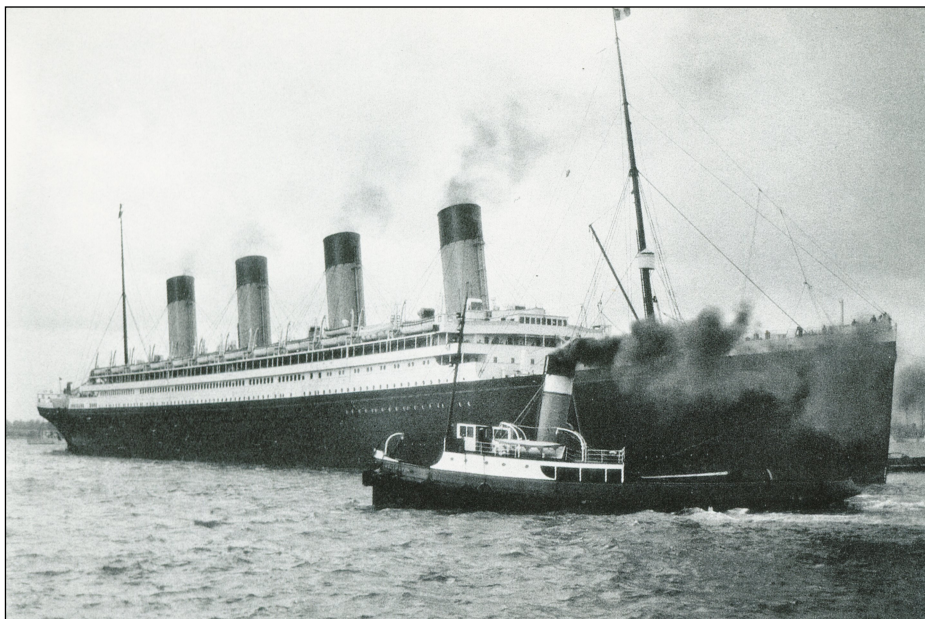


RMS *OLYMPIC*'S RETIREMENT

By Mark Chirnside

This article was first published online in July 2006. It was translated into German in the Swiss *Titanic* Society's *Titanic Post* (in three parts, from issue 57 in September 2006 to issue 59 in March 2007). This updated version was uploaded in May 2018, correcting some minor errors and making changes to improve readability and presentation.



Above: Always the handsome ship, *Olympic* departed from Southampton at noon on August 2nd 1934 with a healthy first class passenger list, set to carry a total of 618 passengers to New York. (Author's collection.)

INTRODUCTION

My short article *RMS Olympic: Another Premature Death?* – which was published on Encyclopedia-Titanica in the spring of 2002 – drew attention to some of the pertinent circumstances surrounding *Olympic*'s withdrawal from service in 1935. Some had argued that *Olympic* was retired because of rising maintenance costs from mechanical or structural issues. I felt that this was at odds with the available evidence. There is no evidence that her maintenance costs were higher than her running mates. However, the article lead to the question as to why the *Olympic* was withdrawn from service, and this article follows up from the original.

It is obvious that the large liners of *Olympic*'s generation were nearing the end of their lives by the mid 1930s. It should be emphasized that the depression, more than anything, contributed to the demise of these liners. Even with the decline in third class travel from the early 1920s and new competition from the mid 1920s, passenger lists had been good. Certainly they were more than enough to generate a very healthy profit in *Olympic*'s case, and the same is true for the other liners. The figures for Cunard and White Star's express services in 1929 bear this out. Had this level of passenger traffic continued, the pre-war liners could have been profitable for longer, even on secondary routes if new tonnage was made available for the express service. Yet passenger numbers overall halved between 1929 and 1934, falling to less than half a million per year on the Atlantic. As the previous article outlined, during a time of depressed Atlantic travel Cunard-White Star were left with four large liners capable of operating the express service from Southampton to New York, yet their new *Queen Mary* was due to enter service in 1936. It was clear that they would not be able to find profitable employment for all four ships, and that in time they would be withdrawn from service. It is the sequence of these withdrawals that requires studying, at a time when the older liners were competition against newer ships for their share of a shrinking pie.

POPULARITY & PASSENGER CARRYINGS 1931-34

In the first edition of my book, *RMS Olympic: Titanic's Sister*, I published in some detail information about the comparative running costs of the *Olympic* and her fleet mates. She was significantly cheaper to operate. However, I did note that in April 1935 *Olympic* was carrying fewer passengers than (respectively) the *Majestic*, *Aquitania* and *Berengaria*. I suggested that *Olympic*'s passenger carryings might be worth considering as a reason to explain the timing of her withdrawal from service.

As the depression began to bite in 1930, that year *Olympic* carried less than twenty thousand passengers (for the first time in her history when she had been in service for the whole year). It brought to an end the steady increase in her average passenger lists seen between 1926 and 1929, which had taken her average westbound lists to almost 1,000 by the end of the 1920s. (Westbound passenger numbers were better than those eastbound.) Her yearly transatlantic passenger carryings plunged to 13,975 passengers in 1931; 9,458 passengers in 1932, and an all-time low of 9,170 passengers in 1933.¹ Over her peacetime career, it was not until 1930 that *Olympic*'s

¹ It should be remembered that these figures are for transatlantic passengers. In 1931, for instance, *Olympic* completed a number of cruises, and two of them alone carried a combined total of around 1,150 passengers. When the other cruises are considered, then it seems clear a number of passengers should be added to the total.

cumulative average passenger lists fell below 1,000; yet in 1933 they fell below 900. The situation stabilised before showing a gradual, modest improvement. In 1934 she carried 9,777 passengers, a slight overall improvement with her westbound passenger lists broadly the same as in 1933, yet her eastbound performance was the worst of her career and she averaged less than three hundred passengers per crossing in that direction – the first and last time that she would ever do so. As 1935 began, *Olympic*'s performance was more pleasing: she averaged 326 passengers on five westbound crossings and 312 passengers on the eastbound crossings. While that may not sound particularly good, when we consider the time of year (a poor time for passenger traffic) then her carryings increased by 38 percent compared to 1934, and were the best since 1932. There are other signs of a recovery of passenger numbers.

At this point it might be constructive to examine the number of passengers carried by the *Aquitania*, *Berengaria* and *Majestic* from 1931-34:

	1931	1932	1933	1934
<i>Aquitania</i>	21,992	14,435	13,992	13,317
<i>Berengaria</i>	13,408	18,311	15,795	17,307
<i>Majestic</i>	16,345	18,051	13,573 ²	15,465
<i>Olympic</i>	13,975	9,458	9,170	9,777

It is clear that (apart from in 1931) *Olympic* consistently carried fewer passengers. She was less popular than her running mates. There are a number of reasons that may lie behind this, and these go all the way back to the *Olympic*'s maiden voyage in 1911. In 1911, as *Olympic* proved very popular, Cunard had studied her in service as a means of improving the design of their upcoming *Aquitania*; similarly, it is known that a Hamburg-Amerika Line director was among the 2,301 passengers on *Olympic*'s eastbound maiden voyage. These rival companies, Cunard and Hamburg-Amerika (or HAPAG) had the advantage of observing White Star's flagship in service so that they could build their own new large ships to be even more popular. At the time of the *Olympic*'s design, the White Star

² Taking this figure as an example, some White Star records (see page 289 of the first edition of my *RMS Olympic* book) showed *Majestic* carrying 13,298 passengers in 1933, based on thirty-one crossings; however, the figure shown here – 13,573 is taken from the Transatlantic Passenger Conference's figures, which took thirty-two crossings as the total. Since some voyages carried on into the following year before the ship returned to port, this explains most of the variations in the number of crossings shown by different sources – some count entire voyages as belonging to the previous year, if they ended in early January. Similarly, some company records match the conference's, yet within the individual ship tables of the conference there can be variations. An example is the figure for 3,128 passengers for *Olympic* in 1935, from Cunard-White Star's records, which contrasts with a figure of 3,190 passengers according to one of the conference's tables; yet both give the same number of voyages.

Line enjoyed no such luxury, and although it could be argued that the *Lusitania* and *Mauretania* were in service from 1907, they had been designed primarily for high speed rather than the luxury that was the focus of *Olympic*'s designers. Similarly, in 1911 *Olympic* was the world's largest and most luxurious liner by a larger margin. The concept, of a large liner bigger than 45,000 gross tons, designed for luxury and (in comparison with Cunard's speedsters) more moderate speed, was a basic one that Cunard followed with the *Aquitania*; and HAPAG sought to improve upon with their trio of ships well over 50,000 gross tons. (Two of which ultimately became Cunard-White Star's *Berengaria* and *Majestic* after 1934.) It would have reflected badly on the new Cunard and HAPAG liners if they had not at least matched the popularity *Olympic* enjoyed; in fact, it could be said that it would have reflected badly on them if they had not proved even more popular. Yet aside from improving upon the flagship first class accommodation, Cunard's and the German designers could concentrate on second and third class in an effort to outdo White Star. *Olympic*'s second and third class accommodation undoubtedly set benchmarks when she was new, second class being considered equal to first class on some of the older liners, yet it seems particularly true that it was in these classes that her Cunard and German rivals had the biggest advantage of improvement when they were building their new liners. *Aquitania*'s second class was a great improvement compared to Cunard's previous liners, and no doubt the same would have been true for the new German ships.

Yet if these reasons were true in 1911, as her rivals were being built and *Olympic* suffered the setback of the *Hawke* collision and the well-publicised loss of her now legendary sister *Titanic*, then more reasons can be found after the war. It is well-known that, by the time of the merger with Cunard, White Star was the weaker company by a significant margin. To what extent the company's finances influenced the modernisation of their liners from the late 1920s is a subject for debate, yet it is clear that *Aquitania*'s refit in 1929 was more extensive than any *Olympic* (or *Majestic*) received. Cunard boasted that: 'In one section of the ship the accommodation has been completely remodelled, providing no less than four new public rooms, new staterooms and promenade space for the new class known as tourist third cabin.' An 'entirely new range' of public rooms included a smoke room, lounge, dining saloon and winter garden for tourist third passengers, and these extensive changes no doubt helped the liner to carry nearly 6,000 tourist third passengers in 1931 alone. *Olympic* had received a number of new first class suites forward on B-deck in the late 1920s, not to mention the substantial increase in private bathroom accommodation. She also received some new public rooms for the new

tourist third class, but the refit was not as extensive. It does seem reasonable to speculate that Cunard invested more in keeping their older liners competitive.

It seems likely that these reasons go a long way to explaining the difference in passenger carryings, yet it is undeniable that *Olympic* maintained a reputation for popularity. Throughout her career, there are continued references to her popularity and reliability. She was undeniably popular, and it was not until 1930 that her cumulative average passenger lists dropped below 1,000 passengers. By then, there was an undoubted trend towards newer ships taking a greater share of a smaller number of passengers crossing the Atlantic.

The average number of passengers carried on each crossing are more revealing in terms of a ship's popularity.

	1931	1932	1933	1934
<i>Aquitania</i>	611	656	466	493
<i>Berengaria</i>	670	654	527	541
<i>Majestic</i>	629	531	424	499
<i>Olympic</i>	451	430	353	326

While the average number of passengers confirms the fact that *Olympic* was not as popular as the *Aquitania*, *Berengaria* and *Majestic* in the 1931-34 period, the difference does not seem as large as the total yearly passenger lists of the four ships imply.

From a revenue point of view, the relative breakdown of first, tourist and third class passengers is important. It is worth recording the average number of first class passengers each liner carried on each crossing:

	1931	1932	1933	1934
<i>Aquitania</i>	213	171	170	192
<i>Berengaria</i>	227	174	166	176
<i>Majestic</i>	204	163	138	188
<i>Olympic</i>	148	125	117	118

The following table expresses the number of first class passengers as a percentage of the overall totals:

	1931	1932	1933	1934
<i>Aquitania</i>	35	26	36	39

<i>Berengaria</i>	34	27	32	33
<i>Majestic</i>	32	31	32	38
<i>Olympic</i>	34	29	33	36

While it appears to indicate that *Olympic*'s proportion of first class passengers would not have benefited her earnings significantly compared to the other three vessels.

It is apparent that *Olympic* carried fewer passengers than her running mates. Her eastbound passenger lists in 1934 were particularly disappointing and her average passenger list per crossing did not improve compared to 1933, even though the overall number of passengers she carried that year did.³ As her last in full year service, it is only possible to guess how she might have performed if she had not been withdrawn in 1935, but certainly her passenger lists early in 1935 were significantly better than for the same period in 1934.

EARNINGS & RUNNING COSTS, VOYAGES 248-57: 1934-35

Although data for the vast majority of her career has been lost, we have some reliable estimates as to *Olympic*'s running costs and the revenue she generated from her service in late 1934 and early 1935. These can be compared with the number of passengers that she carried from the late summer of 1934. Passenger traffic was picking up for the season and *Olympic* departed from Southampton at noon on August 2nd 1934, set to carry a total of 618 passengers to New York (almost half in first class). Twenty days later, *Olympic* was departing from Southampton on her 248th round trip to New York. Her 807 passengers included 235 first class passengers, 391 tourist class and 181 third class. Yet *Olympic* left New York on August 29th 1934 with one of her lower passenger lists that year, with a total of 205 passengers (62 first class, 95 tourist class and 48 third class). The first class dining saloon must have appeared eerily quiet in the evenings! All in all, she carried 1,012 passengers on the round trip. From her 248th round trip, her passenger lists were as follows:⁴

Round Trip	Southampton Departure	Passengers Carried
248	August 22 nd 1934	1,012

³ To confuse matters, one handwritten archival document from 1934 shows around 12,000 passengers for *Olympic*. It begins by showing *Olympic*'s crossings for the first half of the year, but then seems to list another ship's crossings for the final half, as upon examination these do not fit *Olympic*'s schedule. The conference figure is undoubtedly more reliable!

⁴ All figures in this table for 1934-35 are taken from the individual Transatlantic Passenger Conference's tables for *Olympic* in 1934 and 1935, with the 1935 figure standing at 3,190 passengers (as opposed to the figure of 3,128 passengers which appears in my *Olympic* book and is taken from Cunard-White Star's own records).

249	September 6 th 1934	938
250	September 26 th 1934	662
251	November 21 st 1934	634
252	December 12 th 1934	770
253	January 9 th 1935	599
254	January 30 th 1935	585
255	February 14 th 1935	553
256	March 6 th 1935	652
257	March 27 th 1935	801
Total:		7,206

Although the figures include the winter low in passenger traffic, for her last ten round trips *Olympic* averaged 360 passengers per one-way crossing – a little higher than her averages for 1933 and 1934. This seems to be a further sign that the ship's passenger lists were finally improving. We can compare these passenger lists with *Olympic*'s revenue and running costs, although the revenue figures include freight earnings which varied:

Round Trip	Passengers Carried	Receipts	Disbursements	Gross Profit (or -loss)
248	1,012	£28,203	£25,425	£2,778
249	938	£29,939	£23,800	£6,139
250	662	£29,867	£26,300	£3,567
251	634	£21,329	£46,925	-£23,596
252	770	£26,179	£26,175	£4
253	599	£25,263	£28,625	-£3,362
254	585	£24,335	£25,675	-£1,340
255	553	£26,979	£24,000	£2,979
256	652	£24,890	£27,050	-£2,160
257	801	£24,225	£26,600	-£2,375
Total:	7,206	£261,209	£280,575	-£17,370

With disbursements at a shocking £46,925 on her 251st round trip *Olympic* plunged deep into the red. These presumably included expenses related to her annual survey. Had it not been for this, *Olympic* would have shown a gross profit for the period. However, the picture changes when we consider the net profit – which was calculated considering depreciation, office and advertising expenses, and so forth – and on this measure the ship's financial performance appears worse. Perhaps this is best expressed by adding a 'net profits' column to the table:

Round	Passengers	Receipts	Disbursements	Gross	Net Profit
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Trip	Carried			Profit (or loss)	(or loss)
248	1,012	£28,203	£25,425	£2,778	-£10,139
249	938	£29,939	£23,800	£6,139	-£6,285
250	662	£29,867	£26,300	£3,567	-£16,752
251	634	£21,329	£46,925	-£23,596	-£46,216
252	770	£26,179	£26,175	£4	-£13,024
253	599	£25,263	£28,625	-£3,362	-£18,322
254	585	£24,335	£25,675	-£1,340	-£13,485
255	553	£26,979	£24,000	£2,979	-£8,870
256	652	£24,890	£27,050	-£2,160	-£15,160
257	801	£24,225	£26,600	-£2,375	-£15,130
Total:	7,206	£261,209	£280,575	-£17,370	-£163,383

While the disbursements of £46,925 on her 251st round trip appears to be a one-off, even if the figure had matched *Olympic*'s average disbursements then she would have shown a net loss of over £140,000 in this period. This is hardly surprising with the dramatic decline in passenger traffic of the 1930s. However, it is important to compare *Olympic* to her running mates. This can be done for 1934, for which complete records are available.

EARNINGS & RUNNING COSTS, 1934-35: AQUITANIA, BERENGARIA, MAJESTIC & OLYMPIC

My earlier article outlined *Olympic*'s relatively low fuel consumption, and when we look at the available data for the whole of 1934 it becomes clear that *Olympic* was significantly cheaper to operate than the other three ships. Her average disbursements per round trip were over £10,000 less than the figures for *Berengaria* and *Majestic*. Operating costs could increase with a high passenger list (if additional stewards were required to cater for passengers, for instance), yet it is clear that the fuel bill was a very significant chunk of these liners' overall costs.

Olympic did slightly better than might have been feared on a gross basis: per voyage, on average she lagged behind *Aquitania* and *Berengaria*, yet she ran slightly closer to the black than the *Majestic*. The picture changes with the average net profit (or loss) per voyage, as *Olympic* was slightly behind even the *Majestic*. Only *Aquitania* stood out as doing significantly better than any of the other ships. *Olympic*'s lower running costs only partly compensated for her lower passenger carryings. Even on a net

basis, per round trip her performance was fairly similar to *Berengaria* and *Majestic*:⁵

	Receipts	Disbursements	Gross profit	Net profit
<i>Aquitania</i>	£31,556	£31,811	-£255	-£8,638
<i>Berengaria</i>	£36,521	£38,847	-£2,536	-£14,616
<i>Majestic</i>	£33,151	£38,075	-£4,924	-£16,978
<i>Olympic</i>	£23,104	£27,962	-£4,858	-£17,253

If the *Olympic* had been able to attract as many passengers as *any* of the other three ships (and hence *match* their earnings) then she would have been running at a gross profit even in the cold economic times of 1934 and her net profit performance would have been significantly better. As it was, *her gross profit per voyage was third out of four and her net profit per voyage was the worst of the four.*

An improvement of sorts appears to have been evident in the early part of 1935, from January to April where the *Berengaria*, *Majestic* and *Olympic* made five round trips each. *Olympic's* improvement is shown when we compare *Olympic's* voyages in early 1934 (numbers 238-42) and early 1935 (numbers 253-57):

	Receipts	Disbursements	Gross profit	Net profit
<i>Olympic</i> early 1934	£23,537	£28,266	-£4,729	-£16,170
<i>Olympic</i> early 1935	£25,138	£26,390	-£1,342	-£14,227

Despite the improvement, *Olympic* was still running at a loss on both a gross and net basis in early 1935. All the ships were. Unfortunately, her relatively low running costs were not enough to offset her relatively lower revenues. As *Olympic* returned to Southampton for the final time, leaving New York on April 5th 1935, Cunard-White Star's stated intention to withdraw her from the express service for cruising led to a key question surrounding her future: could alternative *profitable* employment be found for her?

⁵ Although a very rough measure that does not account for different freight earnings, to judge by each ship's revenue and passenger figures for 1934 *Olympic* earned the most money per passenger: £35.5, followed by: *Majestic* £34.3; *Berengaria* £33.8; and *Aquitania*: £30.8. However, these figures might change significantly if the full figures for freight are included.

RECOVERY: 1935

Although *Olympic* was showing an improvement in passenger numbers in early 1935, her running mates still appeared more popular. Later in the year, passenger numbers were picking up quite significantly. *Aquitania*'s best passenger list came on her westbound voyage of August 31st 1935: 1,111 passengers; *Berengaria* carried 1,522 passengers when she departed for New York three days beforehand; *Majestic* carried 1,472 passengers on her August 21st 1935 westbound departure. It seemed that the recovery in passenger traffic was gathering momentum.

THE 1935 THAT NEVER WAS

There is some surviving documentation to indicate the voyages that *Olympic* might have completed in 1935, had she been retained in service. One document drawn up for Cunard-White Star indicated a timetable for the *Olympic* spending much of the summer as a cruise ship. It matches both the five round trips *Olympic* did make in early 1935, and then the dates for cruises which were published in the newspapers for the summer. Similarly, Cunard-White Star compiled a list of estimated revenues and expenses for their ships in 1935, and *Olympic* was initially shown on this with her profits and losses projected all the way to December 1935. It lists the five round trips *Olympic* made until her final Southampton departure on March 27th 1935, followed by a voyage from Southampton to New York beginning on June 29th 1935. Four cruises are then scheduled, leaving New York on:

- July 6th 1935;
- August 3rd 1935;
- August 30th 1935;
- September 7th 1935.

Upon completion of these cruises, *Olympic* would depart New York on September 28th 1935 for the return half of the round voyage that had begun on her last Southampton departure. She would then leave Southampton on November 20th 1935 and December 11th 1935 for two final round trips to New York. However, while it seems that *Olympic* was withdrawn from the express service due to her lower passenger carryings and consequent higher net losses per voyage than her running mates, the projections for her summer cruise schedule may help to explain why the company suddenly cancelled the schedule.

The figures given for *Olympic*'s five round trips (253-57) that she did complete are broadly the same as those shown in the '248-57' table above,

yet *Olympic*'s westbound crossing to New York for June 29th 1935 was expected to make a gross loss of £18,745 with passenger receipts at only £9,000. The estimates for her cruises were better, although five cruises are shown rather than the four proposed in other documentation:

Departure	Gross profit
July 6 th 1935	-£315
July 20 th 1935	£1,540
August 3 rd 1935	£4,210
August 17 th 1935	£4,210
August 30 th 1935	£4,750
September 7 th 1935	-£185
Total profit:	£14,210

All in all *Olympic* was expected to make a gross profit of £14,210 on her cruises, yet the problem was that on her westbound crossing to New York prior to undertaking the cruises her expected loss was greater than the profit expected for all five cruises. Another problem is that the estimates deal with gross profit, and it seems probable that *Olympic* would still have made a net loss on her cruises unless she earned more than Cunard-White Star estimated she would. For her eastbound crossing, leaving New York on September 28th 1935, *Olympic* was expected to make a loss of £9,065, which would only increase the expected shortfall. Tellingly, for her round trips of November 20th 1935 and December 11th 1935, *Olympic*'s financial performance was projected to be worse than on her round trips in early 1935, leading to gross losses of £11,955 and £7,475 respectively.

According to forecasts dated March 5th 1935 and prepared in the Accountants' Department at Liverpool for the company, for the full year *Olympic* was expected to earn £304,305 with disbursements of £345,300 for an overall gross loss of £40,995. (Around £33,000 of this deficit would have been incurred after June 1935. *Olympic* would have missed the bumper four-figure passenger lists that might have been expected in August and September 1935, as she would have been cruising, and despite the apparent potential for her cruises to show a gross profit the deficits expected for her June 29th 1935 and September 28th 1935 crossings were substantial.) The projections for 1935 showed *Majestic* recording a gross loss of £26,236 that year, with *Berengaria* making a profit of £56,100 and *Aquitania* in the black by £67,890.

CONCLUSION

The order of retirement for Cunard-White Star's four express ships from 1935-38 broadly follows their performance in net profit. The ships with

the worst performance on this key measure in 1934 were retired one by one. *Olympic* performed was withdrawn from service; the initial decision to retire *Berengaria* was then changed and *Majestic* was withdrawn instead; and then *Berengaria* ended up being withdrawn from service in March 1938 as increasing electrical problems rendered it uneconomic to repair her. *Aquitania*'s retirement was postponed with the outbreak of war.

It has been claimed that damage sustained in the Nantucket Lightship collision in May 1934 was too costly to repair but, in truth, the minor damage she suffered had been fully repaired before she was retired.

As with all ships, *Olympic* showed signs of age as she got older. However, in February 1932 her hull surveyor noted 'the general condition is good'. After an extensive overhaul of her engines in 1932-33, her performance was never better. She was still capable of speeds well above 23 knots and ran at 23.43 knots in the English Channel in September 1933. In November 1934, her final overhaul included routine maintenance and her passenger certificate was issued for another twelve months. Her load line certificate ran for four years until February 1936. When she was being scrapped, workers reportedly found her hull 'surprisingly sound'. There was no mechanical or structural impediment to her continuing in service.

Cold, hard economics did what no U-boat attack or other adversary had ever accomplished. She was no longer profitable. *Olympic*'s career came to an end.

'The *Olympic* is the best ship that Harland & Wolff ever turned out of their famous yard at Belfast, and she is the last hand-riveted big vessel afloat [sic]. She is in "A1" condition and can maintain 22½ knots under ordinary weather conditions if she has the fuel. I should be very sorry to hear of her going to the ship breakers.'

- Captain James L. Thompson, Cunard White Star Line Assistant Marine Superintendent, August 5th 1935.

'The *Olympic* retires to the "bone yard" of ships with an enviable list of records.'

- The Associated Press, August 20th 1935.

'Veterans in North Atlantic shipping said that after the scrapping of the *Olympic*, recognised as one of the finest steamships afloat, there were no surprises left.' – The New York Times, February 23rd 1936, commenting on *Majestic's* scrapping.

ACKNOWLEDGEMENTS

My thanks are due to Günter Bähler, Brent Holt, Daniel Klistorner and Ray Lepien for their kind comments on an early draft of this article, and their advice. A note of appreciation to Hayley Thomas for her swift response to my numerous queries. Any errors are entirely my own responsibility, while the analysis and opinions expressed are my own.

As with the earlier article, *RMS Olympic: Another Premature Death?*, four years later the sources that proved so helpful then deserve my acknowledgement. These include the National Archives at Kew and the Cunard Steamship Company archives (by courtesy of the University of Liverpool). Hopefully both articles, taken together, will help to provide an interesting analysis into the reasons why *Olympic* was withdrawn from service. While the earlier article mainly helped to debunk the myth that *Olympic* was ageing and expensive to run, it failed to consider the other side of the coin (passenger carryings and earnings over an *extended period*) in enough detail; in this one the emphasis has shifted to viewing the more probable causes of *Olympic's* retirement and – in the process – refined my argument.