June 1976

American Shipper

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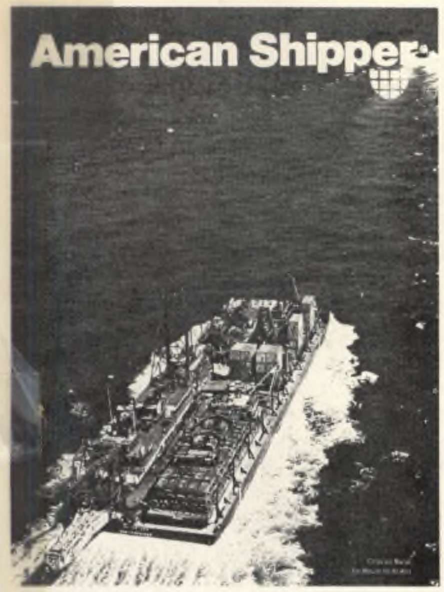

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Rebating is a Naughty Word in USA, But Carriers May Seek Legal System Of Deferred Rebates to Stay Alive

Conferences need a tool to meet the challenge posed by independent and state-owned merchant navies which play the game by a different set of rules.

For the first time in recent years, shipping line conferences are facing a sustained challenge for cargo revenues, mounted by independent lines. Competition in the U. S. trade is heating up, and many conference members are finding that rebating—which is illegal in this country—is the only way to face up to the new presence.

The challenge in the Pacific was spearheaded by the Soviet flag Far East Shipping Company (FESCO), whose new containership fleet will carry cargo at rates that range to 40% below those of competing conference lines. While there have always been independents in the Pacific—both liners and tramps—the conferences are worried because none have been as highly capitalized as FESCO.

What many other conferences, in other trade routes, fear is that a vastly expanded Soviet merchant marine will be making inroads in other trades, including the lucrative North Atlantic.

Rebating, which apparently increased in the Pacific to meet the nonconference line challenge, will probably jump in other areas as Soviet flag ships begin taking larger shares of traffic, especially as rebating is legal in most western European countries.

What It Is. Rebating is basically a system of discriminatory pricing whereby the shipper or consignee pays less than the tariff filed by the shipping line with the Federal Maritime Commission. It is against the law for an American shipper or ship owner to accept or issue a rebate, even if this is done in another country. It is illegal for anyone engaged in foreign trade with the U. S. to give or receive a rebate.

So far this year, FMC has settled three cases of rebating, involving Guam Freight Forwarders, Transatlantic Transport Ltd., and Star Line Agency—Kulakundis Maritime. The last was a record-setting $197,000 settlement involving over 300 violations.

The Shipping Act of 1916 does permit two quasi-rebates. Discounts are allowed for high-volume shippers and for shippers who use a set of conference liners exclusively over a period of time. These discounts must be specified in advance and of course are subject to FMC approval. Because the FMC requires a 30-day period of notice before a new rate change becomes effective, ship owners cannot generally negotiate special, one-of-a-kind rates.

Rebates do not just take the form of cash payments. The writing off of service charges (for example, for wharfage or warehousing), the provision of credit, free transshipment to inland points, false bills of lading and incorrect description of the cargo shipped are all commonly used rebating methods.

According to FESCO's West Coast spokesman Harry Melendy, the reason for FESCO's low rates is because it doesn't rebate. Melendy estimates FESCO's rates at an average of 10 to 15% below conference shippers.

Yet ship owners and shippers in the Pacific trade are rebating largely in an effort to meet the Soviet competition—whose rates tend to drop each time conference rates do.

Pick & Choose. One reason why FESCO—and the other independents—can offer lower rates is because they have the option of picking and choosing their cargos. By concentrating on high value, easy to ship commodities, the independents are able to set rates that are in line with their actual costs. On the other hand, conference lines find they must recoup some of their losses from transporting low revenue producing goods by upping rates on higher value cargoes.

Also, excess capacity along the Pacific trade routes tends to force rates down and the more cumbersome rate adjustment mechanism of the conferences tends to put them at a disadvantage.

For these reasons, the independents' rates are generally closer to FESCO's rates than to those of the conferences. Yet, while some offer lower rates on particular commodities, FESCO is overall the least expensive line.

The large scale of investment on the Soviet merchant marine—estimated to have produced 17.5 million dwt by the end of 1975—points to a strong Soviet concern for a merchant fleet. The USSR's interest in cross trading commerce clearly arises from a critical need for foreign exchange credits to help retire a $5.5 billion debt with the West.

The economics of investment in the USSR are such that it is impossible to say if any particular investment is profitable. In the case of Soviet shipping, this means it is as impossible to determine if freight tariffs are truly compensatory.

To change the law on rebating would require Congressional action, and a rejection of a long tradition in American law. It is more than likely that both FMC and the Department of Justice would object. The Inouye bill—which would require that freight rates be compensatory or within a certain percentage of conference rates—would also raise objections. For instance, FESCO's freight-all-kinds (FAK) rate has no counterpart in conference tariff filings. American enforcement officials would have no way of saying whether or not the FAK rate is compensatory, and no way to peg it to a conference rate.

If conference lines are to remain competitive, without violating the law, they will have to take a close look at the sections of the Shipping Act that provide for volume and exclusive use discounts (U. S. Shipping Act, 1916, 46 U. S. C. 815, Section 14 FIRST). Improvement of the ships themselves and of onshore loading and offloading will also be called for.

Under Consideration. Conference operators in the North Atlantic trade believe they have a solution to the problem, provided FMC will issue the necessary administrative approval. And, it may be added, the Justice Department goes along.

A petition is expected soon, requesting FMC approval of a dual rate structure and the use of "deferred rebates" which are common in Europe. A system of legal rebates, with payment deferred for six months, would give the conferences a legal method to induce cargos in the American trade and to discipline shippers who make a practice of finding ways to avoid or evade obligations assumed in signing a conference agreement. Potential loss of a deferred rebate would help to hold shippers in line.

The deferred rebate idea does not have universal approval among the American carriers, some preferring to grant half of the rebate immediately, holding the other half six months, to be paid only upon "good behavior."

Choice of a Name. U. S. flag carriers would like to find a new name for rebating and escape the bad connotation which the word has in this country. Among the suggestions are "deferred discount," "volume discount" and "frequency rate." Just about anything except that naughty word it goes by now.

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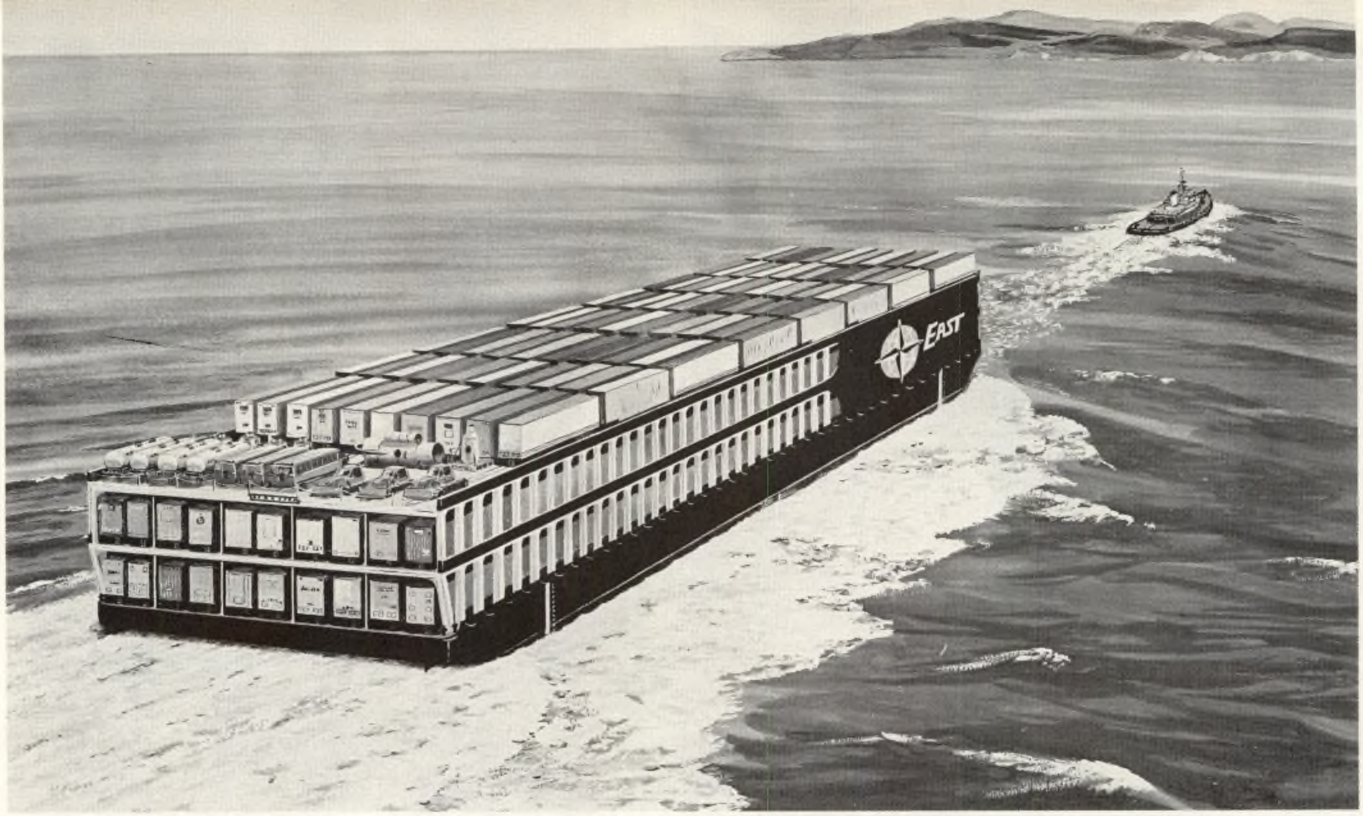


U.S./CANADIAN VENTURE

Triple-Deck RO/RO Barge Which Carries 266 Trailers Will Enter Europe/Near East Trade in August

Crowley Maritime Corporation and Canadian firms in joint venture between Marseilles and Persian Gulf. Lykes will carry containers and heavy equipment from U. S. for transshipment.

A new ro/ro service between Marseilles and Saudi Arabia, using a giant new tri-deck barge capable of carrying up to 266 trailers at a time, will be started this summer by Global Transport Organization, an international joint venture group including Crowley Maritime Corporation.

Thomas B. Crowley, president and chairman of Crowley Maritime Corp., described the new service in an address to the Propeller Club of Jacksonville May 21.

Crowley Partners. Joining Crowley Maritime in the undertaking are Federal Commerce Ltd., an extensive Canadian-based shipping organization; and Seaspan Overseas Ltd., one of Canada's 25 largest industrial companies with a marine division that includes the largest tug and barge operation in Canada.

Arabian Service. Euro-Arab Sea Trailer Service (EAST), as the new service has been named, is the most radical example yet of the "ocean highway" concept of

Thomas B. Crowley

ro/ro barge service pioneered by Crowley Maritime in Alaska and the Caribbean.

Capable of handling any kind of container in use, as well as all kinds of heavy equipment, vehicles, etc., EAST is designed to link the road and rail system of Europe with the cross-country highways of Saudi Arabia by means of a direct connection between Marseilles and the Red Sea port of Yanbu, via the Suez Canal.

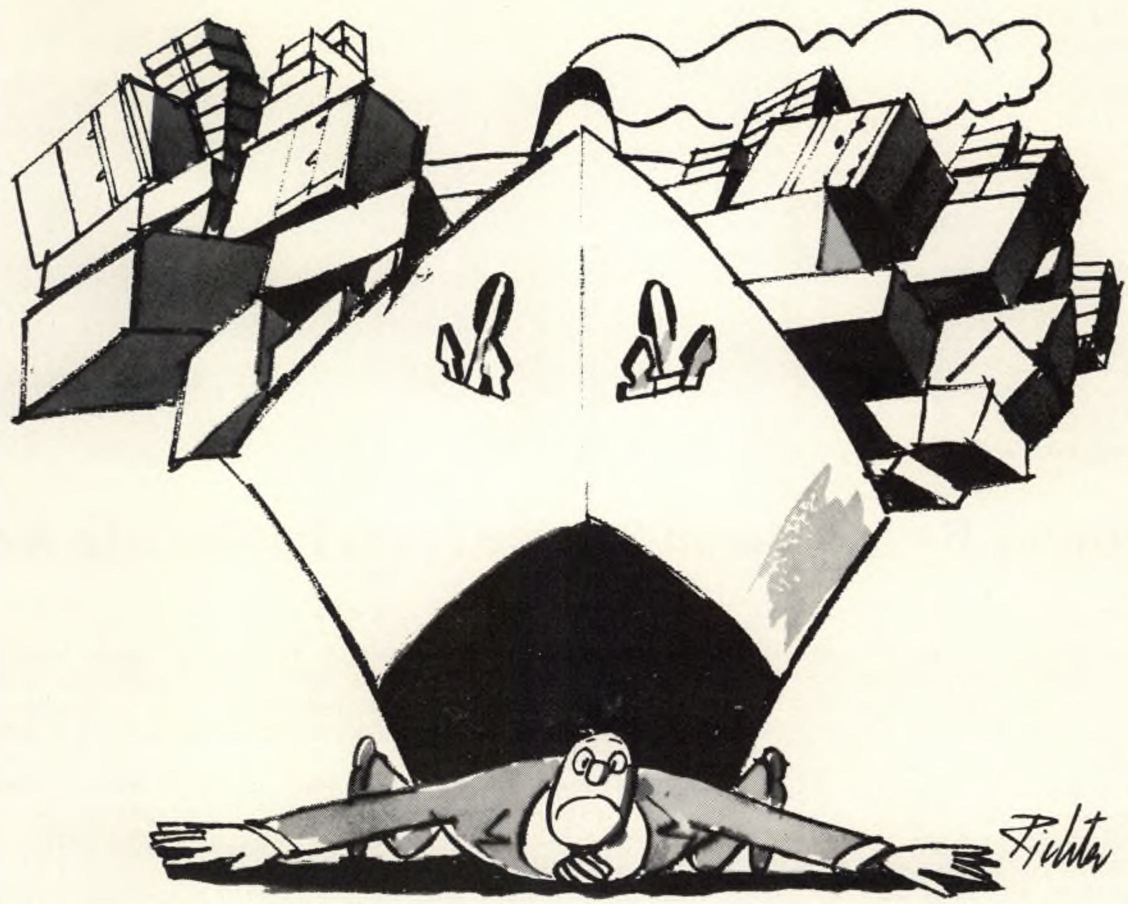
Scheduled to start in mid-August, the new service will offer a through bill of lading from all European points of origin to Yanbu. EAST will use its own trailer and container equipment of all types, which will be pooled in locations throughout Europe, and will also receive shippers' equipment.

Transit time from Marseilles to Yanbu will be ten days. Initially, sailings are scheduled for every three weeks; the planned addition of another barge will increase frequency to every ten days. EAST will offer shippers from most points in Europe a maximum 17-day delivery time to most points in Saudi Arabia. A private trucking firm will distribute trailers and containers throughout Saudi Arabia and the Middle East.

Triple-Decker. The triple-decked barge featured in the new service is yet another example of the kind of innovation that has made Crowley Maritime perhaps the leading tug and barge operator in the world. Constructed at a Korean shipyard and launched May 25, the first giant barge measures 400 ft. by 105 ft., offering more space than a football field on each of the three decks. Maximum capacity will be 266 40-ft. trailers.

In spite of the awesome capacity, the inherent simplicity of the ro/ro system will enable EAST to load and discharge a full load of 266 trailers or other equipment in less than eight hours. The triple-decker will be towed across the Mediterranean by the same 10,000 HP tugs used by Crowley Maritime in the Caribbean and Alaska.

A triple-decker is also in the future for the Jacksonville-Puerto Rico service, to be constructed in Houston's Todd Shipyards, with delivery tentatively scheduled in about a year. Two new double-decked barges, each with a



Three big, heavy loads Port Everglades takes off your back and off your mind.

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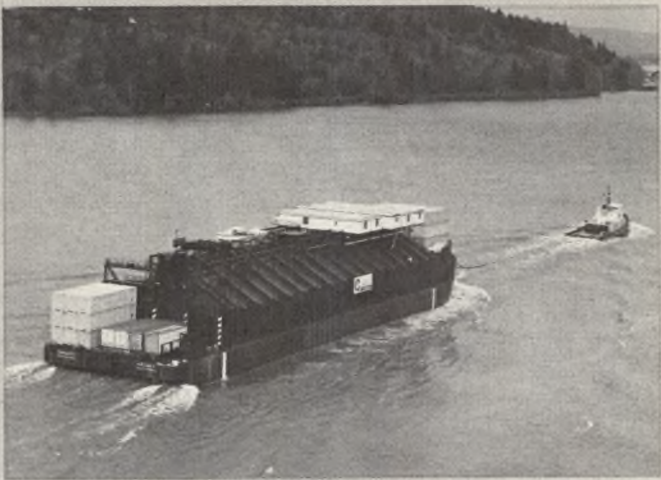
2. The transhipment problem. Port Everglades is enviably equipped for transferral from deep to shallow draft ships, and ideally situated to serve major Caribbean and South American ports, as well as a number of America's fastest-growing domestic markets. Also, Fort Lauderdale-Hollywood International Airport is within a mile of our front gate. And rail, road and barge facilities are based right here.

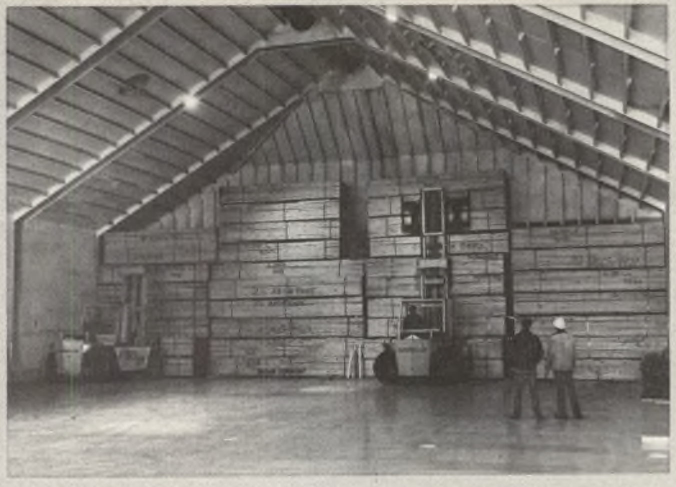
3. The storage pinch. In addition to 11 acres of dry, fire-resistant, secure undercover warehouse space, Port Everglades has more than 150 acres of open container, trailer, automobile and bulk-cargo storage.

In short, whatever it is that can make your life easier, and your profit picture brighter, Port Everglades has it. Or we'll bend over backwards to get it for you.

Proof? Just phone our Port Director, Paul D. deMariano now, at 305/523-3404. Or cable: PORTGLADES. Port Everglades Authority, Port Everglades, Florida 33316.

Port Everglades
The take-a-load-off port.





Crowley Begins Barge Service From Portland to Alaska

A new two-way trade link between Alaska and Oregon opened when the barge "Oregon" left Portland on its maiden voyage to Seward, Alaska.

The barge is one of three being built in Portland as part of a unique arrangement between the port, Northwest Marine Iron Works, builders of the barges, and Pacific Alaska Line, Inc. (PAL), a division of Crowley Maritime Corporation, owners. Two of the three barges will be used exclusively for Pacific Northwest-Alaska trade.

The Oregon was towed to Seward by the new tug "Commander," a 9,000 HP vessel built for Crowley at the R. J. McDermott shipyard in Oregon City, La. A new sister tug to the Commander will tow the "Alaska."

Transit time from Portland to Seward, or other Alaskan ports of Anchorage and Fairbanks, is seven to eight days.

Among other cargo the fully-loaded Oregon sailed with 2.5 million board feet of lumber, 500 tons of plywood, 1,000 tons of asbestos and concrete sewer pipe and a number of earth-moving vehicles.

The second barge, Alaska, is expected to be finished early next fall. The first section of the barge was recently completed and moved outside at the barge building facility at the port of Portland's Swan Island Ship Repair Yard.

Northwest Marine Iron Works and the port formalized an agreement in October, 1974 to provide the barge building facility at the ship repair yard. Total cost of the project was $720,000, the majority of which will be amortized by Northwest over the 36-month period of the contract with PAL.

On its return trip to Portland, the 80-ft. by 400-ft. barge Oregon will carry 12,000 tons of urea to be delivered to Collier Carbon and Chemical Corporation in Portland's Rivergate Industrial District. PAL and Collier have a 15-year contract for once-a-month delivery of urea.

capacity of 180 trailers, will be put into service first.

Transshipping From U. S. Lykes Bros. Steamship Company, under a transshipping arrangement with EAST, will convey containers, equipment and other cargo from U.S. Gulf ports to Marseilles. There containers will be put on chassis and rolled aboard EAST barges. Preferential berthing at Yanbu and the quick discharge of ro/ro cargo will avoid the one to three-month delay now common at some congested Middle East ports.

No Limits. Experience and success in worldwide operations have convinced Crowley that the ro/ro barge can compete successfully with any other form of marine transportation. While he concedes that big, fast containerships provide the ultimate in stiffest competition, Crowley points out that they must operate at close to maximum capacity to be profitable—not true for the ro/ro barge.

Nor does he accept any limitations of distance on a successful barge operation, citing the success of Crowley Maritime's Alaska operation from Seattle to Prudhoe Bay—a distance of more than 3,500 miles.

Referring to Jacksonville as an "ideal gateway," Crowley told the Propeller Club that it would play a major role as the company expands its Caribbean operations through Trailer Marine Transport (TMT).

TMT, which was acquired by Crowley Maritime in 1974, operates ro/ro barge service to Puerto Rico from Jacksonville; earlier this year the service was expanded to include the Dominican Republic and the Virgin Islands.

More Caribbean Ports. Calling the $4 billion-a-year Puerto Rican market "only the beginning," Crowley said the company's long-range plans include expanding the Caribbean service to include Central America, Venezuela, Haiti and other Caribbean islands as trade developments justify it.

"The entire Caribbean has the potential of becoming our back yard through this great port city," Crowley told his Jacksonville audience.

Innovation and the willingness to become involved in new and challenging undertakings were both responsible for Crowley Maritime's initial involvement with Jacksonville and TMT, Crowley pointed out in a brief history of company operations.

Founded by Crowley's father before the turn of the century in San Francisco, the still privately-owned Crowley Maritime Corp. expanded to other Pacific ports as its towing business grew. Over the years, the company pioneered the transportation of bulk petroleum by barge on the Pacific Coast, developed a fleet of tour boats and a shipyard and repair business in Oakland.

Alaskan Operations. Crowley said the company has been involved in Alaskan operations since the late fifties, first as a supplier for the DEW (Distant Early Warning) Line, and later as a common carrier. In 1963 Crowley Maritime started the Alaska Hydro-Train service between Seattle and Whittier, Alaska, transporting railroad cars on hugh ro/ro barges.

In 1968 the company was one of the first in the transportation field to become involved in the development of the North Slope oil fields, delivering nearly 170,000 tons of pipe and other supplies by barge—all within a six-week period.

When the Alaska pipeline was halted by environmentalists, Crowley Maritime found itself with several 400 ft. by 100 ft. barges and powerful new tugs on order for the anticipated demand and nowhere to use them.

TMT Acquired. "A satisfactory alternative was negotiated by chartering our new equipment to one of the most successful bankrupt companies in the history of this country," Crowley joked, "TMT Trailer Ferry."

He explained that Crowley Maritime had selected the Caribbean and the Puerto Rican trade as the most suited to the ro/ro barge concept. It acquired TMT in 1974, introducing the double-decker barge—considered another radical Crowley innovation—in 1975.

In 1974 the Alaska pipeline project was reactivated, and Crowley Maritime elected to honor both its Alaskan and Caribbean commitments.

The result was one of the most challenging operations in marine transportation history, and one of its most impressive achievements. Last summer, Crowley Maritime delivered 47 bargeloads of equipment to Alaska, despite unusually severe ice conditions north of the Bering Strait.

Breaking Ice. Crowley said as the summer proceeded, it looked as though the ice would thwart the operation. "But finally in September the ice opened as far as Barrow, and we were able to go inshore the rest of the way," Crowley said. "We broke ice all the way to Prudhoe Bay, taking five days to cover the last 150 miles."

The supplies and equipment were delivered, but the ice closed, trapping 25 barges at least until next fall, Crowley said. Two were broken in half by the ice, but the rest seem to be all right, he added.

Crowley Maritime will continue to test its ability to innovate and meet the competition as it expands operations in the Mediterranean, the Caribbean, Alaska and elsewhere.

"Our long-range plans," Crowley told the Propeller Club, "are to continue to Serve Alaska as a common carrier and at the same time to continue our deep involvement in the Caribbean through the port of Jacksonville."

Prudential Representative Now Based in Norfolk, Va.

Pratt D. Phillips III has been named a sales representative for Prudential Lines in North Carolina, Tennessee and Virginia, with headquarters in Norfolk.

New Computer System Lets Shipper's Fingers Do the Dialing for Instant Charter Data From Around the World

Now shippers in 21 countries around the world can pick up the phone 24 hours a day and get instant information—supplied by internationally recognized shipping organizations—on charter rates, vessel characteristics, ship casualties, etc., via a new computer system.

"The Marine Information System" (MIS), developed by Marine Management Systems of Stamford, Conn., was unveiled and demonstrated at a news conference atop the New York World Trade Center May 20.

Eugene D. Story, president of Marine Management, told a group of press, marine industry and government representatives that the system provides public data normally used by shipping company managements for instant problem evaluation and decision-making.

MIS was placed into operation in recent weeks after undergoing more than four years of development. The service is now available 24 hours a day to subscribers in and near the major maritime centers of North and South America, Europe, Australia and the Far East.

Single Source. "The need for such a worldwide system has been apparent for some time," Story said. "Until now, frequently used marine industry data has not been available through any single source, and usually information was obtainable only from publications and seldom up-to-date."

Data supplied by the new system is only that classified as "public information," he pointed out. Included is technical information about every commercial vessel in the world over 4,000 gross tons, daily charter fixture data, tanker casualty data, and other data.

MIS provides "the only complete, direct-access marine data available anywhere today," Story said.

Participating Agencies. Among the international agencies supplying data for MIS are American Bureau of Shipping, Lloyd's Register of Shipping, and Det Norske Veritas, internationally recognized ship classification societies which establish standards for the design, construction, and seaworthiness of ships. They will also be maintaining ship data for the new system.

Joachim Grieg & Company (of Norway) is supplying data from their files on charter fixtures; Tanker Advisory Center, information on tanker casualties; and Fairplay Publications Ltd. (of London), information on new ships on order.

MIS will be expanded in the future to cover ports, ship purchase and sales, and other industry data.

How MIS Works. A keyboard terminal device is used by the subscriber in his office to obtain marine information desired. The user dials a local phone number to link the terminal "on line" with the system, and types "requests" for an instant printout or readout of the information wanted.

An oil firm wanting to charter a ship, for instance, can "search" the charter fixtures file for the latest rates on all vessels within a certain size range, the ship characteristics file for specific data on the vessels, and the casualty file for reported vessel problems.

MIS service is available at the present time in 21 countries, including the U. S., Canada, Puerto Rico, England, Ireland, Sweden, Denmark, Netherlands, Belgium, Austria, Finland, West Germany, France, Italy, Spain, Japan, Mexico, Norway, Switzerland, Australia, and Brazil. Other countries are to be added later.

Via Satellite. MIS utilizes General Electric's Worldwide Information Services Network, heart of which is a computer in the Midwestern U. S. Linkup with GE's computer from overseas points is via communication satellites.

PFEL Adding 2 RO/RO Ships for Middle East From U.S. East Coast

Pacific Far East Line (PFEL) will purchase one U. S. flag ro/ro ship and charter another for use in its trade between the U. S. East Coast and the Middle East, it was announced by John I. Alioto, president of the San Francisco-based steamship company.

PFEL signed a memorandum of understanding with Sun Ship Building & Dry Dock Company of Chester, Penn. to buy the Westward Venture, a U. S. flag ship and for the 18-year charter of the El Taino, a second ro/ro vessel.

Sal P. Taratino, executive vice president of PFEL, said the vessels would be used to complement PFEL's LASH service to the Persian Gulf, utilizing the company's exclusive Bushire terminal in Iran.

NMC's Richardson: Small Shippers Need Long View of Russian Rate Cut Motives

Small shippers play a big role in perpetuating the most serious threat to the U. S. maritime industry—the predatory rate practices by the Russian and other state-owned shipping lines that are threatening to drive American flag and other national lines out of business.

That's the view of Paul Richardson, chairman of the National Maritime Council and vice chairman of Sea-Land Services, Inc.

Big Shipper Support. Richardson and other members of the Council's Shippers Advisory Group attended a meeting May 14 in New York with some of this country's largest shippers—giant corporations like Montgomery Ward, du Pont and Sears—to drive home the seriousness of the problem. But Richardson says that, by and large, the major shippers are more sympathetic and supportive of the American shipping industry than in the recent past.

"The council has made tremendous progress in winning the big shippers in this country over to our cause," he said. "A few years ago many of them were shipping less than 10% of their traffic in American flag ships. Now Jackson (Wilton B. Jackson, export/import manager for du Pont), says that his company is currently using American ships for 45% of its traffic. That's much better, but it doesn't compare to the Japanese, who use their own lines for about 80%.

"The Russians got into these shipping markets several years ago with just one objective: to pick up hard currency," Richardson said. "And they have proved that they will do anything necessary to do it; if cutting rates 15% doesn't do it, they cut 20%, or 30%.

"American lines can't compete with shippers who have no need to make a profit. Neither can other national lines for that matter; the British, Germans and Japanese are in the same situation. The Germans, particularly, have been much more vocal in their opposition to Russian practices than we have," he said.

Small Shippers. Richardson says that the multitude of small shippers and freight forwarders, who are concerned about nothing other than getting the best shipping deal today, are helping to drive American and other national lines out of business.

"These people are failing to take the long view. What do they think will happen to world trade when the Russians are the only lines in business?"

Other national lines have an advantage, he added, because of the shippers' councils active in their countries. Such groups can determine to a large extent how cargo is going to be shipped, but they are not permitted in the U. S. because of their monopolistic nature.

"Other countries are considerably more nationalistic on this issue than we are," Richardson said, "especially the Japanese, who use their own lines for 80% of the cargo shipped."

"Third Flag." The current best hope for the American maritime industry is the "third flag" legislation pending in Congress, which would have the Federal Maritime Administration evaluate shipping rates, rejecting those demonstrated as unjustifiably high or low.

Richardson said the big shippers can now support the amended version of the legislation, which excludes the independent lines not belonging to any conference, but adds that passive support isn't enough.

"We told them at the New York meeting that we'd like to see support of the revised version at least as active as their opposition to the previous version," he said.

New NMC Role. The National Maritime Council is in a transition stage, Richardson says, and stepped-up political activity is only one facet of the changing role.

He credits the organization—composed of representatives of major American lines and shipbuilding companies, the maritime unions and related government agencies—with unifying the industry.

"When the NMC came into being back in 1971," Richardson said, "American shipping was too busy fighting itself to do much of anything else. That's changed now."

Richardson says the time has come to take the American maritime industry's case to the people, since public support is absolutely necessary to solve the problems facing it. A major campaign to put forth the new unified image is in the offing. The campaign will include slide shows, presentations and publications to counter the false myths prevalent about the role of the U. S. Merchant Marine and other sectors of our maritime industry.

The council's campaign will eventually get down to the grass roots level, Richardson said, but for the time being it will concentrate on the decision makers in Washington. The council has its work cut out for it.

"We commissioned a poll of Washington legislators and media people recently, and it confirmed something we've known all along," Richardson said. "Many of them are convinced we don't need a merchant marine at all."

TO PORT EVERGLADES

Seatrain Barge Feeder Service Along Southeast

Seatrain Lines inaugurated a barge feeder service May 3 between Charleston and Port Everglades.

The barge service shuttles containers from Europe destined for the south Florida area down the Intracoastal Waterway to the Fort Lauderdale port. Containers from south Florida destined for Europe follow the reverse procedure.

Robert J. Murphy, Jr. of Atlanta, director of operations for the South Atlantic and Gulf of Seatrain's Container Division, said the barge will call at the two ports every 14 days.

The barge has the capacity of carrying 36 40-ft. containers. If the volume of business warrants it, another barge will be added to the service, Murphy said.

The new service will mean that about 72 more containers will be handled every two weeks at the Charleston facility, Murphy said.

The Seatrain barge was loaded in Charleston for shipment to Port Everglades.

Prior to the establishment of the barge service, Seatrain conducted a feeder service between Norfolk and Port Everglades using its containership Transindiana.

However, because the 643 container capacity ship is used to supply the Navy base at Guantanamo, Cuba from Norfolk and also is being utilized to expand service to Puerto Rico, there was no time for it to call at Port Everglades, Murphy said.

Seatrain hadn't actively sought business for Europe at Port Everglades because of this situation, the shipping official said. But with the inauguration of the new service, Seatrain will be active in soliciting business from this south Florida port, Murphy said.

"We're going after that business now," he said.

N. Y. Maritime Association Elects New Officers

Installation of new officers of the Maritime Association of the Port of New York was held in a brief ceremony at the World Trade Club May 27. They are: President–Eric Guy de Spirlet, president, Belgian Line; Vice President–Charles T. O'Neill, president, Jaton Environ Inc.; Treasurer–John B. Burguieres, director of marketing, Todd Shipyards Corporation.

Does Minibridge Pay Its Way? McCormick of Lykes Says No, Calls for More Prudent Rates

Claims present policies are a sure road to bankruptcy later down the road unless carriers keep in mind the long-term costs for debt retirement and replacement of equipment. FMC, however, does not require individual rates to be compensatory so long as the tariff as a whole covers costs.

Does minibridge pay for itself? The debate goes on.

One minibridge operator is not at all certain that the answer is yes. Lykes Assistant Vice President Eugene F. McCormick claims: "There is, unfortunately, no evidence to support any logical pricing discipline by minibridge operators, rather, the reverse is true."

McCormick goes on to say that minibridge pricing is "short-term" in nature, ignoring long-term costs for maintenance, repair, debt retirement, and the replacement of equipment.

The Federal Maritime Commission (FMC), charged with the regulation of ocean carriers' rates, requires that these rates be compensatory—although if the overall rate structure is compensatory, a particular tariff does not have to be.

The FMC insists on compensatory rates mostly as a device to discourage "predatory" rates, designed to force competitors out of business. As yet, the commission does not believe minibridge rates are predatory.

This does not mean that FMC believes the rates are compensatory. Presumably, FMC feels that minibridge operators are not using unfair means to attract cargo because minibridge through rates are approximately equal to competing all-water rates.

Public Costs. However, according to McCormick, minibridge will cost the U. S. By cutting U. S. "outports"—as well as Gulf and Great Lakes ports—out of foreign commerce, minibridge could end up costing shippers and consumers a lot more than the quoted tariffs. Under-utilized port facilities would not only place a heavy burden on taxpayers, but would tend to discourage further investment and innovation.

Concentration of shipments to a small number of ports would lessen inter-port competition, and could lead to a situation of ever-increasing port charges. Under-utilized port facilities would also put an upward pressure on port charges. These increased charges would probably be passed on to the shipper.

Other public costs that could result from this situation would be declining employment and per capita income in port cities—producing a serious drag on the economy—and a decline in the effectiveness of our defense logistics network.

McCormick claimed that Gulf Coast and Great Lakes ports, in addition to the Lykes Bros. line itself, "have already experienced the impact of declining tonnage, artificially diverted by minibridge."

The basic question FMC policy makers are now facing is whether or not minibridge's advantages outweigh these effects. In deciding this issue, the question of the future course of minibridge rates will be critical.

Carriers' Costs. The future course of minibridge rates depends very largely on current pricing policy. If, as McCormick claims, long-term costs are not being met at the rates quoted today, then minibridge tariffs will have to be revised. As the long-term costs become more and more pressing, rates will be forced upward.

McCormick also said that, "Ocean carriers are pricing their minibridge services for some commodities as much as 20% below their all-water services from the same coastal zone. The retention of revenue by ocean carriers, after payment of rail divisions, in almost every case is less than the ocean carrier is deriving from local cargoes being loaded aboard the same vessels."

Minibridge operators obviously feel that the volume—or potential volume—of minibridged cargo is high enough to outweigh this disadvantage. Still, McCormick's claim does seem to rebut some minibridge operators' assertions that minibridge rates are compensatory.

FMC has not yet investigated the disparity between local zone returns and minibridge returns to the ocean carrier because (1) it does not believe minibridge and all-water rates are strictly comparable, and (2) because the disparity is not yet large enough to raise suspicions that minibridge rates are too low to be compensatory.

How It's Priced. Minibridge through tariffs are generally set at the same level as those of all-water routes. Pricing departments obviously must keep competitors' rates in mind while setting their own tariffs. But this method of setting rates cannot insure that all costs are met–especially as minibridge and all-water costs differ–nor can carriers be sure of filling their ships.

Because an empty or partly empty ship is very costly to a liner service, "incremental cost pricing," designed to fill the ship by meeting only the "marginal" cost of transporting an additional unit of cargo, is used to set some rates.

This results in a lower rate for the shipper, and, if the ship is nearly full, a reasonable return to the carrier. Over a long period of time, however, this type of pricing may well result in an ever-widening gap between a carrier's unit costs and unit revenues.

The carrier's return in this situation depends on limiting the number of commodities shipped at these rates, and on his being able to meet his operating and fixed costs with other revenues. If he can do neither of these, then the gap between costs and revenues will increase, so that revenue, and hence tariffs, will have to rise.

The strategy of incremental cost pricing, widely adopted, will work if minibridge traffic grows decidedly. Because many minibridge operators are not conference members, rate adjustments are relatively easy, but even so, a poor pricing decision cannot be changed very quickly.

A Prudent Rate? A prudent rate for minibridge would require that both immediate operating costs and longer term fixed costs be met at some reasonable, predicted volume of traffic. Minibridge operators have several advantages in setting prices, including freedom from the cumbersome restrictions of conference rate setting as well as the opportunity to absorb costs in other tariffs.

Eventually, however, minibridge operators will have to account for all their costs in their tariffs, or else risk going bankrupt.

The question of accounting for the social cost of declining tonnage in many ports, a lower demand for longshore labor, and possible concentration of foreign commerce in the hands of a few, highly capitalized, carriers can only be dealt with by FMC. However, FMC would have to make a substantial departure from current practice, moving to a much more active regulation.

But the evaluation of this social cost would be next to impossible, and at best FMC could only try to divert cargo from minibridge by requiring unreasonably high tariffs. Ultimately, the social cost may be best minimized by prudent, cost-meeting tariffs made by the carriers themselves.

Delivery Costs by Tanker Size

TANKER SIZE	45,125 dwt	72,886 dwt	95,641 dwt	131,350 dwt	249,231 dwt
Draft	38.4 ft.	41 ft.	45.6 ft.	54.8 ft.	65.6 ft.
Total Daily Cost					
(A) At Sea	$13,658	$17,517	$21,566	$25,459	$40,520
(B) In Port	10,821	13,763	16,885	20,693	33,693
Cost of Average Voyage (14 Days)	$191,212	$245,238	$301,924	$356,426	$567,280
FREIGHT COST					
(Per Dwt)	**$4.24**	**$3.36**	**$3.16**	**$2.71**	**$2.28**
(Per Barrel)	**.61**	**.48**	**.45**	**.39**	**.33**

OPTIMUM SIZE

45 to 52-Ft. Harbor a Must for Tanker Savings, British Report Demonstrates

Economy of scale begins to flatten out after ships pass 75,000 dwt to 100,000 dwt class. Vessels of this size normally require depth of 45 to 52 feet for safe entry to harbors.

Ports with significant oil or other bulk traffic need a minimum harbor depth of 45 to 52 feet to take advantage of the substantial savings to be had in tanker transportation, given current trends and conditions. With oil refineries, they need more.

That's one of the main conclusions supported by a shipping report (No. 308) recently published by Westinform Services, the British maritime research organization.

Entitled "Increasing Vessel Size: Shoreward Costs, Seaward Savings," the 64-page report examines the cost considerations of the trend to ever larger vessels–specifically tankers and dry bulk carriers–working long haul ocean routes.

Part of the report deals with the relative cost advantages of the tanker vs. the supertanker, and thorougly documents its finding on the relative merits of the vessels.

A supertanker in the 250,000 dwt class, for example, can deliver oil for about half the cost-per-barrel of a tanker in the 50,000 dwt, according to calculations using Westinform's data.

But a tanker that size, fully loaded, has a 65-ft. draft, which allows only the relatively few deep-water ports to take full advantage of the supertanker's economy–or those equipped with offshore loading or other special facilities. Use is generally limited to carriage of crude oil from oil fields to refineries.

Dramatic Savings. However, Westinform's report noted that the cost advantages of tankers level out quickly in sizes larger than 100,000 dwt. The most dramatic drop in freight cost per ton, the report said. occurs in the 75,000 to 100,000 dwt size range.

Computed on an average voyage of 14 days, again using Westinform's data (see table), it can be shown that a 100,000 dwt tanker can deliver oil at a savings of 25% over a 50,000 dwt tanker.

45-Ft. Minimum. Tankers in the 75,000 dwt to 100,000 dwt class have drafts ranging from 45 to 52 feet, making a harbor depth in that range the optimal minimum for the most economical shipping and receiving of oil and other bulk products, the study confirmed.

Factors favoring the larger tankers include cost of construction, which is less per dwt as size increases, and operating and fuel costs, which also drop proportionally as the size of the tanker increases.

However, the cost advantages of all three factors level out rapidly over 100,000 dwt, Westinform reported. "As expected, the graphs level out for the larger sizes, showing the savings in freight cost per ton are less, in absolute terms, for the same increase in deadweight."

Length of voyage, the report said, is the crucial factor in supertanker economy cost, which depends on long hauls to and from deep-water ports or special facilities.

Westinform's comprehensive report also provides an analysis of the increased cost of shore facilities required to accommodate the larger, more economical vessels–including dredging, berthing and other port expenses.

The cost data included in the report has been derived from a cross section of worldwide port development projects, and specific project case histories have been included in appendix form.

The report is available from Westinform Service, 9 Cork St., London W1X 1PD, Eng., Cable: WESTINFORM LONDON.

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NAVIERAS de PUERTO RICO

Phosphate Shippers and Major Carrier Agree on User Tax Concept for Tampa; New Direction in U.S. Port Financing

Phosphate shippers want 43 feet of water in Tampa harbor and they are willing to help pay for it—$2.5 million over the next five years toward the environmental costs of the $120 million federal deepening project.

Such private industry participation would be an unprecedented move, one that could make Tampa the forerunner for a completely different system of financing harbor projects in the U. S.

"User Tax." The new system would not be a new idea, but an old one whose time has perhaps come: the "user tax," or in plain English, a toll. It's always been a dirty word in maritime circles; but the last few years the logic of a toll to finance harbor improvements has begun to appeal to shippers and carriers both, although most still prefer to call it something else.

Admittedly, Tampa is something of a special case among ports. The eighth busiest in the nation, Tampa is a bulk cargo port with 97% of its annual tonnage in phosphate, petroleum, coal and dry and liquid chemicals. In 1975 phosphate accounted for just under half of Tampa's total tonnage.

While all other ports in the top ten have at least 40-ft. harbors, Tampa has struggled along with a mere 34 feet of water—a sizeable handicap to shippers and carriers both, since even modest-sized bulk vessels cannot be loaded to capacity, lowering both shipping efficiency and cargo revenues.

In 1970, Congress authorized a 43-ft. harbor project for Tampa; the price tag: over $100 million. But federal projects are never funded in a day, and the first funds for Tampa's harbor were not appropriated until 1974. Here in the middle of 1976, with the first dredging contracts under way, the revised cost of the 43-ft. channel stands at $120 million.

$5 Million Needed. Tampa's share of the tab, including the cost of protecting Tampa Bay with diked spoil islands, comes to $5 million. In the past the Tampa Port Authority, which does not have that kind of money, had explored the possibility that the phosphate industry and other big port users might voluntarily contribute to the project, as a cost of doing business. No agreements were ever reached, however.

With no definite commitment from private industry, and the $5 million tab for environmental expenses threatening

to stall the project, Tampa Port Authority had few alternatives for raising the needed funds.

One possibility was to raise the rent on its leased property. But while this approach would have hit a variety of TPA tenants, it would have reached comparatively few of the big shippers who would benefit most from the 43-ft. channel.

Rather than pursue this inequitable method, TPA instead requested that the legislature grant a quarter mill tax levy on Hillsborough County (Tampa) property for a period of five years to raise the $5 million.

Property Tax. The legislature, leery of the political hazards of taxing home owners to pay for port improvements, granted the request—but only on the condition that TPA use every means at its disposal to persuade the private sector to pay its share of the costs. The tax levy allowed the project to go forward, but the legislature was hoping that it might be rescinded if private industry came through with support.

Hillsborough County Representative Lee Moffitt was one of those who saw that TPA had the carrot—the 43-ft. channel badly wanted by all the big shippers—but not the stick. To provide the latter, he drafted a bill giving TPA the authority to impose a user tax on port customers.

At this point, private industry realized that a user tax, discussed and debated for so long, was an idea whose time had arrived.

Phosphate Pledge. The phosphate industry, as the biggest user of the port, was the first to stand up and be counted. On April 12 the Florida Phosphate Council announced that all its members who ship through the port of Tampa were ready to contribute toward the $5 million environmental costs.

Based on port records showing that nearly half of all 1975 tonnage was either phosphate or phosphate products, the industry pledged $2.5 million over the next five years.

"The industry has supported efforts to improve the port as a beneficial aspect of the general business and industrial climate of this part of Florida, and today's commitment is further evidence of this," said Homer Hooks, executive director of the council. "We are unanimous in making this proposal to the Tampa Port Authority."

The industry's move was not only timely and positive, it was strategically sound as well. The forthright attempt to comply with the objectives of the legislature not only warded off taxpayer resentment, it also gave the phosphate industry the initiative in establishing just what the rate of the "special environmental assessment"—as it was being called—will be.

The volume of phosphate products passing through the port of Tampa in 1975 totaled just over 20 million tons. So the industry's offer of $2.5 million works out to just 2.5 cents/ton—hardly enough to faze a booming industry like phosphate.

Exports of U. S. phosphate rock have been growing at the rate of 10% a year, according to a recent study by Predicasts, a Cleveland research firm. Total phosphate shipments worldwide are expected to quadruple by 1985, to a projected $9 billion, from the 1972-74 level of $2 billion.

The phosphate council's $2.5 million offer, however, was made on the condition that other shippers through the port of Tampa be assessed for the other half of the necessary $5 million. "We think it only fair and right that a special levy of this type should apply to all tonnage moving in and out of the port," Hooks said in the council's April 12 statement.

Small Users Against. That position posed another problem for TPA. While other bulk shippers might well go along with the user tax plan, most of the smaller general cargo shippers—many of whom use nothing deeper than a banana boat—opposed the concept.

Their opposition has continued despite the insignificance of the proposed 2.5 cents/ton rate. (An editorial in the Tampa Tribune pointed out that the tax on all the fresh citrus shipped from the port in 1975, for example, would have only come to $3,417.) The traditional maritime opposition to tolls—the loss of competitive advantage in servicing certain ports, the precedent for future taxation, etc.—dies hard.

As April turned to May, Tampa civic leaders were enlisted to resolve the conflicting views. A decision now appears imminent by TPA to leave general

VESSEL USAGE REQUIRED TO PAY OUT $102-MILLION 44-Ft. TAMPA PROJECT

Typical Vessel	Draft	Beam	Est. TPI	Added Ship's Revenue	Ship's Toll	Required Vessels/Year	Annual Tonnage Needed To Generate Adequate Toll Revenues to Port	Impact on Delivered Cost Per Ton Of Phosphate Product
26,250 dwt bulk	36 ft.	75 ft.	50	$ 7,200	$ 2,400	2,783	73,053,750 tons	—nil—
29,500 dwt bulk	36 ft.	85 ft.	100	14,400	2,400	2,783	82,098,500 tons	25¢ per ton
38,000 dwt bulk	38 ft.	100 ft.	100	28,800	4,800	1,392	52,896,000 tons	35¢ per ton
60,000 dwt bulk	41 ft.	104 ft.	200	100,800	9,600	696	41,760,000 tons	$1.25 per ton
80,000 dwt bulk	44 ft.	120 ft.	225	162,000	12,000	556	44,480,000 tons	$1.75 per ton
80,000 dwt tanker	44 ft.	120 ft.	225	81,000	12,000	556	44,480,000 tons	N.A.

Annual Charges against project: $6,680,000

Assumed Charter hire rate: $6 per ton for phosphate; $3 per ton for oil

cargo shippers out of the user plan entirely—concentrating on the bulk cargoes which make up over 90% of the port's business.

At press time, TPA Managing Director Guy Verger said that despite some problems which must still be worked out—how and where any tonnage assessment would be collected, for example—a voluntary agreement between the big bulk shippers seems the most likely solution to the problem. Representative Moffitt has not introduced his user tax legislation, which may prove unnecessary after all, should discussions between TPA and the big shippers prove fruitful.

Carrier Toll. The idea of financing harbor improvements with a toll charge may still strike some maritime interests as a radical move, even though the practice is common enough in foreign ports.

An even more radical approach—namely, financing the entire harbor deepening project, $120 million as opposed to the mere $5 million environmental costs, by means of a toll on ships—was suggested by one steamship operator back in 1970, when Tampa's 43-ft. project had just been approved.

The Norwegian shipping official, while voicing a personal position, nevertheless maintained that the majority of other steamship operators engaged in the Tampa phosphate trade would probably agree with him, said in an interview:

$100 Per Inch. "I don't see why you wait around for the federal government to do these things. Why don't you go ahead and do the work yourself and charge us (steamship operators) $100 per inch for every inch we draw over 34 feet. I would be very happy to pay it."

What on face value seems like an astonishing proposal for an operator to make becomes quite reasonable when the economics of bulk cargo shipping are examined more closely. Upon examination, it was demonstrated at the time that even a modest-sized cargo ship calling on Tampa could expect to make an additional $650 for every $100 paid out in tolls.

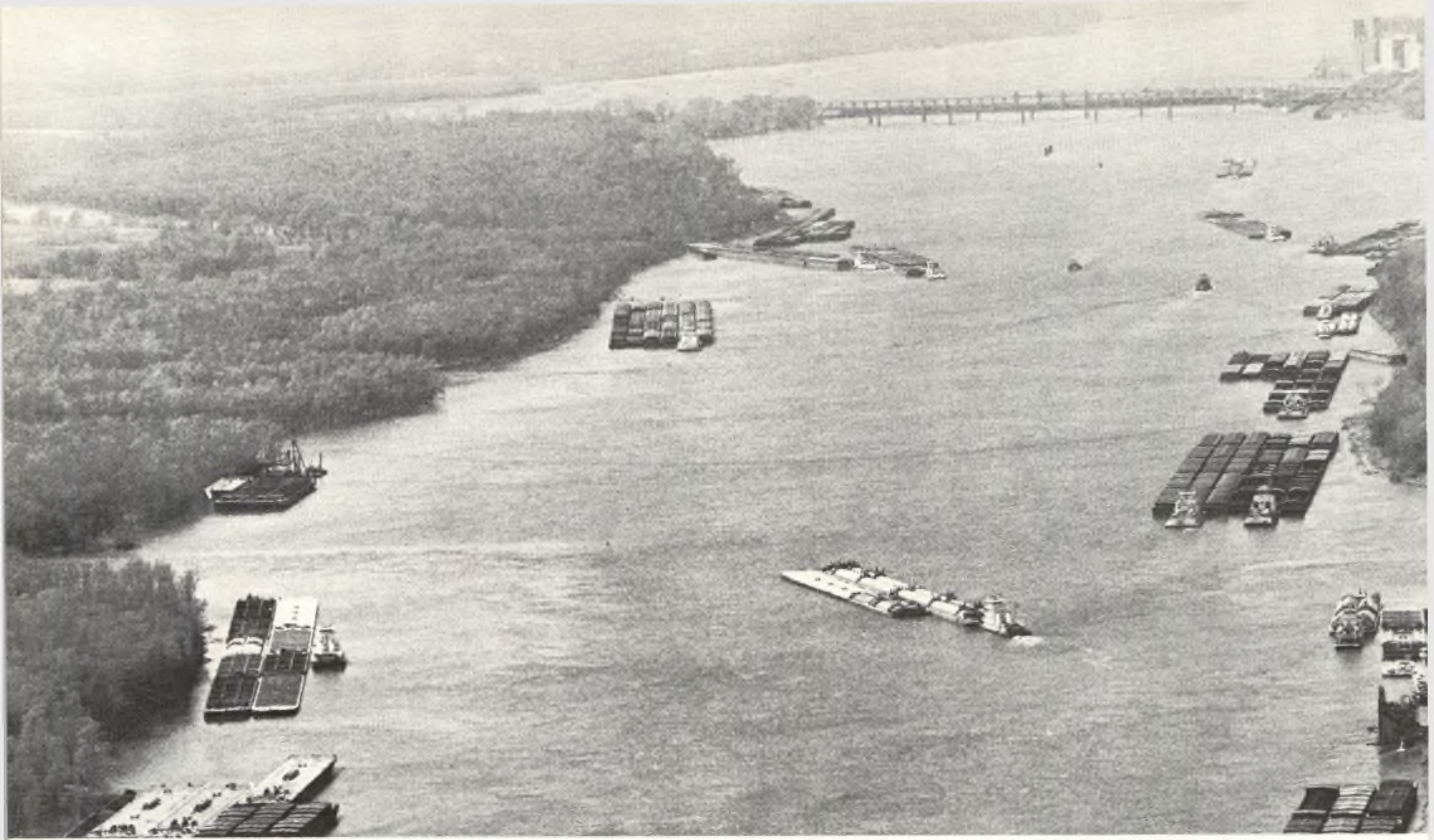
The method of computation is as valid today as it was then. It is all based on the ship's TPI (tons per inch) which reflects the number of tons of cargo the ship can load for each additional inch of draft.

Full Loads. A typical bulk cargo ship of 1970 had a TPI of about 100, meaning that an additional 100 tons of phosphate or other cargo could be loaded for each additional inch of draft. To use an arbitrary rate for the purpose of illustration, if the vessel were chartered at, say, $7.50/ton, the owner would certainly have few objections to paying the $100 toll on the additional $750 he could make by loading his ship to capacity.

With the larger bulk carriers in operation today, the economies of scale are even more dramatic, as the chart demonstrates. A 60,000-ton dwt bulk carrier with a draft of 41 feet can load an additional 16,800 tons of phosphate when Tampa has a 43-ft. channel instead of a 34-ft. channel. Such a ship would pay a toll of almost $10,000, but the increased revenue gained from using full capacity would amount to over $100,000—at 1970 charter rates!

Enough Tonnage. As the chart also illustrates, the annual tonnage required to generate sufficient toll revenues to finance the entire harbor project—again, using 1970 figures and a toll of $100 per inch—is about 41 million tons. Tampa's tonnage last year was just under that figure; last year was also when the first construction contracts for the 43-ft. project got under way—five years after the project was authorized by Congress.

Today in the port of Tampa, both the phosphate shippers and some of the carriers who serve them see the logic of the user tax or toll concept for harbor improvement. Developments there in the near future could point the way for other ports in the future.



Mississippi River Gets New Attention After 8-Day Crisis at Locks and Dam 26

A massive eight-day backup of barge traffic at Locks and Dam 26, during which shipping losses were estimated as high as $500,000 a day, may help to break up the logjam of controversy over the proposed replacement of the 38-year-old facility on the Mississippi River at Alton, Ill.

The crisis began March 18, when part of a cell leading to the main 600-ft. lock collapsed, spilling boulders into the channel. Barge traffic was slowed but the Corps of Engineers managed to make temporary repairs using a huge steel plate. Then on April 8 a towboat accidently hooked the plate, tearing it loose and blocking the channel.

Markets Disrupted. By the time repairs were made and the facility reopened eight days later, an estimated 100 towboats and 900 barges jammed the riverbank near Alton. The backup disrupted the grain, chemical, coal and fertilizer markets.

Had the tie-up at Locks 26 continued, the economic consequences in the grain market alone could have been disastrous. Grain elevators on the upper Illinois River closed during the backup because no empty barges were available, according to Jim Layton of the St. Louis Grain Corporation.

Prices for grain south of Alton and Locks 26 escalated, Layton said, because traders knew it could be shipped without difficulty to New Orleans, the world's largest grain exporting port.

The Grain Terminal Association in Minneapolis-St. Paul reported a 4-cent-a-bushel drop in corn prices due to the tie-up.

Farmers Union Central Exchange in St. Paul said cooperatives, which handle 50% of the fertilizer sold in the area, ran out of dry nitrogen, which is shipped up from Donaldsonville, La. The Swift Agricultural Company, Meredosia, Ill., ran out of ammonia.

Sixteen barges carrying lime to Chicago area steel mills were held up. Stockpiles of lime at the Chicago terminals were exhausted, forcing steel companies to truck lime from Detroit. In St. Louis, a ship repair facility laid off 30 employes, while marine suppliers who sell fuel to the big towboats—which use 8,000 to 10,000 gallons a day each—felt the effects as the boats cut their engines.

Gasoline suppliers in Chicago and other communities in Iowa, Wisconsin and Minnesota found they were cut off from refineries at Wood River and Hartford, Ill., below Locks and Dam 26.

The Des Moines Register reported that C-F Industries at Davenport was unable to load 20 barges with a million bushels of grain.

Herbert R. Haar, associate port director, New Orleans, said, "If the situation were to have continued at Locks and Dam 26, it would have caused severe problems here, because 60% of what goes through Alton ends up in New Orleans." Two days before Locks and Dam 26 reopened, 14 ships were lying at anchor in New Orleans waiting to load grain, at a total daily cost of $280,000.

In the wake of the crisis Sen. Walter Mondale (D-Minn.) drafted a bill designed to remove the stalemate in the controversy surrounding the replacement of Locks and Dam 26.

The Opposition. Environmentalists, allied with the railroads, have so far succeeded in blocking the proposal by the Corps of Engineers to replace the deteriorating facility at Alton with a new dam and two 1,200-ft. locks.

The Alton facility was built in 1938 and is deteriorating. In 1969, plans for a new dam and larger lock, submitted by the Corps of Engineers, were approved by the Secretary of the Army.

Specifications were written and bids were taken, but one day before the bids were to be opened in 1974, a lawsuit was filed against the construction by a coalition of 21 railroads and two environmentalist organizations. As a result, an injunction was issued and the corps has put together a new, seven-volume, 22-pound environmental impact statement, but it has yet to be approved by a federal judge.

On February 24 the corps issued a compromise report, calling for a new dam with a single lock, with provision for construction of a second lock if justified by further environmental and economic studies.

Compromise or Cop-Out? With tonnage flowing through the Alton facility growing at the rate of 10% a year, and increasing river traffic and congestion upping transit time, water carriers considered the corps' alternative solution more of a cop-out than a compromise.

"Limiting the transit capacity at one of the busiest intersections of the inland waterways system is like building a single runway to serve Chicago's O'Hare Airport," said James Randall, co-chairman of the National Committee on Locks and Dam 26. By the time the new dam with its single lock is completed, river traffic would be dangerously close to its 86-million-ton-per-year capacity, Randall said.

The point of view of the water carriers is perhaps best expressed by a recent editorial in the St. Paul Pioneer Press:

Ecological Fears. "For nearly two years the Sierra Club, the Izaak Walton League and other ecology-minded groups have been in bed with the railroads on this issue. The environmentalists claim the Army engineers would open the upper Mississippi to a vastly increased barge traffic, which would do irreparable harm to the riverbanks and to the quality of life in and along the Mississippi.

"The railroads, using their long-standing argument that barge lines using federally-improved waterways are unfair competition, claim they have a huge unused freight capacity which can take care of all the Midwest's shipping needs, now and in the future.

Shippers' Grain Chute. "The railroads' position is contradicted by recent history. Year after year, the railroads come up short of grain shipping capacity at harvest time. Year after year they abandon or petition to abandon more miles of line serving agricultural regions. They willingly give up the short hauls and branch lines to trucks, but cling fiercely to the profitable long hauls while claiming they are being unfairly undercut by barges. They assert they have the capacity to meet shippers' needs but consistently fail to prove it.

"With the U. S. producing record grain crops . . . and selling huge proportions of them overseas, expediting shipments to seaports becomes of vital importance. New Orleans is the greatest of these ports and the Mississippi River traffic is literally the grain chute of the nation. If the railroads have fallen short up till now, how can they expect to meet the greater needs of the future?"

Mondale's Bill. A primary concern of environmentalists is that the proposed new locks and dam at Alton is just the forerunner of a project to deepen the upper Mississippi channel. A key element of Mondale's bill would withdraw the authority of the Corps of Engineers to study the feasibility of deepening the channel above Alton without specific authorization from Congress.

Mondale's bill also includes provision for replacing each acre of wildlife habitat inundated by the construction of the new facility.

Whether or not Mondale's efforts will bear fruit remains to be seen. Water carriers remain apprehensive about the bill's lack of specific authorization for a second lock at the proposed new facility. But the April crisis at Locks and Dam 26 has served to alert the public that a solution must be found quickly.

"The Mississippi cannot be preserved as some kind of wild or virgin river," the editorial in the St. Paul Pioneer Press noted, ". . . it has not been that since the early days of settlement. It would be economically foolish, and ecologically naive, not to permit the river to function at least as effectively as it did a hundred years ago."

Belcher Acquires Savannah Terminal To Serve Two States

Belcher Oil Company of Miami, the largest independent marketer of petroleum products in the Southeast, has expanded operations into Georgia and South Carolina with acquisition of a 140,000-barrel terminal at Savannah.

"We are organizing Belcher Oil Co. of Georgia because we believe the Southeast is the nation's most viable marketplace," President K. O. Johnson said. The company will service the entire Georgia market and eastern South Carolina.

Johnson said Belcher has acquired a facility previously operated by the Shell Oil Company. Products and services to be offered by Belcher will include distillates and residual fuel oils, specialized lubricating oils for marine and landside industries, and marine bunkering services. Channel draft at the new Belcher terminal, to be served by ocean-going tankers, is 38.5 ft. at low tide.

Belcher, founded in 1915, has operations at all major Florida ports, with the exception of Jacksonville. In 1975 Belcher expanded into the mid-Gulf with acquisition of terminal facilities at Pensacola, Port St. Joe and St. Marks in Florida and Mobile in Alabama.

"Our facilities on the mid-Gulf," Johnson said, "will uniquely enable us to provide energy service to Georgia."

He explained that Port St. Joe and St. Marks on the Florida Gulf Coast give Belcher access to central and western Georgia to round out the service afforded to eastern sections of the state by the Savannah terminal.

The company now has storage capacity at its various terminals in excess of eight million barrels. Belcher Oil also operates a fleet of 17 tugs and 23 barges.

Johnson announced appointment of E. E. "Ed" Bishop as manager of Belcher operations in Savannah. Bishop, a former president of Swann Oil Company of Georgia, has most recently been involved in the establishment of new operations out of the port of Savannah for McKenzie Truck Lines, a petroleum and chemical products carrier.

Captain Hofstra President Of Schmahl and Schmahl

Capt. Kenneth B. Hofstra, U.S.C.G., Ret., will succeed Horace W. Schmahl as president of Schmahl and Schmahl on June 1, it was announced by Horace W. Schmahl.

Captain Hofstra, who currently serves as executive vice president of Marine Surveyors, Naval Architects and Average Adjustors, joined Schmahl and Schmahl in 1969. He served as an officer in the Navy in World War II and subsequently joined the Coast Guard; his last assignment was as officer in charge of marine inspection for the seventh Coast Guard district in Miami.

Schmahl will remain as the company's chairman of the board, as well as president of Schmahl and Sons Marine Agencies, Inc.

John Coakley Named VP by Harrington & Co.

John A. (Jake) Coakley has been appointed vice president, South Atlantic, it was announced by Neal L. Harrington, president of Harrington & Company. Coakley, formerly the manager of the company's Savannah operation, will remain based in that port; he will coordinate the company's stevedoring operations from North Carolina to north Florida.

Other recent Harrington & Co. promotions include: Gary S. Lear, manager, Savannah office; Carlton (Skip) Lowe, manager, New Orleans office; John Duncanson, manager of the new Harrington office in Houston; and Don Fullilove, general manager, marketing and sales, who will be based in Atlanta.

David H. Green Is Executive VP Of Savannah Machine & Shipyard

David H. Green has been elected executive vice president of Savannah Machine and Shipyard, according to an announcement by Robert F. Sherman, president.

A native of New Orleans, La., Green is a graduate of Fort Trumbull Maritime School and attended the Johns Hopkins University. He is a licensed chief engineer and sailed in this capacity for several years.

Formerly an estimator and negotiator with the Maryland Dry Dock Company, Green operated his own consulting firm in the early 1950's and conducted business internationally during which time he was certified as the classification surveyor in the Baltimore area for several international regulatory agencies. He joined the American Coal Shipping Company of New York as marine superintendent and advanced to operating manager before joining the United States Salvage Association.

In 1964 Green became technical assistant to the general manager of the Bethlehem Steel Corporation, Baltimore yard. Later he was appointed assistant manager of contracts for the Bethlehem Steel Corp. in the Baltimore area and subsequently was promoted to manager of contract administration in Bethlehem Steel Corp. shipbuilding division on the vice president's staff.

Green and his wife Patricia reside in Savannah. One child remains at home, Debbie, who attends Savannah Christian School.

He is a member of the Society of Naval Architects and Marine Engineers, Society of Marine Port Engineers, National Contract Management Association, Navy League of the United States, Propeller Club and the Shipbuilders Council of America as a member of the repair committee.

Lykes Terminates Agency Agreement With Soviet Line

Morflot American Shipping, Inc. (MORAM), of Clark, N. J., general agents in the U. S. for Far Eastern Shipping Company (FESCO), assumed full agency responsibility for the U. S. Gulf on May 24.

Smith & Johnson, Inc., whose Gulf headquarters are in New Orleans, have been appointed subagents for all Gulf ports. MORAM will be directly responsible for all sales and booking activities in the Gulf, according to the announcement.

This change follows the termination by mutual agreement of the contract between FESCO and Lykes Bros. Steamship Company, Inc., resulting from a conflict of interest in the Far East services of the two companies as FESCO expands its operations to include calls at Bangkok, Singapore and Malaysian ports.

FESCO will remain a member of the Far East Conference but its new extended service will be on a non-conference basis, which brought about Lykes' termination of the agreement signed in June of 1975.

Great Lakes States Back Petition For FMC District Office

Eight Great Lakes states will petition the Federal Maritime Commission to establish a district office in the Great Lakes area to eliminate the expense and delays involved in working with the FMC's Washington office.

The Great Lakes Commission approved the resolution to petition on May 4. Ted Silverman, who represents the state of Illinois and the port of Chicago on the commission, sponsored the resolution.

The Federal Maritime Commission, responsible for the regulation of services and rates in the waterborne shipping industry, maintains district offices in San Francisco, New York and New Orleans. The petition resolution contends that the other seacoast areas benefit through the district FMC offices, receiving the advice of expert personnel familiar with regional problems and also the benefits of a continuous liaison with the FMC's Washington, D.C. office.

The delay and expense of dealing with the FMC's main office weaken the competitive position of the Great Lakes region relative to the other seacoast areas, the Great Lakes Commission concurred.

Conrail Must Create "An Environment of Success" to Save Other U.S. Railroads, Says Baltimore Banker and SCL Director

The eventual fate of U. S. railroads may well be riding on the performance of Conrail, the government-backed corporation which took over the operation of the bankrupt Penn Central and six other northeastern railroads on April 1.

One of those watching with special interest is H. Furlong Baldwin, president of the Mercantile Bank and Trust Company of Baltimore and a director of the Seaboard Coast Line Railroad. (SCL, a prosperous southeastern line, and the Family Lines System of which it is a member, interchange more traffic with the Conrail system than any other railroad.)

As a banker, Baldwin believes Conrail must "create an atmosphere of success" in the railroad business in general to attract the private capital U. S. railroads must have to avoid nationalization.

The following remarks were made in an interview conducted in Jacksonville, where Baldwin attended the annual transportation forum sponsored by Florida Junior College April 29-30. Baldwin limited his observations on Conrail to what he characterized as a "financial and philosophical" perspective, and stressed that the opinions were strictly his own.

No Incentive. "Ten years ago, I would have been despairing about the railroads as a private enterprise. There were the burdensome passenger losses, and the loss of inner city freight to trucking interests. Congress and the Interstate Commerce Commission saw the railroads as monopolies to protect the public from.

"The political atmosphere made it impossible for the railroads to abandon excess trackage, jointly use facilities or combat the featherbedding practices of the unions. There was little or no incentive for railroad management to invest in capital improvements, or for investors to supply badly needed capital.

"Without doubt, the bankruptcy of the Penn Central in 1970 was the turning point in the long-term outlook for the railroad industry. It forced Congress to ask the questions: Are the railroads necessary to the well-being of the nation? And if so, what do we do?

"The answer to the first question was yes, and Amtrak did relieve railroads of the burden of passenger service losses. But the attitudes and practices of the ICC did not change, and continued to be responsible for inflation.

"The Conrail legislation this year is more of a commitment to improve service in the Northeast corridor. If Congress and the ICC are sincere about making Conrail a success, they must create a profitable environment–to put other marginal railroads in a position to improve earnings. An environment of success is going to be necessary to attract private capital.

Conrail's Challenges. "Three main problems are going to have to be solved: (1) the labor cost per mile must be brought down (2) freight rates must become more flexible and (3) the regulatory bodies must take a more reasonable position toward railroad profit–allowing the abandonment of underutilized lines, for example.

"Some of these things are already starting to happen, the elimination of parallel lines and conflicting service."

"The Conrail attitude will spread through the rest of the country's railroad system. It could be bullish."

Sea-Land Starts Container Service To Dammam in August with Extention To Iran Planned Before Year's End

Sea-Land Service has announced its intention to open containership service between North America, Europe, and the Middle East this summer, putting its first vessel in the Persian Gulf in mid-August.

The new service will initially link ports on the U. S. East and Gulf Coasts and ports in north Europe and the United Kingdom with Dammam, in eastern Saudi Arabia. Sailings to and from Dammam will connect with Sea-Land's transatlantic and short sea vessels in Rotterdam.

Sea-Land will also continue its combination ocean/overland service to and from Iran via Bremerhaven, Germany. The company will extend its all-water service to Iran before the end of the year.

The new Mid-East service will consist of biweekly sailings of three C4-JC containerships (602 capacity) and one T3 vessel (476 capacity) between Rotterdam and Dammam. Each of the vessels is equipped with its own cranes for loading and discharging containers in Saudi Arabia.

These ships will be linked to Sea-Land's three SL7 vessels sailing weekly to and from Elizabeth, N. J. and Portsmouth, Va. to Rotterdam and four SL18s direct to Houston and New Orleans in the U. S. Gulf and Jacksonville and Port Everglades, Fla. Minibridge service will be available to and from the U. S. West Coast over Houston.

The new service will also connect ports in the United Kingdom, Benelux area and Germany with the Mid-East via regular feeder connections or over-the-road service to Rotterdam.

In Dammam, Sea-Land will operate from a 10-acre bonded terminal with priority berthing arrangements to prevent delays in loading or discharging. The company will provide chassis for all containers for immediate pickup and dispatch of cargo. Full inland trucking capability will be available to such cities as Riyadh, Dhahran and Al-Khobar, as well as other markets throughout Saudi Arabia. A full range of container equipment will be available for volume shipments in the service, including standard 35-ft. dry vans and open tops.

Sales and customer service activities for the Mid-East service will be handled by the company's Atlantic Division representatives in the U. S. and by designated agents in Europe and Saudi Arabia as follows: United Kingdom, Freight Sales International; Benelux, Network Freight Agencies; Germany, Network Container Freight Agency; Saudi Arabia, Rezayat Trading Est., Ltd.

NCBFAA Re-elects Hummel President

Roland R. Hummel, Jr., president of Taub, Hummel & Schnall Inc. of New York City, was reelected president for 1976-77 at the annual meeting of the National Customs Brokers & Forwarders Association of America May 14.

Also reelected were Eugene F. Hayes, president of Port Brokers, Inc., New York, as vice president (air–import); Martin G. Mann, vice president of Inter-Maritime Forwarding Co., New York, as vice president (air–export); Paul LaRoque, vice president of Stone & Downer Co., Boston, as vice president (customs brokerage); Walter C. Clundt, president of F. W. Myers (Atlantic) & Co., Inc., New York, as vice president (foreign freight forwarding); William St. John, Jr., of W. R. Zanes & Co. of La., Inc., New Orleans, as secretary and Lionel DePass, president of J. D. Smith Customs Brokers, Inc., New York, as treasurer.

GOVERNOR:

"Cannot Allow America's Lifeblood To Sail Off With the Russian Fleet"

Soviet monopoly of ocean shipping would be "much more serious" than Arab oil boycott, Edwards tells conference on trade relations with the Middle East.

"We cannot allow America's lifeblood to sail off with the Russian fleet," Gov. James B. Edwards warned 600 people attending the South Carolina International Trade Conference in Charleston on May 20.

The governor said that the U. S. had dropped from top place to seventh position as a maritime power since World War II.

While the U. S. has been slipping back, Russia has made giant strides in developing both its military and maritime capabilities.

This has happened in the U. S. because of a national policy of indifference, the governor said.

The Russian maritime, which serves a dual purpose—both commercial and military—has grown since World War II from 23rd place in maritime power to sixth.

It is a known fact that the country that controls world trade controls the world, Edwards said.

Russia is adding 80 to 90 ships to her fleet annually. It has 16 shipping companies and 7,000 ships. By 1980 it is predicted that Russia will have the largest intermodal shipping fleet in the world.

Russia, by joining with other Communist bloc nations, will be in a position to monopolize ocean shipping which will be much more serious than the Arab control of oil.

The U. S. merchant fleet has 320 ships, of which only 140 are modern, intermodal vessels, the governor said.

Russia, since it doesn't operate under competitive economics like other nations, can undercut shipping charges of other nations to get business. In some cases they have cut as much as 50%. The Russian merchant fleet is just another branch of government, Edwards said.

Regulations should be passed to prevent this unfair competition, Edwards said. Pending in Congress now is proposed legislation known as the Third Flag Bill. Under this bill foreign ships would have to abide by rates charged by U. S. ships unless cost accounting shows that the foreign ships could still operate profitably while charging a lower rate.

Unless America wakes up Russia will win the trade war, Edwards warned.

Earlier in the morning a panel discussed trade with oil-rich Middle East countries.

John C. West, former governor of South Carolina, said the trade opportunities between Americans and Middle East countries are great and so are the obstacles. But, he added, "the rewards are greater than any of us realize."

West, who is a member of a new firm in South Carolina designed to promote closer economic ties with the Middle East, recently returned from a state-sponsored trade mission to several Middle East countries. He led a group of 14 other business and government officials on the mission.

The Camden lawyer said when he first visited Kuwait about two years ago he was overwhlemed with the wealth and economic possibilities of the country.

At that time, the then governor said his plan was to promote joint economic ventures in the state between American and Middle East investors.

Kuwait. He said he was told by a Kuwait officials that his country was only passing through a short phase of new-found wealth and it would last between 20 to 40 years. It was therefore necessary for Kuwait to invest in sound ventures in the U. S. to assure the economic stability of the country after its oil richness had passed.

In 1975, U. S. peace missions in the Middle East failed and relations between the Arabs and Israelis worsened. About 75 Congressmen sought to give more aid to Israel. Arabs read in this action that the U. S. was siding with their enemies. The Arab countries decided to keep their wealth at home. They would hire Americans for expertise and technology to develop their countries, but foreign investments would be cut back.

The state's approach now to doing business with the Middle East is to emphasize goods and services, West said.

West said his recent visit to Saudi Arabia was mind-boggling. The country has a five-year program to spend $140 billion for the country's development.

"They talk about millions of dollars like we talk about thousands," he said.

The country has great need for American skills, he added.

A Saudi Arabian official told him, West said, that Arabs like Americans but feel that Americans don't like them.

Getting shipments into Saudi Arabia's ports is a major job, West said. The waiting period for conventional ships to unload in the country's ports ranges from 120 to 180 days, West said.

Jerry L. Hester, president of International Trade Operations, Inc., of Alexandria, Va., said businessmen will find that doing business in the Middle East is made easier by using a combined export management company, such as his. This system also helps the businessman to ease himself gently into the Middle East market. If he decides to get out, then he wouldn't be hurt as bad economically as if he had gone more heavily into it through his own company's system.

Delays. Thomas E. Lloyd, senior marketing advisor of the Draper Division of Rockwell International Corporation, Hopedale, Mass., said agents are necessary to represent American businesses in the Middle East in order to form a bridge of communication between the sellers and buyers. He advised businessmen to be prepared for numerous long negotiations with Middle East customers before a deal is made.

The proximity of Europe to the Middle East gives European businessmen a definite advantage over Americans in competing for this business. Therefore it makes it all the more important to be represented by capable agents, Lloyd said.

Patience, long-term expenses and involvment are necessary ingredients for American businessmen seeking to do business in the Middle East, he added.

No "Flash in the Pan." Abe J. Moses, vice president and director of Mideast Services, Chase World Information Corporation of New York, said the oil-rich Middle East countries are preparing to spend hundreds of billions of dollars during the next five years to upgrade their states.

In the U. S., the multiplier effect of a dollar investment is usually figured to be 9 to 11, Moses said. Generally, for Arab countries the multiplier effect is about 3. However, in Saudi Arabia the multiplier is 1.87.

This low effect is attributed to "tremendous leakage" of investments in that country, Moses said.

Officials in the Middle East are looking for viable projects in which to invest, Moses said. Also, loans for certain projects are often made to businessmen for 2% interest—which is called an administration fee because many Arabs don't believe in lending money for interest.

The Middle East market isn't a flash in the pan. It will be there for a long time to come, Moses said.

The Middle East specialist said that about 30% of the value of a barrel of oil taken from an Arab country and consumed in America is returned to that country and it "stays there."

Arabs understand business—"It is a very basic thing in the Middle East."

Moses said humorously that perhaps it's a good thing that the Arabs and Jews are in conflict. "If the Arabs and Israelis get together, the rest of us wouldn't have a chance."

Daniel Reiss, Jr., a Washington, D.C. maritime lawyer, said a major problem in the Middle East is getting cargoes delivered. The huge amount of consumer goods coming into the ports coupled with lack of an adequate system to handle them, bottles up the transportation system, Reiss said.

The Arab ports have no concepts of preventive maintenance for equipment. Machinery is used on the docks until it breaks down, Reiss said. Also, the concepts of freight forwarders and warehouses are practically unknown there, he added.

Back to Basics. Shippers sending cargo to Middle East ports had better go back to basics. Nothing should be assumed. Cargo should be marked several times in both English and Arabic and accompanying documents should also be in both languages. Send five times the number of copies of documents that the countries say they need, the lawyer advised.

Reiss recalled an incident of a shipment of 10 tons of canned goods going to an Arab port packed as it would be for most ports of the world. However, when the cargo arrived, it had to be broken down into cases so the one small pickup truck assigned to handle it could haul the load little by little.

52 Homes Leave Port of Tampa On One Ship for Saudi Arabia

Fifty-two new homes went to Saudi Arabia April 22 aboard a single ship, the 30,000 dwt M/V Eurosky.

The shipment of modular homes, manufactured by Bendix Home Systems of Leesburg, Fla., was the first of several scheduled for the Middle East through the port of Tampa, according to Guy Verger, port director.

The shipment was loaded aboard the Eurosky at Tampa's Southport Terminals. The 52 units accounted for just under the vessel's total capacity; destination was Dammam, Saudi Arabia, where the homes will be sold or occupied at construction sites by workers.

The Eurosky was chartered for the trip by Marine Transport Services, Inc. of New York. Tim Spiglemire of John S. Connor Inc. of Baltimore, the brokerage firm which arranged the charter, said Tampa was chosen as the nearest port to the point of manufacture. All the principals involved in the shipment were pleased with the available facilities and services, he added.

Two hundred fifty of the Bendix modular homes have been shipped to Venezuela in the past few months, with more shipments to the Middle East scheduled.

Fort Meyers Student Wins Maritime Poster Contest for 1976

Samuel Wellington Ward, a student at Fort Meyers High School, is the winner of the 20th annual National Maritime Poster Contest, conducted each year to inform high school students of the American Merchant Marine's vital role in commerce and defense. Ward is the first Florida winner in the 20-year history of the contest.

Ward's entry was selected over hundreds of other entries submitted by high school students from 30 states. He will receive a trip to Washington, D.C., where he will be awarded the grand prize of $500 in ceremonies conducted there during Maritime Week in May.

The 1976 contest theme, "Ship American—It Cost No More," was chosen to encourage greater shipper reliance on U. S.-flag merchant vessels, and ties in with a promotional effort by the National Maritime Council, comprised of top maritime officials in government, managemant and labor.

Sponsors of the poster contest include the American Institute of Marine Underwriters, American Institute of Merchant Shipping, Kings Point Merchant Marine Academy, Labor-Management Maritime Committee, Lake Carriers Association, Propeller Club of the United States, and the Shipbuilders Council of the Americas, in cooperation with the Maritime Administration, U. S. Department of Commerce.

Stevedores Hope to Trim High Cost of Loading Ships by New Longshore Labor Training Plan

Insurance premiums can equal $60 per $100 of payroll dollars in some ports, or be as low as $20 per $100 in others. In either case, it is added to the stevedore charge which the ship must pay and adds to the total cost of ocean freight for everyone—no matter which port they use.

Port safety, long neglected, is now getting a closer look by all those concerned with shipping operations, says Mrs. Elizabeth W. Tezza, reelected president of National Maritime Safety Association (NMSA), which held its annual meeting in Tarpon Springs, Fla., May 6-7.

As the Charleston Palmetto Shipping and Stevedoring Company Inc. secretary-treasurer sees it, the basic problem is the lack of safety training for those engaged in dockside work.

A recently completed study for the U. S. Department of Labor, titled Casual Study of Accidents in the Longshoring Industry and OSHA (Occupational Safety and Health Administration) Effectiveness, found that management, labor and OSHA had not effectively promoted safety.

The 322-page study compiled by Cooper and Company of Stamford, Conn., included interviews with officials in management, labor and OSHA and with workers themselves.

Longshoring is a high accident risk industry—much higher than most other types of industry, Mrs. Tezza said. The insurance factor is a high portion of total shipping cost.

Because of the inadequacy of required OSHA industry reports, it is impossible to determine the extent of accidents in the longshoring industry, the NMSA president said.

Information is needed on the number and types of accidents occuring in the industry, the man-hours lost because of accidents and the areas in which the accidents occur, Mrs. Tezza said.

Favors Reports. The NMSA is in the process of persuading OSHA officials to require this type of information to be filed by all longshoring industries, Mrs. Tezza said. She believes that OSHA will soon require it.

Prior to OSHA arriving on the scene, the Bureau of Labor Standards required such information from stevedoring companies. During those years people in the industry had a much better knowledge of what the accident situation was, the NMSA official said.

"We do not have a suitable yardstick for measuring accidents."

The Pacific Maritime Association, a member of the NMSA, requires its members to furnish accident information. As a result, the PMA can keep tabs on its problems. This association has an ongoing $2 million a year safety program which emphasizes training, Mrs. Tezza said.

Once a year OSHA requires that longshoring industries post their accident reports in areas where workers can see them. Mainly through social contacts with associates in other ports, people in the industry get a vague idea of what is happening in safety nationwide, Mrs. Tezza said.

Training. Generally, there is no formal safety training for longshoremen in this country on an area basis, except on the West Coast.

The Pacific Maritime Association requires a certain amount of safety training for prospective longshoremen before they are ever hired on the job. This training they get on their own time. Later, they may receive additional safety training as they move into other types of longshoring work, Mrs. Tezza said.

Her company conducts a 30-minute to an hour course each month for gang bosses (headers).

A basic problem in teaching port safety is getting course material. "It's hard to get your hands on good training material," Mrs. Tezza said.

Because of this, NMSA representatives went to OSHA officials and sold them on the idea of providing safety training material. OSHA hired Westinghouse Behavioral Sciences, Inc. of Columbia, Md., to develop the course. The result has been the development of a 30-hour safety course for supervisory personnel and 17 half-hour courses for longshoremen.

These courses are expected to be made available this summer for industries and associations that want to buy them. The cost is expected to be nominal, Mrs. Tezza said. She assisted, to some degree, in the preparation of the courses, Mrs. Tezza said.

The industry is put in a catch-up situation in safety, she said.

More than likely the stevedoring companies will have to pay the longshoremen for the time they spend in safety training, Mrs. Tezza said. The training process is going to be expensive, but necessary, she added.

It is estimated that for each $1 spent on safety training, it returns $10 in dividends, the stevedoring company official said.

Accidents are costly both to the victim in suffering and to the company in expense. The company's premium for workmen's compensation is tied directly with the number of accidents which the company has, Mrs. Tezza explained.

From her own observations Mrs. Tezza has come to the conclusion that most all accidents occurring to longshoremen result from carelessness and not to unsafe working conditions.

The problem usually comes down to the fact that the victim wasn't paying attention to what he was doing, she said.

Accidents appear mainly in the slips, trips and falls categories, Mrs. Tezza said.

In proposing formal safety courses, the idea is to make the workmen aware of dangers, she said. It is hoped the course will establish motivation and communication for the prevention of accidents, she said.

Union officials have shown a willingness to cooperate in promoting longshoring safety, Mrs. Tezza said.

Strong Macho. There is a basic psychology among longshoremen that any effective safety course will have to cope with, Mrs. Tezza said. Longshoring work has a strong macho flavor. There is an element of risk in the business which many longshoremen like, Mrs. Tezza said. An effective safety course must override this element in the work, she added.

After all the presently working longshoremen are trained in safety, Mrs. Tezza feels that there should be a requirement, like in the Pacific Maritime Association, that new workers take a basic safety course on their own time. Such courses, she feels, should be offered on either an area association basis or within port areas.

Florida Governor Adopts Policy Favoring Trade to Generate Jobs; Conference Look at Brazil, Near East

The 1974-75 economic recession has effected a change in the role of state government from one of a reluctant partner in the development of international trade to one of an active partner.

The change in state policy was reflected in remarks by Florida Governor Reubin O'D. Askew before the Governor's Conference on World Trade held in Jacksonville May 19-20.

In an address to 290 people attending the conference, Governor Askew said, "Florida, by reason of her geographical location, has always played an important role in world trade. And as the state government places a top priority on economic development, the pursuit of international commercial markets becomes an integral part of this program."

In his state government budget, Askew requested $4.5 million go to the State Division of Economic Development, up substantially from the $1 million the division received last year. Though both the state Senate and House (still in session at press time) cut down the proposed budget, it was certain that the funding for the division will be substantially greater than in the past.

The two-day conference was chaired by Florentino Fernandez, international officer of Barnett Bank of Jacksonville, and hosted by the Florida Council of International Development and the Florida Department of Commerce. The topic was "Marketing Opportunities in a Changing World."

In the last few years the world's supply of food has changed from one of surplus to one of shortage. This fact, tied in with the rapid rise in the price of raw materials, oil most notably, has effected a change in world markets. Developing countries with reserves of scarce commodities now have many more dollars to spend, while the export of foodstuffs rather than manufactured products, has resulted in a favorable balance of trade for the U. S. in the last two years. Both situations mentioned above are likely to continue for some time in the future as the world population grows and the demand for food and natural resources increase.

Agri-Exports. Speaking at the Florida conference, J. Phil Campbell, former Undersecretary of Agriculture, said, "For many years American farmers have been in a state of semi-bankruptcy—being capable of providing much more food than the then existing markets could handle. In the last few years this has changed drastically as world markets expand rapidly.

"Agriculture in the United States is in a growth position for the first time in many years and at a time when most sectors of the economy have been in a stagnant position."

Campbell listed four factors which have contributed to achieving a favorable world market for American farmers. Four of these relate directly to the changing world scene.

(1) Poor growing conditions in several areas of the world, creating higher demand for existing supplies;

(2) More money in the pockets of the masses of our marketing partners, which has brought about a change in diets to more protein-rich products;

(3) An extended period of peace between trading countries which has permitted a growth in the interdependence between nations;

(4) And finally, the reputation the U. S. has as a reliable supplier.

In order to maintain the position of U. S. farmers on world markets the government should not institute policies, "which will restrict the reliability of supply or to regulate or

Keynote Speaker Richardson, Chairman Fernandez

tamper with the farmers market," Campbell said. "We have got to legitimize the word profit again. It must be realized that until he sells it, the product which the farmer produces is owned by the farmer and not by the government."

Campbell also said he opposed a policy of rigid allotments which do not permit the farmer to use the land as he sees best. In addition, there should not be a system of making large payments to farmers.

Two of the largest emerging markets for goods are the Arab oil-producing countries in the Middle East and Brazil in South America. Both areas, because of an abundance of raw commodities, oil in the case of the Middle East and food products in Brazil, have been able to develop their local economies. (In 1975 the Brazilian gross national product grew at a rate of only 5% because of the high price she has had to pay for imported oil, but this rate was substantially higher than that which most of the developed countries managed last year.)

Arabia. Speaking before the conference on the Middle East was Hugh M. Hyde, president of Johnston International Publishing Company, which publishes several international publications.

Hyde began, "Whatever you have, the Arabs will buy."

Last year the OPEC countries in the Middle East had an income of $79 billion. By 1980, this figure is expected to increase to $140 billion. The surplus revenues generated between 1973 and 1983 are currently estimated to reach $185-265 billion beyond what the Arab countries can possibly import. It is estimated that the current oil reserves will last from 25 to 75 years, depending on the country, so, according to Hyde, the current situation is not likely to change any time soon.

According to Hyde, the Arab countries are placing a special interest in industrial development. Saudi Arabia's five year plan includes the expenditure of $50,000,000,000 (billion) to develop a petro-chemical industry.

The technology needed to create this industry and other industries is in strong demand by the Saudi's. Hyde said that the latest plans include bringing in 800,000 foreign workers to help produce this industry. All this in a country with a population of only 6,000,000.

To market products in the Arab countries, according to Hyde, it is important to have a local distributor. "The best way to find a distributor is to go there yourself if it is going to be a major project. The Arabs like to see you face-to-face and it is a market which takes cultivation. There are a limited number of distributors and they are heavily loaded, and it takes care to assure that your product is not 'lost' in the rush."

While the Arabs want the technology to create their own industries, Hyde said, "Industrial equipment far exceeds the market you would esxpect." The largest GM dealership in the world is located in Kuwait and sells over 10,000 Chevrolets a year.

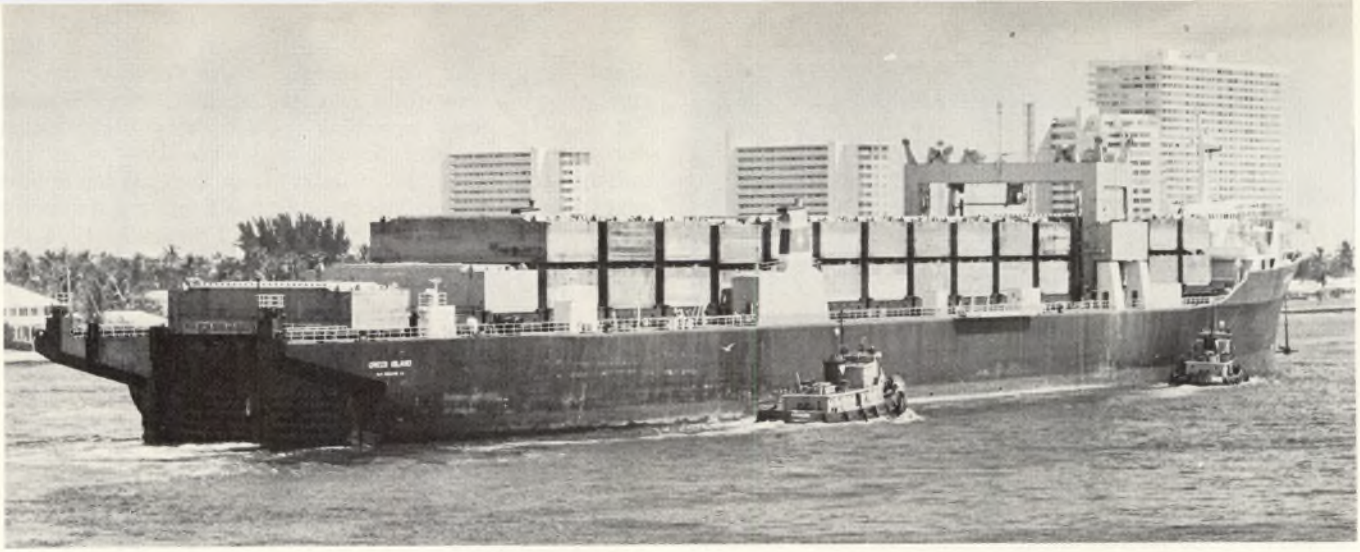
Brazil. Unlike the Arab countries which began their rapid emergence into the world economy when oil prices began to rise in 1973, Brazil, according to Jack Zerbst, has been on the path of economic development since 1964 when the military took over the country from the pro-communist government in a bloodless revolution and set up a system for security and economic development. From 1964-1974 the Brazilian GNP has grown at an annual rate of about 10%, second only to Japan, and Brazil's industrial growth has been faster than any other nation in the world.

Zerbst, who spoke on the topic "The Emerging Giant—Brazil," is president of the Multi-National Development Company. Zerbst is familiar with Brazil. After World War II he joined Union Carbide and was sent to Brazil to establish Union Carbide's Latin American operation.

The South American nation's rate of growth slowed to 5% in 1975, when high oil prices upset the country's balance of payments. According to Zerbst, Brazil is looking to its own vast natural resources to cut down its use of expensive foreign oil.

In 1972 Brazil's imports totaled $4.3 billion; in 1975 this figure had grown to $12.2 billion, 43% of which came from the U. S. In 1975 American goods to Brazil alone were equal to purchases of American goods by all the Arab countries, Zerbst said.

The growth of Brazil has been phenomenal. Sao Paulo has grown from a city of 1.4 million people in 1947 with a single skyscraper, to the metropolitan giant it is today, with a population in 1972 of 9,100,000. In a decade, the capital city of Brazilia grew to a city of 700,000 people.



SS Green Island Calls for First LASH Transfer at Port Everglades

Central Gulf Lines' 896-ft. vessel Green Island recently became the first LASH ship to take part in a cargo transfer at Port Everglades, calling twice in a nine-day period to take on 2,000 tons of components for the expansion of a cement plant in Jakarta, Indonesia.

The shipment was part of some 40,000 tons of equipment to be shipped from this country for the plant expansion.

The Green Island delivered four empty barges—out of a capacity of more than 80—to Port Everglades March 3. The barges were loaded by Eller & Company, stevedore for Central Gulf Lines, and transferred to the mother ship on its return March 12.

Kaiser Engineers International of Oakland procured all equipment for the plant expansion, with the entire shipment handled by Interproject Shipping Services of New York.

Robert J. Brennan Lykes Executive VP

Robert J. Brennan has been elected executive vice president of Lykes Bros. Steamship Company, it was announced by Joseph T. Lykes, Jr., chairman.

A member of the Lykes board of directors, Brennan succeeds James M. Lykes, Jr., who is retiring after a 44-year career with the organization.

A native of New Orleans, Brennan is a graduate of Loyola University. He joined Lykes in 1942 in the company's traffic division, rising to senior traffic executive. Brennan has been a senior vice president of Lykes since 1974.

Ries to Head Cleveland Sales for Prudential

George C. Ries is the new manager of Cleveland regional sales for Prudential Lines, it was announced by J. A. Teter, director of U. S. sales.

Ries, who attended Farileigh Dickinson University in New Jersey, joined the company in 1975 as a representative for westbound Mediterranean sales; Prudential Lines serves the Mediterranean from the U. S. East Coast with LASH ships. His new sales territory will include Ohio and Kentucky.

Galaxy Faith Provided Waterfront With a Bountiful Crop of Rumors Before She Finally Made it Home

Editor's Note: Our January issue told of the difficulties encountered by an unwary shipper who booked a cargo of fertilizer materials and prepaid his freight on a ship which was out of registry. This report covers the remainder of that same story—what happened to the ship and the men who sailed her?

Rumor is a waterfront staple. It seems to spring up like a weed, and any hint of intrigue or exoticism works like water and sunshine. The freighter Galaxy Faith proved to be a regular rumor greenhouse.

The ship arrived in Jacksonville on November 15. She had been en route from New Orleans to Bordeaux, France with a load of diammonium phosphate when generator failure stalled her off Ft. Pierce, Fla. When the generators were repaired and tested, a fire broke out in the engine room.

The Galaxy Faith's troubles were just starting, however. A week after she arrived in Jacksonville, the company that had supposedly fixed her generators before she sailed for Bordeaux filed suit and had the freighter arrested by a U. S. marshal. The ship's owners, the company claimed, had not paid the $14,000 bill.

Within the next three weeks, five other firms, including Jacksonville Shipyards, joined the suit, also claiming nonpayment. A Belgian firm, Demuwerk, S.A., filed the largest suit, over $1 million. Demuwerk was understandably disturbed; it not only owned the cargo but had also prepaid the freight to Bordeaux. Now Demuwerk's diammonium phosphate was sitting in a freighter with at least one leaky hold, tied to a dock in Jacksonville.

Auctioned Off. Federal Judge Charles R. Scott, into whose legal lap the Galaxy Faith affair was deposited, granted Demuwerk the right to remove its phosphate. When it became apparent that the owner, Lyra Shipping of Nicosia, Cyprus, had no intention of stepping forward to pick up the Galaxy Faith's tabs for the various suits, the judge had the crew repatrioted and put the vessel up for auction.

On January 27 the freighter was ignominiously auctioned off on the steps of the Jacksonville Post Office by the U. S. marshal. One L. O. Smith, representing Southern Surveyors of Savannah, took her with a bid of $150,000.

The price touched off a minor controversy in Jacksonville's waterfront community, which divided neatly into two camps—those who thought L. O. Smith paid about $100,000 more than he needed to for a heap of scrap, and those who thought L. O. Smith stole a freighter for a song.

L. O. Smith's company, it turned out, was actually representing another Greek shipping company; but if anyone knew its name, they weren't saying. A second Greek crew arrived and went aboard the Galaxy Faith, along with their Greek captain. When anyone asked them who they worked for, or where they planned to go, they shrugged.

Rumors Mushroom. Rumors were popping up like mushrooms now. These crazy Greeks, rumor had it, planned to sail the Galaxy Faith back to their homeland. There the ship would in all probability have to be scrapped, according to the rumor. Rumors were rampant about the condition of the freighter. Her generators would never hold up . . . her hull was nearly rusted through in places . . . her radio doesn't even work . . . those crazy Greeks.

One afternoon during the first week in March, the Greeks decided to take the Galaxy Faith out for a trial run. Something went wrong on the way to the Atlantic. The Galaxy Faith was assisted back to her slip at the Jacksonville Port Authority's Talleyrand Docks. At that point, several of the Greeks were beginning to believe the rumors. They went to Capt. Ernest L. Murdock (USCG), captain of the port of Jacksonville, and told him the Galaxy Faith was unsafe to sail.

Captain Murdock inspected the freighter and discovered she had a flooding problem due to a leaking shaft gland. In the course of his inspection, the captain also discovered that several of the Galaxy Faith's necessary international certificates were no longer valid. Lloyd's Register of Shipping subsequently informed Captain Murdock that other of the freighter's necessary certificates were equally invalid. Rumor had it that the Greeks still might try to sail, registry or no registry. Captain Murdock decided that the Greeks weren't going anywhere until the situation was corrected.

Firsthand Look. Your reporter paid a visit to the Galaxy Faith on March 12 to get a firsthand look at the situation. The freighter sat forlornly in her slip. The Cypriot flag waved feebly on the stern, just above the garbage cans and piles of refuse. Rust seemed to compose the greater part of the ship's hull and her deck was strewn with worn-out equipment.

The lifeboats stood out in the general disrepair, both sporting what appeared to be a fresh coat of vivid orange paint. The Greeks were obviously not quite as rash as rumor had it.

It was shortly after 9 a.m. and three of the crew were pacing the dock alongside the ship. Their expressions suggested a hospital corridor when the patient inside is very sick.

The captain, they regretted, was not aboard. Yes, the Galaxy Faith would sail for Greece, and they expressed confidence in her ability to make the voyage. There was something slightly fatalistic, however, in the way they shrugged off the details. Who owned the ship? What kind of shape was she really in? When would she sail?

An hour later, a crewman pointed up a passageway to a corner door. The captain's cabin, he informed; maybe he was in, and maybe he wasn't. The pacing crewmen were now sitting in an adjacent cabin. Each had a little bag on his lap or at his feet, and they seemed to be waiting for something, a train perhaps. They seemed to find additional inquiries about the captain irritating, so much so that they didn't even bother to attempt any English. But Capt. Zanis Zanicos, they indicated, was now in.

The captain was hunched over a vintage typewriter in his cabin, pecking away. Distracted, he rose and extended his hand, smiling a welcome—half smiling, rather, with a single lower tooth protruding at a rakish angle. Unfortunately, Captain Zanicos explained, he was in the middle of a report for the owners, who would be arriving shortly, and didn't have time to chat.

Who were the owners?

The captain looked slightly confused, patted his pockets and pointed to a scrap of paper taped to the wall: Nesco Shipping Company, Piraeus, Greece. The port engineer, Captain Zanicos said, would be happy to answer any questions about the ship.

If he could be found, that is. Maybe he was having a coffee break.

The Galaxy Faith's galley would rival any of your seedier truck stops for bleakness. However, the galley boy, who didn't look Greek, was more than cordial. In competent English he explained that he was from Ceylon and was looking forward to getting home for a visit. He volunteered to find the port engineer, who was somewhere in the depths of the engine room.

Valve Job. George Kerestetzis, port engineer for Nesco, resembled a younger, grimier Peter Lawford, in gray jumpsuit and aviator glasses. He ushered the way into his cabin and sat on the bed, looking slightly puzzled at the idea of his being consulted by the press.

Kerestetzis spoke with conviction about the condition of the Galaxy Faith. The freighter was going to be all right, he said. He produced a scrap of paper with a diagram, labeled in English, curiously enough. Someone had left a sea valve open, he explained, with the bilge mechanism operating at the same time. The result was some damage to the filter for the engine's cooling system, along with some flooding. Kerestetzis was somewhat incredulous at the stupidity of the error.

But he bridled at the suggestion that the freighter would have to be scrapped. "The ship is going to work," he said with conviction. "She will be fixed in Piraeus and put to work."

What about the radio? Rumor has it that . . .

The radio is in perfect order, Kerestetzis said. As a matter of fact, it was fixed in Jacksonville and he had the receipt to prove it.

No, there was nothing wrong with the Galaxy Faith that couldn't be corrected. She would be sailed to Piraeus, spruced up, and put back on the job.

And how was this to be done, without registry, and therefore, presumably without insurance?

That was for the owners to decide, Kerestetzis said.

A Second Opinion. Friday open house was in full swing in the Jacksonville Shipyard's Blue Room. At every table maritime shop talk and waterfront gossip was getting almost as much attention as the food. Every so often the name Galaxy Faith would be mentioned in some part of the room, inevitably followed by chuckles. Rumor had it . . .

"The ship is really not in as bad a shape as all that, you know," the man across the table said. "I know because I was the first surveyor aboard when she came into port."

Maybe it was the burr in his voice, which made him sound like Scotty from the starship Enterprise, but the rumors about the Galaxy Faith suddenly seemed flimsy in the face of the surveyor's authoritative, rational opinion.

"Oh sure, she had a problem with her generators," he went on, "and a fire in the engine room, but none of it was really that serious."

"Would you sail in her?" someone asked.

"Sure," he said. "But I'll tell you this: it's going to cost someone about a million dollars to get her back in registry."

Will the Greeks come up with the money? Will they make it back to Piraeus? Will a rejuvenated Galaxy Faith make a triumphant return to the shipping industry?

Rumor has it . . .

Sails Home. The freighter Galaxy Faith was issued the necessary provisional international certificates following an inspection by a representative of Bureau Veritas. She sailed for Piraeus on March 27, arriving safely after an uneventful voyage.

State's "No Situs" Law May Provide Remedy for Michelin Tire Tax Ruling

A U. S. Supreme Court decision earlier this year which allowed county officials in Georgia to levy taxes on certain imported goods isn't expected to have any bearing in South Carolina, according to W. Don Welch.

The S. C. State Ports Authority executive director said that a state law enacted in 1967 as part of South Carolina's efforts to attract industrial development exempts cargoes moving in interstate commerce from property taxation and may be used as a model for other states.

In its decision in the Georgia case—Michelin Tire Corporation vs. Wages, Tax Commissioner, et al.—the Supreme Court ruled that county officials had the right to levy taxes on the Michelin inventory maintained in a warehouse by the tire company.

Some port officials saw in this decision authority given to local governments to levy taxes on goods imported through ports in their areas.

The Supreme Court decided on January 14 that tax officials in Gwinnett County, Ga., had authority to impose taxes on an inventory maintained by Michelin at its wholesale distribution warehouse in the country. The tires in the warehouse came from Nova Scotia and France, were awaiting shipment to franchised dealers.

The high court found that notwithstanding the provision of the U. S. Constitution against the laying of "any imposts or duties on imports," the property tax imposed in this case by the county was constitutionally permissible since it represented simply the cost which the ultimate consumer should pay for the benefits conferred with regard to goods.

"There is no reason," the court said, "why taxpayers should subsidize the services used by the importers; ultimate consumers should pay for such services as police and fire protection accorded the goods just as much as they should pay transportation costs associated with these goods."

Some who have studied the decision say it seems to suggest that taxation of the type imposed in Georgia wouldn't be legally permissible so long as the goods are in the actual transit process as imports.

Welch said that the state's "no situs" law says that property taxes aren't applicable to personal property in transit through South Carolina. The statute allows that such goods in both public and private warehouses may be assembled, relabeled, divided and repackaged and broken in bulk without the imposition of tax.

"This principle has held firm since the law was enacted," Welch said. The "no situs" law has also proved its worth in helping to attract industrial development, he added.

Counsel for the SCPA researched the tax situation in the state as it applies to the ports operations.

U.S. Lines Names Mylotte Head of European Sales

Thomas J. Mylotte has been appointed general sales manager of United States Lines' European division, it was announced by James J. Clarke, vice president, European division.

Mylotte, a native of Philadelphia and a graduate of St. Joseph's College there, joined U. S. Lines in 1951. He assumes his new position after serving three years as Midwest sales manager at the company's Chicago office.

Mylotte was formerly manager of the Tokyo office and regional sales manager for Japan, Okinawa and Korea. His new responsibilities will be to direct sales and marketing for U. S. Lines throughout Europe and the United Kingdom. He will be based in London.

Julio Diaz Joins Chester, Blackburn and Roder Agency

Julio P. Diaz has been appointed sales manager, Latin American services, of Chester, Blackburn & Roder Inc., ship agents and brokers, it was announced by Jeremy Chester, president of the firm.

A former export manager for the DuPont Corporation, Diaz was born in Cuba and educated at LaSalle and the University of Havana. He will direct the sales marketing program for all Latin countries served through CB&R, which handles over 150 sailings a year from Miami to Latin markets, with both roll on/roll off and container service. The company also acts as agent for an equal amount of service to the Caribbean and South America.

NEEL Celebrates First Year Container Service

NEEL Container Line employees celebrated the first anniversary of their company's North Atlantic service at the company's Liverpool headquarters April 30.

NEEL Chief Executive John Ross told his staff that the first year's performance was good and that business prospects were improving despite the recent difficult trading period.

"Our developing feeder services connecting with our sailings from Antwerp and Felixstowe are now contributing to this upward trend," he said.

Hughes Bros. VP the 4th Generation in Business

William J. Hughes, representing the fourth generation to become involved in the family business of providing diversified marine services, has been appointed vice president, sales, of Hughes Bros. Inc. of New York.

Hughes joined the firm in 1974 after earning an M.B.A. from the University of South Florida. He first worked for the firm while a college student and now specializes in the brokerage of all classes of marine equipment for both the domestic and foreign market.

The company also named Kenneth W. Benish vice president, marine operations. Benish joined Hughes Bros. in 1964 and in his new position will specialize in chartering marine equipment, towing and other services.

Cawthon Named U. S. Lines' Manager for S. Atlantic

Edward G. Cawthon has been appointed operations manager of the South Atlantic region for United States Lines, it was announced by William J. Klauberg, vice president, eastern division.

A native of Brunswick, Cawthon came to U. S. Lines in 1975 as port manager for Savannah. A graduate of the U. S. Merchant Marine Academy, he is a specialist in the field of containerized cargo, having served as third officer with United Fruit Company and in several managerial positions for Sea-Land Service, Inc. He will be based in Savannah.

Port Authorities

NORTH ATLANTIC

Portland	(207) 773-5608
Boston	(617) 482-2930
New York/NJ	(212) 466-7968
Philadelphia	(215) 922-4600

CHESAPEAKE AREA

Baltimore	(301) 383-5700
Norfolk	(804) 857-3351

PACIFIC COAST

San Diego	(800) 854-2757
Los Angeles	(213) 832-7241
Long Beach	(213) 437-0041
San Francisco	(415) 391-8000
Oakland	(415) 444-3188
Portland	(503) 233-8331
Seattle	(206) 587-3300
Tacoma	(206) 383-5841

GREAT LAKES

Cleveland	(216) 241-8004
Toledo	(419) 243-8251
Detroit	(313) 224-5656
Chicago	(312) 221-5559
Milwaukee	(414) 278-3511
Duluth	(218) 727-8525

SOUTH ATLANTIC

Morehead Cty	(919) 726-3158
Wilmington	(919) 763-1621
Charleston	(803) 723-8651
Savannah	(912) 233-9604
Brunswick	(912) 265-8500
Jacksonville	(904) 633-5140
Canaveral	(305) 783-7831
Palm Beach	(305) 842-4201
Pt. Everglades	(305) 523-3404
Miami	(305) 635-7823

GULF COAST

Manatee	(813) 722-6621
Tampa	(813) 248-1924
Panama City	(904) 763-8471
Pensacola	(904) 438-8537
Mobile	(205) 438-2481
Gulfport	(601) 863-3851
New Orleans	(504) 522-2551
Lake Charles	(318) 439-3661
Port Arthur	(713) 983-2011
Houston	(713) 225-0671
Galveston	(713) 765-9321
Corpus Chrsti	(512) 882-5633
Brownsville	(512) 831-4592

Southeast Regional Steamship Agencies

BRUNSWICK (912)

Eller & Company, Inc. .... See Savannah
Harrington & Co., Inc. .... See Savannah
Southeastern Maritime Co.
State Port Bldg. 265-7416

CANAVERAL Area (305)

Eller & Company, Inc.
Port Canaveral Station 783-5093
Harrington & Co., Inc. .... See Miami
Lavino Shipping Company
Port Canaveral Station 783-4652
Kerr Steamship Co. .... See Jacksonville

CHARLESTON (803)

Carolina Shipping Co.
P. O. Box 847 577-7880
Eller & Company, Inc.
1 Cordes Street ....
Harrington & Co., Inc.
24 Vendue Range 577-3521
Kerr Steamship Company
24 Vendue Range, Box 628 577-6610
Palmetto Ship. & Steve. Co., Inc.
P. O. Box 974 722-4461
Prudential Lines, Inc.
245 East Bay Street 577-9520
Puerto Rico Marine Mngt.
P. O. Box 6128 577-7300
Sea-Land Service, Inc.
1 Columbus St. 722-0151
Seatrain Lines
North Charleston Terminal 554-9330
South Atlantic Terminals, Inc.
Five Cordes St. 722-4119
Southeastern Maritime Co.
P. O. Drawer 978 722-8451
Southern Shipping Co.
2 Adgers North Wharf 722-8481
Stevens Shipping & Terminal Co.
24 Vendue Range 723-2721
Strachan Shipping Co.
5 Exchange St. 722-2718
Street Brothers
9 Mid-Atlantic Wharf 723-2573
Sumter Marine Corp.
P. O. Box 69 723-8307
TTT Ship Agencies Inc.
2 Adgers Street Wharf 722-8481
Wilkes Shipping Agency Inc.
7 Cordes Street 577-0200

JACKSONVILLE (904)

Caldwell Shipping Company
451 Fla. Natl. Bank, Box 1913 356-1311
Carolina Shipping Co.
3226 Talleyrand Ave. 355-5757
East Coast Agencies
305 E. Union St., P. O. Box 3157 355-2521
Eller & Company, Inc.
1820 Westcott St., Box 4304 359-0251
Gulf & Caribbean Shipping
2000 E. Bay St. 354-3266
Harrington & Company
305 E. Union, Box 3157 355-2521
Kaufmann Shipping Company
2080 Talleyrand, Box 1857 353-5638
Kerr Steamship Company
2701 Talleyrand Ave., Box 3336 354-0883
McGiffin & Company
1510 Talleyrand, Box 3 353-1741
Norton, Lilly & Co.
1820 Westcott St. 359-0251
Puerto Rico Marine Management, Inc.
Box 217, Ft. George Island 751-3050
Sea-Land Service Inc.
2701 Talleyrand, Box 3281 356-0081
Ship Agents, Inc.
P. O. Box 1493 358-3558
South Atlantic Terminals, Inc.
2220 Gulf Life Tower 398-4285
Southern Shipping Company
3226 Talleyrand, Box 4668 355-4751
Southeastern Maritime Co.
2701 Talleyrand, Box 1504 353-8201
Stevens Shipping & Terminal Co.
2701 Talleyrand, Box 3336 354-0883
Strachan Shipping Company
Fla. Natl. Bank Bldg., Box 4010 356-0711
TTT Ship Agencies Inc.
3226 Talleyrand, Box 4668 355-3889
Trailer Marine Transport, Corp.
1045 Bond Ave., Box 2110 354-0352
United States Lines
2701 Talleyrand Ave. 358-1411
Wilkes Shipping Agency Inc.
815 S. Main St. 399-0121

KEY WEST (305)

Albury & Company
Miami telephone 673-2323
Eller & Company, Inc.
701 S.E. 24 St. 525-3381
Lavino Shipping Company
Miami Telephone 371-4581

MIAMI Area (305)

Agencias Maritimas Nicaraguenses, S.A. (AMARNIC)
518-20 Biscayne Blvd. 371-0261
Albury & Company
MacArthur Causeway, Box 4221 673-2323
Antillean Marine Shipping Corp. 633-6361 &
3050 N.W. North River Dr. 633-6362
Caribbean Agencies, Inc.
1015 North America Way 358-9050
Chester, Blackburn & Roder, Inc.
P. O. Box 59-3037 AMF 592-7111
Coordinated Caribbean Transport
1001 North America Way 358-7960
Eagle, Inc.
1015 North America Way 377-4071
Eller & Company, Inc.
3000 Biscayne Blvd. 573-5880
Frendo Americas, Inc.
444 Brickell Ave. 374-3434
Hansen & Tidemann
1040 Biscayne Blvd., Box 1470 377-3781
Harrington & Co., Inc.
820 N.E. 2nd Ave., Box 3901 358-5621
Inter-American Shipping Corp.
242 N.E. 2nd Ave. 373-6681/373-6216
Mamenic Line
518 Biscayne Blvd. 379-3944
K. Nielsen Shipping & Trading Co., Inc.
903 S. America Way 377-4911
Lavino Shipping Company
501 N.E. 1st Avenue 371-4581
Lodestar Trading Corp.
7600 Red Rod 661-7503
Narovi Shipping Co.
P. O. Box 1254 374-8585
Southeastern Maritime Corp.
141 Third Ave. N. 374-2834
Strachan Shipping Company
Port Office Bldg. #1 379-6596
Trailer Marine Transport, Corp.
1721 N. E. Miami Ct. 358-4693
Trans Caribbean Agencies, Inc.
3301 NW South River Dr. 635-8672

MOBILE, ALA. Area (205)

Biehl & Co., Inc.
Miner Building 432-1605
Dalton Steamship Corp.
800 Commerce Bldg. (Box 1215) 433-2616
Fillette, Green & Co., Inc.
701 Miner Building 438-1611
Gulf-Puerto Rico Lines, Inc.
P. O. Box 930 433-0461
Lykes Brothers Steamship Co., Inc.
First National Bank Building 432-3631
Sea-Land Service, Inc.
P. O. Box 930 433-1445
Stiegler Shipping Co.
P. O. Box 942 433-5516
Strachan Shipping Co.
P. O. Box 2127 433-5401

MOREHEAD CITY (919)

Lavino Shipping Company
P. O. Drawer E 726-2511
Morehead City Shipping Co.
300 Arendell St. 726-5151
A. R. Savage & Son
P. O. Box 718 726-2131

PANAMA CITY Area (904)

Fillette-Green & Company
432-A Magnolia Ave. 763-7675
John A. Merritt & Co.
P. O. Box 1686 763-7013
Southern Steamship Agency, Inc.
406 Jenks Avenue 763-5361

PENSACOLA Area (904)

Fillette-Green & Company
11 N. Palafox St. 438-4471
John A. Merritt & Co.
804 S. Palafox St., Box 590 432-0971
Southern Steamship Agency, Inc.
P. O. Box 12921 438-8418
Strachan Shipping Co.
c/o Pensacola Port Authority 433-2724

PORT EVERGLADES Area (305)

Albury & Company
P. O. Box 4221, Miami 673-2323
Eller & Company, Inc.
701 S.E. 24 St. 525-3381
Gulfstream Shipping Corporation
P. O. Box 13044 527-1501
Hansen & Tidemann, Inc.
Port Everglades Station 527-1503
Harrington & Co., Inc.
P. O. Box 13028 525-4204
Lavino Shipping Company
Port Everglades Station 524-7612
Sea-Land Services, Inc.
P. O. Box 21308 525-0344
Strachan Shipping Company
Port Everglades Station 523-6563
Trans-Atlantic Bulk, Inc.
P. O. Box 13089 522-4736

PORT MANATEE (813)

A. R. Savage & Son .... See Tampa
Eller & Company, Inc. .... See Tampa
Fillette, Green & Co. .... See Tampa
General Shipping Co. .... See Tampa
Harrington & Co., Inc. .... See Tampa
Interore Shipping Corp. .... See Tampa
Lavino Shipping Co. .... See Tampa
Manatee Terminals, Inc.
P. O. Box 158, Palmetto, Fla. 746-0809

SAVANNAH (912)

Carolina Shipping Co.
P. O. Box 1232 234-7221
East Coast Agencies
28 E. Bay St. 232-1276
Eller & Company, Inc.
24 Drayton Street 236-8291
Hohenstein Shipping Co.
P. O. Box 2468 234-2621
Harrington & Co., Inc.
38 E. Bay St. 232-1276
Kerr Steamship Company
26 Bay St. 233-8131
Sea-Land Service, Inc.
24 Drayton St. 234-2390
Smith & Kelly Co.
P. O. Box 1805 232-3151
South Atlantic Terminals, Inc.
222 E. Bay St. 233-4527
Southeastern Maritime Co.
P. O. Box 2088 232-5581
Southern Shipping Co.
P. O. Box 1805 232-5335
Stevens Shipping & Terminal Co.
P. O. Box 1468 233-8131
Strachan Shipping Co.
P. O. Box 9667 234-6671
J. R. Shipping Co.
P. O. Box 9833 232-2129
TTT Ship Agencies Inc.
P. O. Box 8127 233-7921
United States Lines
P. O. Box 2887 234-5324
Wilkes Shipping Agency Inc.
Trust Co. Bank Bldg. 232-5541

TAMPA Area (813)

A. R. Savage & Son
203 Marion Street 229-7918
Delfa Lines Agency
P. O. Box 983 223-3426
Delia Failde
Metroport 229-2271
East-Gulf Shipping Co.
102 N. 13th St. 248-4946
Eller & Company, Inc.
13th & York Sts. 223-7331
Fillette-Green & Co., of Tampa, Inc.
315 Madison St., Box 2948 229-0201
General Shipping Company
415 N. Meridian; Box 2536 229-1593
Gulf Coast Transit Co. (Barge)
4251 Henderson Blvd. 876-4161
Hamilton Brothers
622 13th Street 229-8151
Harrington & Co., Inc.
308 Tampa St., Rm. 200 233-1671
Hillebaum-Tampa Inc.
501 Jackson Street 228-7891
Interore Shipping Corporation
404 Jackson St., Box 2735 223-4736
Kirkconnell Shipping Co.
Metroport 229-2378
Lavino Shipping Company
Ft. of Franklin St., Box 377 223-4721
Lykes Bros. Steamship Co., Inc.
512 N. Florida Ave. 223-3981
Marine Agency of Tampa, Inc.
P. O. Box 2189 229-1906
Moran Shipping Co.
1305 Shoreline 248-5791
Norton, Lilly & Co.
13th & York Sts. 223-7331
Peninsular Steamship Co.
3105 W. Water Ave. 935-2196
Philip Shore Shipping Co.
512 N. Florida Avenue 229-2275
R. G. International Corp.
P. O. Box 94 837-3042
Sea & Land Shipping Inc.
305 Morgan Street 229-7284
Tampa Import & Export Terminal
521 S. Ashley St. 229-1443
Tampa Shipping Co.
315 E. Madison St. 229-8402
Transoceanic Freighting Services
P. O. Box 2228 223-4288
Jan C. Uiterwyk Co.
715 E. Bird 933-4045
United Shipping Co., Inc.
P. O. Box 2472 229-0205

WEST PALM BEACH (305)

Birdsall, Inc. 844-0281
Eller & Company, Inc.
701 S.E. 24 St. 525-3381
Harrington & Co. .... See Miami
Lodestar Trading Corp. .... See Miami
Lund & Pullara
E. Port Rd., Riviera Bch. 844-1142
Lavino Shipping Co. .... See Miami
Lloyd Caribbean, Inc. 844-8933
Palm Beach Shipping Agency
130 E. Port Rd., Riviera Bch. 844-5387
Strachan Shipping Co. .... See Pt. Everglades
Tropical Shipping Co.
821 Ave. E., Riviera Bch. 844-0281
West India Shipping Co.
P. O. Box 10355 848-5511
Williams Shipping Agency
158 E. Port Rd., Riviera Bch. 848-4387

WILMINGTON (919)

Eller & Co., Inc.
Maritime Building 763-0321
Harrington & Co., Inc.
201 N. Front St. Su. 709 762-0345
Lavino Shipping Company
P. O. Box 300 763-8271
Southeastern Maritime Co.
P. O. Box 326 763-2968
Wilmington Shipping Co.
Box 1809 763-7333
Waters Shipping Co.
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