

in a given period: the rebate given was $\frac{1}{2}$ d. per lb. if the condenser makers' aggregate purchases amounted to 80 tons or less in any period of six months, and $\frac{3}{4}$ d. per lb. if the purchases amounted to more than 180 tons. The condenser makers who received this rebate are all members of the Condenser Groups.

264. Since 1945 the members of the Condenser Groups, acting for this purpose as the Associated Condenser Makers, have operated an agreement with the Brass and Copper Tube Association which provides for a special aggregated quantity rebate to be paid to the condenser makers, who for their part undertake to confine their purchases of tubes to specified makers of tubes. The rebate rates in this case range from $\frac{1}{2}$ d. per lb. on deliveries not exceeding 100 tons in the rebate period of six months to 1d. per lb. on deliveries exceeding 500 tons. The current agreement, which was formally concluded in 1947, supersedes an earlier one.

265. We have been told by the Groups concerned that the cost of tubes amounts on average to about 18 per cent., and that of plate to about $3\frac{1}{2}$ per cent., of the selling price of the condenser.

CHAPTER 12. MARINE EQUIPMENT

266. The two Group agreements relating to marine equipment in class (a) (see paragraph 154) are the Marine Turbo-Generator Agreement and the Ship Propulsion Equipment Agreement. They also cover some machinery in class (b).

(1) The Marine Turbo-Generator Agreement

267. The Marine Turbo-Generator Agreement, first concluded in 1937, has as its subject matter "any auxiliary steam turbine for generator drive or steam turbo-generator unit for use on board any ship of the Mercantile Marine* or any floating dock, built or fitted in any part of the world irrespective of whether such ship will fly the British flag or not, having an output of not less than 100 kW normal or economical rating or equivalent B.H.P.". The agreement thus covers supply in both the home and export markets of turbo generating units for purposes other than the main propulsion of the vessel. The term turbo generator unit in this context comprises a steam turbine, gearing and generator and in some installations† a condensing plant. There are eight signatories, all of whom are also signatories of some or all of the agreements covering small steam turbo generating units for use on land.‡

268. The agreement provides for the central notification of enquiries and orders, procedure being similar to that described for machinery for use on land (see paragraphs 165 and 166). Every signatory must include in every price tendered by him a sum for compensation for tendering expenses; the method of calculation (though not the formula actually used) and procedure for payment and subsequent distribution are similar to those under the land agreements (see paragraph 168). He must also include, as under the land agreements, a sum to cover the costs of administration (see paragraphs 61 and 178). Every signatory undertakes "not to offer and/or supply plant . . .

* "Plant for use on board ship or floating dock for the British Admiralty, Dominion Governments or for Governments of other Nations" is expressly excluded.

† Where a back pressure turbine is used, a condenser is unnecessary.

‡ Two of the eight joined in 1945.

at prices lower than those determined by the Secretary . . .". The standard equipment to be included in basis prices for "auxiliary turbo-generator units" is laid down; price corrections "for speeds above 3,000 r.p.m." and for steam consumption are to be made "in accordance with the Land Agreement"; prices for spares are to be agreed through the Secretary. There are no price schedules in the agreement and there is no schedule price factor: for recent orders the schedules in the land agreements have been taken as a basis, the prices derived therefrom being suitably adjusted to cover the differences in specification between land and marine machinery. Prices have been agreed for all enquiries since the inception of the agreement. There are no intercontracting arrangements between signatories.

269. Every signatory further undertakes "to submit his tenders in accordance with BEAMA Conditions of Sale 'B'" (that is, conditions of sale inclusive of erection), to call for specified progress payments during manufacture in all tenders exceeding £25,000 in value, and, in all tenders and contracts, to "use the current BEAMA Price Adjustment Clause and Formula" as set out in the BEAMA "Brown Book". Any signatory guaranteeing steam consumption must stipulate a tolerance of 5 per cent. to cover "errors of observation" (see also paragraph 257).

270. Subject to agreement through the Secretary, the following quantity discounts may be given "from the minimum maintained price for *identical* units on one order":—

Less than 6 sets	...	Nil.
6 to 11 sets	...	2½ per cent.
12 sets and over	...	3½ per cent.

These discounts are normally allowed. There are no special arrangements with particular purchasers on discounts or other matters.

271. There has been no co-operation on prices between signatories of the agreement and non-signatories.

(2) The Ship Propulsion Equipment Agreement

272. The subject matter of the Ship Propulsion Equipment Agreement, which was first concluded in 1945, is "any ship propulsion equipment either complete with or exclusive of prime movers", including any (i) steam turbo electric, (ii) gas turbo electric, or (iii) diesel electric, ship propulsion equipment of any horse power "supplied for use on board ship built or fitted in any part of the world, irrespective of whether such ship will fly the British flag or not". The five signatories of the agreement are the five large concerns referred to in paragraph 151. For this type of machinery signatories are in competition with the makers of mechanical drives (generally the shipbuilders) or, where propulsion is to be electrical, with Continental and American manufacturers.

273. The agreement is a notification agreement. Arrangements for compensation for tendering expenses are optional, the decision to invoke this provision being dependent on the amount of work involved in preparing a particular tender: the clause has in fact been applied on 13 occasions since 1945, the rates agreed being about 1s. per shaft h.p. Where compensation is paid, it is divided equally among the tendering signatories. There are no provisions for contributions to administration costs.

274. There are no price provisions. Signatories are asked on the standard notification card for enquiries to state whether they desire price maintenance arrangements for the particular enquiry concerned, but no arrangements have in fact been made.