and destination being prescribed, and, naturally, the sailing course being prescribed, the undertaking will, aparticlely, assume the aspect like liner carriage. As a matter of fact, such practice of contract carriage as seen in the intercoastal trades of the United States is subject to the same treatment as liner carriage, the tariff rates contracted upon being required to be duly filed in the government authorities concerned.

IV. Organisation of Shipping Market

It has been explained in the foregoing lines that the shipping market is divided, first, into a market for procuring tonnage and a market for operating tonnage, and that these two markets, respectively, are subdivided into several minor markets.

Intrinsically, a shipping market should, of course, be taken to mean a market where shipping is operated for carrying cargoes and passengers, and, in this sense, it should refer to the market for operating tonnage. That the market for procuring tonnage has also been taken up for consideration in the foregoing lines was simply for the comprehension of the nature and functions of the market for operating tonnage, for there would be no market for operating tonnage but for a market for procuring tonnage.

It is noted here that the market for procuring tonnage does comprise a market for time charter and that for commissioned sailing, which, considered from the standpoint of an owner, should be taken as a sort of a “market for operating tonnage”. This interpretation may leave a room for further con-
Market for Procuring Tonnage

Market for procuring self-tonnage
- (A) Shipbuilding market
- (B) Sale-of-ship market

Market for procuring tonnage from others
- (C) Bare boat charter market
- (D) Time charter market
- (E) Commissioned sailing market

Non-carriage market

Carriage market

Consideration, and the observation here will have to be confined to one from the standpoint of an operator. Even without a single ship in his possession, an operator may well be engaged in shipping firm by dint of either time charter or commissioned sailing, and, in so far as this aspect is concerned, the inclusion of the market for time charter and that for commissioned sailing in the market for procuring tonnage may reasonably be considered to be justifiable.

Of course, a student should be considered free to approach the question of the organisation of the shipping market from whatever angle he chooses. The present writer, now, wishes to make the approach as indicated in the table attached hereto.

The approach from this angle to the issue of the organisation of the shipping market will yield the following results:

1. It is needless to reiterate that the market for procuring tonnage and the market for operating tonnage are extremely closely related to each other. The prosperity of the shipbuilding industry (or market for procuring tonnage) will largely depend on the situation of marine transportation rates (or market for operating tonnage). It is usual with the shipping market that, whenever the marine transportation rates maintain an increase, the ship price is kept on a high level and shipbuilding industry is in bloom. Also, the rates for bare charter, time charter and commissioned sailing (all of these appertain to the market for procuring tonnage) will fluctuate more or less according to the marine transportation rates. However, the latter will not always fluctuate on their own merit, but, on the contrary, will be affected by various relevant factors of the market for procuring tonnage, such as the cost of shipbuilding, time-charterage etc. The relationship as referred to here will be clarified by classifying the shipping market into the two major categories, the market for procuring tonnage and the market for operating tonnage.
(2) In speaking of "firm links" (系列) in the Japanese shipping industries, it usually means the firm relationship between the operator and owner. The classification as undertaken by the present writer in this short treatise will facilitate a correct understanding of such firm link relationships.

(3) Time charter, on the other hand, comprises two cases: one is when an operator contracts on it with shipowner for procuring a tonnage, while the other is when shipper contracts on it with operator for carriage of his cargo. Confusion which is liable to occur here will be definitely dispensed with by dint of the classification as proposed by the present writer; the former evidently refers to time charter in the market for procuring tonnage and the latter to that in the market for operating tonnage.

(4) The division of the market for procuring tonnage into a market for procuring self-tonnage and a market for procuring tonnage from others will, to a large extent, facilitate the operator in deciding either of operating mainly with self-owned tonnages or operating mainly with tonnages owned by others.

(5) In a sense, the market for commissioned sailing should be viewed as branching out of the time-charter market, the prosperity or otherwise of the former being largely depending on the situation prevailing in the time charter market. This relationship, again, will be clarified as it is shown that both of these sub-markets belong to the market for procuring tonnage and so they, as such, are contrasted against the market for operating tonnage. Commissioned sailing contract is not agreed between operator and shipper, but between shipowner and operator.

(6) While the private carriage market and the paid carriage market are a historical outgrowth in the development of the shipping market, the paid carriage market, after it has evolved into a common practice, will have the tendency of being narrowed by force of the private carriage market (or

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<th>Market For Operating Tonnage</th>
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<tr>
<td>Private carriage market</td>
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<tr>
<td>(1) Merchant carriage market</td>
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<td>(2) Industrial carriage market</td>
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<tr>
<td>Paid carriage market</td>
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<tr>
<td>(3) Affiliated carriage market</td>
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<tr>
<td>(4) Free carriage market</td>
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<tr>
<td>(5) Common carriage market</td>
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<tr>
<td>Tramp carriage market</td>
</tr>
<tr>
<td>Contract carriage market</td>
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<tr>
<td>Liner carriage market</td>
</tr>
<tr>
<td>Conference carriage market</td>
</tr>
<tr>
<td>Non-rates market</td>
</tr>
<tr>
<td>Dependent rates market</td>
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<tr>
<td>Open rates market</td>
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<td>Rates market</td>
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<td>Tariff rates market</td>
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industrial carriage market) under the gigantic pressure of the newly-rising monopolistic capitalism, and, therefore, the industrial carriage is liable to be antagonized by the paid carriage industry. This relationship, also, will be easily understood by placing both of these sub-markets in the comprehensive category of the shipping operation market.

(7) The affiliated, open and common carriage markets, all belonging to the paid carriage market, indicate, respectively, the relation of affiliation, independence and monopoly on the part of an operator against the cargo-owner, and, as such, are pregnant with deep significance. These relations will be faithfully reflected in their respective freight rates systems.

(8) Each of the minor markets belonging either to the market for procuring tonnage and the market for operating tonnage is mutually complementary or alternative. In case an operator desires to procure a ship and finds it impossible to wait until its construction is completed, he will be forced to approach the market of second-hand tonnages. If he finds the procured vessels still insufficient to meet his demand, he will have to take recourse to bare boat charter, time charter or commissioned sailing. Here, each of these sub-markets is complementary to each other. On the other hand, provided the demand for shipping bottoms remains on a fixed level, they will be mutually alternative or substitutious, for; in case an operator succeeds in procuring a newly-built ship, his dependence on the other sub-markets will be lessened to that extent. Also, in case bare boat charter is contracted upon on favorable terms, his interest in time charter will so much be lower.

About the same thing will be said about the market for operating tonnage. Most of the operators are often tended to be engaged in the operation of not only the liner carriage market but also in that of the tramp carriage for transporting lump-sum cargoes. To some operators, indeed, the liner and tramp carriage markets are even inseparable. In case, however, the available bottoms are constant, it will be unavoidable that its supply for some operators deprives the others of such supply. Similarly, in case an operator places some of the available bottoms at the exclusive disposal of a specific commercial firms or an industrial manufacturing companies, it should be inevitable that the shipping bottoms in the hands of the operator, which will otherwise be available for the other operating sub-markets, are curtailed to that extent, the other factors remaining unaltered.

(9) Now, if, for the sake of simplification, the representative of the markets A and B, referring to the afore-listed table, is considered to be a shipbuilder (I), the representative of the markets C, D and E to be a shipowner (II), the representative of the markets 1 and 2 to be a concern shipowner (III) and, lastly, the representative of the markets 3, 4 and 5 to be a ship
operator (IV), the table in question may take a simpler form, as shown below:

<table>
<thead>
<tr>
<th>Market for Procuring Tonnage</th>
<th>Market for Operating Tonnage</th>
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<tr>
<td>Shipbuilder (I)</td>
<td>Concern shipowner (III)</td>
</tr>
<tr>
<td>Shipowner (II)</td>
<td>Ship operator (IV)</td>
</tr>
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(i) The shipbuilder (I) will receive orders for shipbuilding from not only the operator (IV); the shipowner (II) and the concern shipowner (III) are likewise customers to the shipbuilder (I). Thus, (II), (III) and (IV) will be on a competitive situation in their respective relation to (I).

(ii) The operator (IV) will not be the sole instance of asking the shipowner (II) for bare boat charter or time charter, for the concern shipowner (III) will also enjoy the status of client in his relation to the shipowner (II). Thus, both (III) and (IV) are competitors so far as they are related to (II). In case the shipowner (II) constructs a ship for specialized ships (oil tankers, ore carriers etc.), which are chartered on a long-term contract to an oil company or a steel company, the operator (IV) engaged in the paid carriage of transporting oil or iron ore will find his work curtailed to that extent.

The organisation of the shipping market has always been considered to be so complex that its comprehension in its entirety has been deemed to be a matter of extreme difficulty. The reason for this, apparently, emanates from the fact that most of the relevant enterprises have invariably been inclined to be engaged in certain related undertakings other than the shipping enterprise alone, and that, therefore, mutual interests have tended to be interwoven in an extremely multifarious fashion. In preparing this short essay, the present writer has volunteered to approach the question on the premise that all of these enterprises are exclusively engaged in their respective intrinsic businesses—a circumstance which, it is hoped, the reader will readily take sight of.

The present writer, in concluding, wishes that the reader will understand that all this has been prompted by his desire that the situation will thus be made to present a clearer overall picture and that the pattern shown here is not necessarily indicative of the forms of the real practices in the shipping market as it actually exists.