

Shipping Industry

INTRODUCTION

Shipping Industry, the industry devoted to moving goods or passengers by water. Passenger operations have been a major component of shipping, but air travel has seriously limited this aspect of the industry. The enormous increase, however, in certain kinds of cargo, for example, petroleum, has more than made up for the loss of passenger traffic. Although raw materials such as mineral ores, coal, lumber, grain, and other foodstuffs supply a vast and still growing volume of cargo, the transportation of manufactured goods has increased rapidly since World War II.

Insert the missing words:

Shipping Industry **is** the industry devoted to moving _____ or passengers by water. Passenger operations have been a major component of _____, but air travel has seriously limited this aspect of the industry. The enormous increase, however, in certain kinds of cargo, for example, petroleum, has more than made up _____ the loss of passenger traffic. Although _____ materials such as mineral ores, coal, lumber, grain, and other foodstuffs supply a vast and still growing volume of cargo, the transportation of _____ goods has increased rapidly since World War II.

HISTORY

Commercial shipping began perhaps with the activities of the Phoenician merchants who operated their own vessels, transporting goods in the Mediterranean. The practices they developed were adopted by the merchants of ancient Greece and Rome and were continued by the maritime powers through the Middle Ages to modern times. The Venetians, from 1300 to 1500, owned a huge merchant fleet that served the interests of the merchant traders and the city-state exclusively. From 1600 to 1650 the Dutch ranked first in shipping activity, operating a globe-circling tramp service for merchants of western Europe.

Complete the sentences below:

1. Phoenician merchants operated
2. The practices they developed were adopted by and
3. The Venetians owned and served
4. The Dutch ranked and operated

Advances in the 19th Century

Until the 19th century, ships were owned by the merchant or by the trading company; common-carrier service did not exist.

On January 5, 1818, the full-rigged American ship *James Monroe*, of the Black Ball Line, sailed from New York City for Liverpool, inaugurating common-carrier line service on a dependable schedule. A policy of sailing regularly and accepting cargo in less-than-shipload lots enabled the Black Ball Line to revolutionize shipping.

Two technological developments furthered progress toward present-day shipping practices: the use of steam propulsion and the use of iron in shipbuilding. In 1819 the American sailing ship *Savannah* crossed the Atlantic under steam propulsion for part of the voyage, pioneering the way for the British ship *Sirius*, which crossed the Atlantic entirely under steam in 1838. Iron was first used in the sailing vessel *Ironsides*, which was launched in Liverpool in 1838.

The opening of the Suez Canal in 1869 was of great economic importance to shipping. Coinciding with the perfection of the triple-expansion reciprocating engine, which was both dependable and economical in comparison with the machinery of the pioneer vessels, the completion of the canal made possible rapid service between western Europe and Asia. The first steam-propelled ship designed as an oceangoing tanker was the *Glückauf*, built in Britain in 1886. It had 3,020 deadweight tons (dwt; the weight of a ship's cargo, stores, fuel, passengers, and crew when the ship is fully loaded) and a speed of 11 knots.

Summarise the text above (Advances in the 19th Century) by suggesting sub-headings for each passage:

1. 1918 - inaugurating common-carrier line service
- 2.
- 3.

The 20th Century

Among the technological advances at the turn of the century was the development by the British inventor Charles A. Parsons of the compound steam turbine, adapted to maritime use in 1897. In 1903 the *Wandal*, a steamer on the Volga River, was powered by the first diesel engine used for ship propulsion. The Danish vessel *Selandia* was commissioned as the first seagoing motor ship in 1912.

After World War I significant progress was made especially in the perfection of the turboelectric drive. During World War II, welding in ship construction supplanted the use of rivets.

The keel of the first nuclear-powered passenger-cargo ship, the *Savannah*, was laid in Camden, New Jersey, on May 22, 1958, and the ship was launched in 1960. In 1962 it was chartered to a private company _____, but it did not prove financially successful.

Supply the missing adverbial adjunct: *in Camden New Jersey, at the turn of the century,*

In 1903, After World War I, During World War II

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NATURE OF THE SHIPPING INDUSTRY

Shipping is a private, highly competitive service industry. The activity of the industry is divided into several categories, namely, liner service, tramp shipping, industrial service, and tanker operation, all of which operate on certain well-established routes.

Supply the missing type of shipping industry:

The activity of the industry is divided into several categories, namely, liner service, _____, industrial service, and _____, all of which operate on certain well-established routes.

Trade Routes

Most of the world's shipping travels a relatively small number of major ocean routes: the North Atlantic, between Europe and eastern North America; the Mediterranean-Asian route via the Suez Canal; the Panama Canal route connecting Europe and the eastern American coasts with the western American coasts and Asia; the South African route linking Europe and America with Africa; the South American route from Europe and North America to South America; the North Pacific route linking western America with Japan and China; and the South Pacific route from western America to Australia, New Zealand, Indonesia, and southern Asia. The old Cape of Good Hope route pioneered by Vasco da Gama and shortened by the Suez Canal has returned to use for giant oil tankers plying between the Persian Gulf and Europe and America. Many shorter routes, including coastal routes, are heavily traveled.

Supply the missing verb:

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Coastwise Shipping

Technically, coastal shipping is conducted within 32 km (within 20 mi) of the shoreline, but in practice ship lanes often extend beyond that distance, for reasons of economy and safety of operation. In the U.S., coastal shipping is conducted along the Pacific, Atlantic, and Gulf coasts. Under the restriction known as cabotage, the U.S. and many other nations permit only vessels registered under the national flag to engage in coastal trade.

Among many small European countries cabotage does not apply, and short international voyages are common. A special feature of coastal shipping in the U.S. is the trade between the Pacific coast and the Atlantic and Gulf coasts. Vessels engaged in this trade traverse the open sea and utilize the Panama Canal; however, they are covered by cabotage laws. In coastal and short-distance shipping, special-purpose ships are often employed, such as car ferries and train ferries.

Inland Waterways

A major part of all the world's shipping moves on inland waterways—rivers, canals, and lakes. Usually such shipping employs smaller, lighter vessels, although in some cases oceangoing ships navigate inland waterways, for example, the St. Lawrence Seaway route to the Great Lakes of North America. Containerization, lighter-aboard-ship, and barge-aboard-ship operations have facilitated the shipping of cargoes between oceangoing vessels and those of the inland waterways.

Discuss the following:

- inland waterways
- lighter
- lighter-aboard-ship

Liner Service

Liner service consists of regularly scheduled shipping operations on fixed routes. Cargoes are accepted under a bill-of-lading contract issued by the ship operator to the shipper.

Competition in liner service is regulated generally by agreements, known as conferences, among the shipowners. These conferences stabilize conditions of competition and set passenger fares or freight rates for all members of the conferences. In the U.S., steamship conferences are supervised by the Federal Maritime Commission in accordance with the Shipping Act of 1916. Rate changes, modifications of agreements, and other joint activities must be approved by the commission before they are effective. Measures designed to eliminate or prevent competition are prohibited by law.

Provide the definition for the following shipping terms:

- Liner service
- Conferences

What is the job of:

- The ship operator?
- The shipper?

Tramp Shipping

Tramps, known also as general-service ships, maintain neither regular routes nor regular service. Usually tramps carry shipload lots of the same commodity for a single shipper. Such cargoes generally consist of bulk raw or low-value material, such as grain, ore, or coal, for which inexpensive transportation is required. About 30 percent of U.S. foreign commerce is carried in tramps.

Tramps are classified on the basis of employment rather than of ship design. The typical tramp operates under a charter party, that is, a contract for the use of the vessel.

The center of the chartering business is the Baltic Exchange in London, where brokers representing shippers meet with shipowners or their representatives to arrange the agreements. Freight rates fluctuate according to supply and demand: When cargoes are fewer than ships, rates are low. Charter rates are also affected by various other circumstances, such as crop failures and political crises.

Complete the following sentences:

- Tramps are known as
- They maintain
- Tramps usually carry cargo lots of for
- These ships carry such cargoes as
- They can be classified according to and operate under
- **The C/P is**
- The Baltic Exchange is
- Brokers representing shippers meet with in order to
- **Supply and demand determines**
- Charter rates are affected by

Charter parties are of three kinds, namely, the voyage charter, the time charter, and the bareboat charter. The voyage charter, the most common of the three, provides transport for a single voyage, and designated cargo between two ports in consideration of an agreed fee. The charterer provides all loading and discharging berths and port agents to handle the ship, and the shipowner is responsible for providing the crew, operating the ship, and assuming all costs in connection with the voyage, unless an agreement is made to the contrary. The time charter provides for lease of the ship and crew for an agreed period of time. The time charter does not specify the cargo to be carried but places the ship at the disposal of the charterer, who must assume the cost of fuel and port fees. The bareboat charter provides for the lease of the ship to a charterer who has the operating organization for complete management of the ship. The bareboat charter transfers the ship, in all but legal title, to the charterer, who provides the crew and becomes responsible for all aspects of its operation.

The leading tramp-owning and tramp-operating nations of the world are Norway, Britain, the Netherlands, and Greece. The carrying capacity of a typical, modern, well-designed tramp ship is about 12,000 dwt, and its speed is about 15 knots. The recent trend is toward tramps of 30,000 dwt, without much increase in speed.

Supply the missing chartering terms:

Charter parties are of three kinds, namely, the voyage charter, the _____, and the _____ charter. The voyage charter, the most common of the three, provides transport for a single _____, and designated cargo between two ports in consideration of an agreed _____. The _____ provides all loading and discharging berths and port agents to handle the ship, and the _____ is responsible for providing the crew, operating the ship, and assuming all costs in connection with the voyage, unless an agreement is made to the contrary. The time charter provides for _____ of the ship and crew for an agreed period of time. The time charter does not specify the cargo to be carried but places the ship at the _____ of the charterer, who must assume the cost of fuel and _____ fees. The bareboat charter _____ for the lease of the ship to a charterer who has the operating organization for complete _____ of the ship. The bareboat charter transfers the ship, in all but legal _____, to the charterer, who provides the crew and becomes responsible for all aspects of its operation.

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Industrial Carriers

Industrial carriers are vessels operated by large corporations to provide transportation essential to the processes of manufacture and distribution. These vessels are run to ports and on schedules determined by the specific needs of the owners. The ships may belong to the corporations or may be chartered. For example, the Bethlehem Steel Corp. maintains a fleet of Great Lakes ore carriers, a number of specialized ships that haul ore from South America to Baltimore, Maryland, and a fleet of dry-cargo ships that transports steel products from Baltimore to the Pacific coast. Many oil companies maintain large fleets of deep-sea tankers, towboats, and river barges to carry petroleum to and from refineries. The ships often operate under contracts of affreightment.

Tanker Operation

All tankers are private or contract carriers. In the 1970s some 34 percent of the world tanker fleet, which aggregates about 200 million dwt, was owned by oil companies; the remaining tonnage belonged to independent shipowners who chartered their vessels to the oil companies. So-called supertankers, which exceed 100,000 dwt, are employed to transport crude petroleum from the oil fields to refineries. The refined products, such as gasoline, kerosene, and lubricating oils, are distributed by smaller tankers, generally less than 30,000 dwt, and by barges.

What do the following figures refer to?:

- 34
- 200
- 100,000
- 30,000

Supply the missing prepositions:

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VESSEL TYPES

Merchant ships are classified as passenger carriers, cargo ships, and tankers. During the height of passenger travel by ship, the largest as well as the most glamorous ships afloat were the famed liners of the North Atlantic, which, beginning in the mid-19th century, sailed regular schedules between the Americas and Europe. Competing in speed as well as in size and appointments, such ships as the *Mauretania*, the *Queen Mary*, the *Queen Elizabeth*, the *United States*, and the *France* gradually reduced the time for the North Atlantic crossing to less than four days. Their size, from about 45,000 to 75,000 metric tons and up to 300 m (1,000 ft) in length, was gigantic by the standards of the first half of the 20th century, but they have been dwarfed by the oil tankers of the 1970s and '80s. Today's passenger liners operate principally in the cruise trade.

Jumbled sentence parts. Put the parts in the right order to make complete sentences:

and tankers - are classified - as passenger carriers, Merchant ships - cargo ships - passenger carriers

the largest - During the time of passenger travel by ship - as well as the most glamorous ships afloat - between the Americas and Europe - which sailed - on regular schedules

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Cargo Ships

Cargo ships carry packaged goods, unitized cargo (cargo in which a number of items are consolidated into one large shipping unit for easier handling), and limited amounts of grain, ore, and liquids such as latex and edible oils. A few passengers are accepted on some cargo liners. Specialized ships are designed and built to carry certain types of cargo, for example, automobiles or grain.

Container Ships

In the late 1950s container ships set the pattern for technological change in cargo handling and linked the trucking industry to deep-Sea shipping. These highly specialized ships carry large truck bodies and can discharge and load in one day, in contrast to the ten days required by conventional ships of the same size. The rapid development of the container ship began in 1956, when Sea-Land Service commenced operations between New York City and Houston, Texas. Barge-aboard, or lighter-aboard, ships, also called seabees (sea barges) or LASH (lighter-aboard ships), resulted from an evolutionary development of the container ship. They are capable of carrying about 38 barges, or up to 1,600 containers, or a combination of containers and barges. Their design enables them to deliver cargo to developed or undeveloped ports, without the need for berthing.

Supply the missing term:

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Tankers

Tankers, designed specifically to carry liquid cargoes, usually petroleum, have grown to many-compartmented giants of a million metric tons and more. Despite their great size, their construction is simple, as is, for the most part, their operation. A major problem with the giant tankers is the severe environmental damage of oil spills, resulting from collision, storm damage, or leakage from other causes. Specialized tankers transport liquefied natural gas (LNG), liquid chemicals, wine, molasses, and refrigerated products.

Jumbled text. Put the sentences below in the correct order to make a complete text:

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Treaties and Conventions

Many treaties and conventions have been adopted over the years with the objective of increasing the safety of life at sea. One of the most important agreements provided for the establishment of the International Iceberg Patrol in 1913, after the *Titanic* disaster. Under the International Load-Line Convention of 1930, ship loading was regulated on the basis of size, cargo, and route of the vessel. The International Convention for the Safety of Life at Sea, which governs ship construction, was ratified by most maritime nations in 1936, and updated in 1948, and again in 1960 and 1974.

Supply the right preposition:

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Discuss the importance of the following years in the text above:

- 1913
- 1930
- 1936
- 1948
- 1974