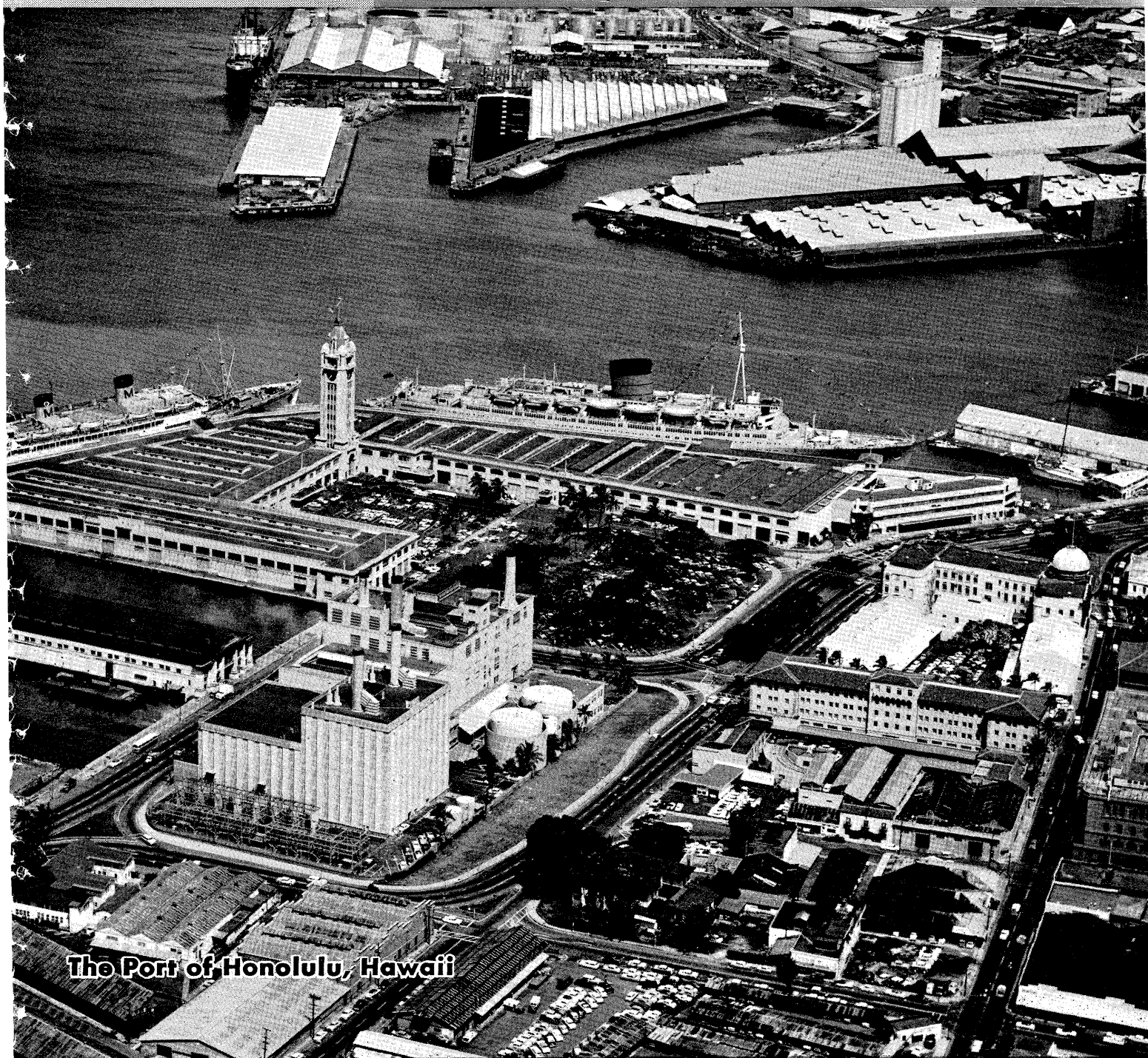


PORTS *and* HARBORS

JUNE 1960

Vol. 5 No. 2



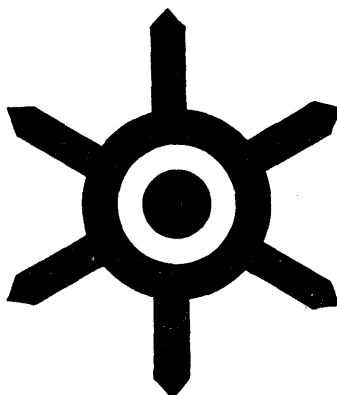
The Port of Honolulu, Hawaii

THE INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS

Introducing The Crests of Co-Member Ports

(Each Issue One Port)

THE PORT OF TOKYO, JAPAN



This crest of Tokyo signifies the "metropolis of Japan" or the land of the rising sun. As is suggested by the design, the black circle in the center stands for the sun, with its brilliant rays radiating in all directions. This city crest is also used by the Port of Tokyo as its symbol. Really, the perfection of the Port of Tokyo as a great modern port, worthy of the ocean gateway to the nation's metropolis, is the sincere hope of its 9 million citizens, who look forward to the no distant future when they will be connected with the port cities of the world in all directions with ties of closer commercial and cultural relationships.



An air photo of the Port of Tokyo busy with expansions.

THE INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS

OBJECTS AND PURPOSES

(Per Article 3 of Constitution)

The objects and purposes of this Association shall be:

(a) To associate its members from all countries together in the common cause of mutual international friendship and understanding;

(b) To exchange information relative to port and harbor organization, administration, management, development, operation and promotion;

(c) To encourage, develop and promote waterborne commerce to and from all world ports and harbors; and

(d) To encourage the standardization and simplification of procedure governing imports and exports and the clearance of vessels in international trade:—
thereby promoting the peace in the world and the welfare of mankind.

UNDERTAKINGS

(Per Article 3 of Constitution)

This Association shall carry out the following undertakings in order to accomplish the objects and purposes specified in the foregoing Article:

(a) The holding of conferences of the International Association of Ports and Harbors as provided in the By-Laws;

(b) The publication of the minutes of Conferences, an official Association journal or other publication and other special publications concerning ports and harbors, as may be authorized by this Association;

(c) The establishment of relations with other international organizations, associations and agencies on matters of mutual international interest concerning ports and harbors;

(d) The establishment of a center or centers for the collection, tabulation and distribution of information concerning ports and harbors from throughout the world for the benefit of members of this Association and other interested persons:

(e) The dissemination to ports and harbors, and governmental agencies and private operators thereof, of the accomplishments of this Association as expressed in resolutions, bills, reports of committees, and the published proceedings thereof;

(f) The establishment of committees from among the membership of this Association for reference purposes of members engaging in the organization, administration, development, operation, utilization, management or promotion of ports, harbors and other waterfront facilities;

(g) The assumption of other undertakings necessary to effectuate and realize the objects and purposes of this Association.

PORTS and HARBORS

PORTS AND HARBORS is quarterly published by the Central Secretariat of the International Association of Ports and Harbors as an official journal of the Association, to provide its members with information concerning port and harbor development in the world.

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THE INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS

Lloyd A. Menveg, President of Board of Harbor
Commissioners, City of Los Angeles, California, U.S.A.
.....President

Lt. Gen. Huang Jen-ling, Chairman, Board of
Directors, China Merchants Steam Navigation Co., Ltd.
Taipei, Taiwan, ChinaFirst Vice President

Francisco A. Medrano, General Manager,
Manila Port Service, Manila, the Philippines
.....Second Vice President

Editor : Akira Ikeda

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U.S.A.	Mr. John P. Davis Commissioner Board of Harbor Commissioners Port of Long Beach	
Venezuela	Dr. Jose Antonio Mayobre Minister of Finance	Dr. Jose Arnaldo Puigbo General Administrator National Port Service Ministry of Finance
Viet-Nam	Mr. Nguyen Van Chieu Director, Saigon Port	

(Directors and Alternate Directors for Australia, Brazil and Burma are yet to be elected.)

From The Central Secretariat

By **Gaku Matsumoto**

Chief of the Central Secretariat
I. A. P. H.

1. Appointment of the Executive Committee

Pursuant to the decision made at the first meeting of the Board of Directors, which was held at the conclusion of the Second Triennial Conference of Mexico City, June, 1959, the following Directors and Alternate Directors were appointed by the President members of the Executive Committee, which will meet once or twice a year in order to discuss and consider the important policy matters of the Association and present their recommendations to the Board of

Directors:

Dr. Chujiro Haraguchi
Director, Japan

Mr. Hsu Ren-shou
Alternate Director, China

Mr. Francisco A. Medrano
Alternate Director, Philippines

Col. Howard W. Quinn
Director, Peru

Mr. Edward Julius Wesley
Director, Liberia

About these Executive Committee members, they all accepted the appointment, except Mr. Wesley, Liberia, whose answer was not re-

ceived by the time of the first Executive Committee meeting held in Honolulu, Hawaii, May 19 through 20, 1960. Further, Col. Quinn, Peru, could not attend this meeting because of the termination of his office in the Port of Callao, Peru which took place a little before the meeting.

2. First Executive Committee Meeting in Honolulu

According to this Board decision, President Lloyd A. Menveg called the first Executive Committee meeting in Honolulu, Ha-



Photo shows the Executive Committee meeting in the Board Room of the State Board of Harbor Commissioners, Honolulu, Hawaii, on May 19. From L. to R. in the front row: Mr. Francisco A. Medrano, Second Vice President, Philippines; Dr. Chujiro Haraguchi, Director, Japan; Mr. Lloyd A. Menveg, President, U.S.A.; Mr. Hsu Ren-shou, Alternate Director, China; and Mr. John P. Davis, Director, U.S.A. Back row from L. to R.: Mr. Arthur Nordstrom, Legal Counsellor; Mr. S. Kuroda, Central Secretariat; Mr. A. Ikeda, Central Secretariat; Mr. Robert M. Wilkinson, Los Angeles; Mr. S. Yamamura, Central Secretariat; Mr. A. Yamada, Kobe.

waii, May 19 through 20, attended by the following members:

Dr. Chujiro Haraguchi, Japan
Mr. Hsu Ren-shou, China
Mr. Francisco A. Medrano,
Philippines
Mr. John P. Davis, United States
Mr. Lloyd A. Menveg, Chairman

In addition to the five members already appointed, Mr. John P. Davis, Commissioner, Board of Harbor Commissioners, Long Beach, California, was appointed Committee member before the calling of this Committee meeting, in order to fill up the vacancy for the United States left by Mr. Lloyd A. Menveg, who was to act as Committee Chairman.

Under unavoidable circumstances, Mr. Gaku Matsumoto, Chief of the Central Secretariat, was absent from the meeting, but Under Secretaries Shizuo Kuroda, S. Yamamura and A. Ikeda attended to make necessary reports and manage the meeting in his behalf. Assisting Chairman Menveg, Mr. Arthur Nordstrom, Legal Counsellor, and Mr. Robert M. Wilkinson, Secretary, Board of Harbor Commissioners, City of Los Angeles, attended the meeting,

while Dr. Haraguchi was accompanied by Mr. A. Yamada, his assistant.

The meeting of May 19 was held in the Board Room of the Board of Harbor Commissioners, State of Hawaii, and the next day's meeting took place in the Princess Kaiulani. Important businesses conducted in these meetings were of:

Proposed Rules and Regulations Governing Meetings by Correspondence of the Board of Directors, Executive Committee and Standing Committees;

Election of New Directors, etc.;

Appointment of Permanent Councilors for Two Vacancies;

Working Program of Standing Committees and Appointment of Their Members;

Operation of the Port Information Center (PIC);

Proposed Publication of "I.A.P.H. New Letter";

Time and Place of the Third Triennial Conference; etc.

The results of their discussions and Executive Committee recommendations will be arranged by

the Central Secretariat into bills and will be presented to all Directors and Alternate Directors by the end of June, in the form of a Board of Directors meeting by correspondence, in order to obtain their approval.

3. Function for Honorary Membership Scrolls

As stated in detail elsewhere in these pages, the presentation of the Honorary Membership Scrolls will be made by United States Ambassador Douglas MacArthur II to Japan to Prince Takamatsu, First Honorary Member, and Admiral Manuel Zermeno Araico of Mexico. In compliance with the request of our President, Mr. Lloyd A. Menveg, the United States Ambassador has consented to make the presentation in his behalf. The presentation will be attended by Ambassadors and Ministers of Association member countries and others as well as many Japanese and foreign residents prominent in port, shipping, foreign trade and press circles.

4. Association Membership

(a) During the past three



Photo shows the Diamond Head Terminal and other major terminals around the Aloha Tower in Honolulu Harbor.

Honolulu Harbor Basin is shown in right photo.



months, membership applications have been received by the Central Secretariat from the following persons:

Regular Members

Kanagawa Prefecture, Yokohama, Japan
Niigata Prefecture, Niigata, Japan
Port (Cargo) Corporation, Colombo, Ceylon

Corporate Supporting Member

Kobe Wharf and Warehousing Co., Ltd., Kobe, Japan

Individual Corporate Supporting Member

Captain John R. Bromley, USN, Naval Attaché and Naval Attaché for Air, Tokyo, Japan

(b) Mr. V.G. Swanson, Chairman, Melbourne Harbor Trust Commissioners, Melbourne, Australia, has been notified to represent the Australian member port, succeeding Mr. A.D. Mackenzie, the former chairman.

5. Miscellaneous

(a) The subsiding study group of the Port of Niigata, Japan, who have visited the Port of Long Beach, through the introduction of the Central Secretariat, for inspecting the anti-subsiding mea-

sures successfully being taken by the American port, returned to Tokyo on June 2, after a month and half fruitful trip to the United States.

(b) Mr. Lloyd A. Menveg, President of I.A.P.H., will make a trip to Europe in September this year, where he intends to visit around the ports there and discuss with their people on the development of I.A.P.H. in the European sphere.

(c) Copies of "Marine Terminal Charges at Leading Ports of Japan," compiled and published by this Association, were presented by the Central Secretariat to the leading ports of all countries.

(d) Principal overseas visitors to the Central Secretariat during the period were:

Mr. and Mrs. C. G. Morrison, Oakland, U.S.A.

(through the introduction of Mr. Dudley W. Frost, Port of Oakland)

Mr. Hsu Ren-shou, Alternate Director for China, visiting the Central Secretariat on May 18 on his way to Honolulu, Hawaii, to attend the Executive Committee meeting.

100,000-ton Tanker to be Launched in July

Kure shipyard of National Bulk Carriers, Inc. announced that it will launch a 100,000-ton tanker which was under construction in July. The ship whose name is undecided now, is the second of its type to be built there. It is said that it will be christened from Greek Mythology.

* * *

Tax Exemption for Foreign Facilities

The Yokohama City authorities have recently decided to exempt the two foreign seamen's welfare facilities of Seamen's Service (U.S.) and Missions to Seamen (British) from the fixed assets tax. This action has been taken not only as one of favorable treatments to foreign seamen to be naturally given by the Port of Yokohama which depends solely upon foreign trade but also in expectation of a reciprocal action for Japanese seamen's welfare facilities to be set up overseas. The treatment will be extended to the recreation and food tax and the corporation tax.

Prince Takamatsu and Admiral Araico To Receive Honorary Membership Scrolls

Ambassador MacArthur II to Make Presentation

On July 11, 1960 United States Ambassador Douglas MacArthur II to Japan will present in Tokyo the Honorary Membership scrolls to Prince Takamatsu of Japan and Admiral Manuel Zermeno Araico of Mexico, on behalf of our President, Mr. Lloyd A. Menveg, President of the Board of Harbor Commissioners, Los Angeles. These scrolls were, as reported in the last issue of this magazine, prepared by the courtesy of the Port of Los Angeles and have been forwarded from Los Angeles to the Central Secretariat in Tokyo, where they will be presented to the newly elected Honorary Members.

It was first planned that President Menveg would come over to Tokyo in order to present himself the scrolls to Prince Takamatsu, and Admiral Araico through Mexican Ambassador Alfonso Castro

Valle to Japan. However, under the inevitable situation where his visit to Japan was found impossible, he has asked U.S. Ambassador MacArthur II to kindly make the presentation in the name of this Association and in his behalf as its President. Fully realizing the significance of this international function and the objects and purposes of this Association, Ambassador MacArthur has complied with this request.

The presentation ceremony will take place on July 11, at 5 p.m., at the Seiyoken Restaurant, Ueno Park, Tokyo, with about 200 persons prominent in port, shipping, transportation, official and financial circles, including foreign diplomatic representatives in Tokyo, State Ministers concerned, and Japanese Directors and members of the Association, present.

As reported in the last issue, Prince Takamatsu of Japan and Admiral Manuel Zermeno Araico, Secretario de la Secretaria de Marina (Minister of Maritime Affairs) of Mexico, were unanimously elected First and Second Honorary Member of this Association, respectively at the Association's Second Triennial Conference held in Mexico City, June 1959. Prince Takamatsu has been the constant patron and supporter of this Association since its very inception in 1952, contributing greatly to its realization and development. Admiral Araico has rendered outstanding services to this Association in the organization of the Second Triennial Conference of Mexico, which achieved such a great success in many and various phases under his excellent management and leadership. As mentioned before, the Honorary Membership Scroll to him will be presented, with his understanding, by Ambassador MacArthur to Mexican Ambassador Valle who will represent him.

About Our Two Honorary Members

Below is given a brief career of each of the two Honorary Members:

H.I.H. Prince Takamatsu Japan

Born in Tokyo on January 3rd, 1905, as the third son of the Emperor Taisho; entered the Peers' School in April 1911.

In July 1913, was granted the title of Takamatsu-no-Miya and established a new household.

Entered the Naval Academy in May 1920, and graduated therefrom in July 1924; was given the rank of a second sublieutenant in December 1924.

Married with H.I.H. Princess Kikuko, the daughter of Prince Tokugawa in February 1930; visited the United Kingdom in return for His Royal Highness the Duke of Gloucester's visit to Japan on the Garter Mission and made a tour to Europe and America from April 1930 to June 1931.

Entered the Naval Staff College

in November 1934 and completed the course in November 1936; took the office in the Naval General Staff in December 1936.

Promoted to Captain in November 1942; placed on the reserve list in November 1945.

Now is the Patron of many cultural and social organizations, among which the followings are well known:

The Japanese Art Association
The Japan-Danish Society
The Society for the International Cultural Relations (K.B.S.)
The Maison Franco-Japonaise
The Japan-Italian Society
The Social Welfare Association
The Japan-French Society.

*** * * * *** **Admiral Manuel Zermeno Araico, Mexico**

Born in Guadalajara City, Jalisco State, on June 26th, 1901, and finished the course of primary school and high school in the same City.

Entered in the Mexican Navy, 1917, as candidate for Naval Academy student and passing to the Naval Academy in Veracruz, when the Academy was created. Graduated from the same Academy with the title of Midshipman in 1921.

Started his duty on board various gunboats, warships, coastguards and military transports, continued his duties, such as General Aide-de-camp to the Naval Academy, Instructor of the War University and Aide-de-camp to the Presidential General Staff, when General Lázaro Cárdenas started his President term. During this last duty, was promoted to Lieutenant Commander.

Afterward, was assigned Naval Attaché in Washington D.C., U.S.A., Liaison Officer between the Headquarter of the Military Region of Pacific and the Western Naval Frontier of U.S.A., during the II World War, with the ranks of Lieutenant Commander, Commander and Captain. During this period, made observation trip to Honolulu. Later on, assigned Di-

rector of Naval and Military Academy in Mazatlán, Sinaloa State.

In 1946, took the office of the Naval General Staff Director, with the rank of Rear Admiral, and in 1948, performed the Commander Office of the Veracruz Third Naval Zone until 1949. In this year, was appointed by the President of the Republic, General Commander of the Navy, having been appointed successively in the ranks of Vice-Admiral and Admiral, in the course of this duty. During this period, performed also the mission of Naval Counselor to the 4th Foreign Ministers' Meeting held in Washington, D.C., U.S.A.

Upon finishing his term as General Commander of the Navy in 1954, was appointed again the Commander of the Third Naval Zone, staying in this position until 1956. In this year, was appointed Minister Extraordinary and Plenipotentiary in Norway, promoted later to Ambassador Extraordinary and Plenipotentiary in the same country. On Dec. 1st, 1958, Mr. Lic. Adolfo López Mateos, in occasion of assuming his position of President of the Republic, appointed him Minister of Maritime Affairs.

Construction Boom in S. California Continues

A total of \$3,483,000,000 was spent on building and construction in the southern half of California during 1959. This high level of activity was maintained in the first quarter of 1960, according to Kermit R. Sadler, traffic manager of the Port of Los Angeles.

"And in April, construction contracts and building permits climbed to a new monthly high of \$350,746,000," he said.

"Weekly shipments of overseas building materials from overseas reflect this upward trend. They run the gamut from marble to plate glass, nails to steel products of all kinds, fine hard woods to plywood," Sadler noted.

The port official made his comments as longshoremen recently unloaded the largest shipment of Italian marble—520 tons from Leghorn—ever to be handled here.

President Menveg's Congratulatory Message

Mr. Lloyd A. Menveg, our Association President, has asked Chief Gaku Matsumoto of the Central Secretariat to convey his congratulatory message to the honorable guests of the Honorary Membership Presentation Ceremony. The message reads:

"On behalf of the entire membership of the International Association of Ports and Harbors, I hope that these honorary certificates of membership can symbolize the understanding and contribution that His Imperial Highness Prince Takamatsu and Admiral Manuel Zermefio Araico

of Mexico have made towards the closer relationship between the great ports and harbors throughout the free world. Foreign commerce through maritime trade will eventually be the key to peace, prosperity and human understanding the world has so long sought.

It is with deep regrets that, due to previous commitments, I am unable to be at this auspicious occasion for the presentation of the honorary membership certificates to His Imperial Highness Prince Takamatsu and Admiral Manuel Zermefio Araico."

Sadler reminded that marble is found the world over. "But according to port records for fiscal 1959 (ended June 30), Southern California imported 7,330 tons of marble and related materials used in construction work—granite, slate, and the like—from some 15 nations."

Among the suppliers, Sadler cited the following: Italy, 5,534 tons; Japan, 504 tons; Belgium, 347 tons; West Germany, 203 tons; Portugal, 157 tons; Netherlands, 128 tons; Norway, 49 tons; Sweden, 20 tons; France, 4 tons; Brazil, 3 tons; and the United Kingdom, 1 ton.

"When the records for fiscal '60 are completed," said Sadler, "they are certain to show a gain in Italy's exports of marble through the Port of Los Angeles. And it now seems safe to predict that improvements will also be scored by other traditional suppliers."

* * *

Record Tonnage for Long Beach Harbor

With another month to go in the 1959-60 fiscal year, the Port

of Long Beach has already posted the highest annual tonnage total in its 49-year history, General Manager Charles L. Vickers announced.

A record tonnage in May—which saw the Harbor saw the Harbor handle over one million tons for the first time—brought Long Beach's 11-month total to 9,520,600 tons.

This exceeds the Port's previous high for 12 months of 9,398,376 tons, established in 1958-59, and virtually assures achievement of the 10,000,000-ton milestone by June 30, end of the 1959-60 fiscal year, Vickers said.

The May total of 1,091,358 cargo tons handled supplants the short-lived record for a single month of 944,806 tons set in March, 1960.

Comprising the new monthly mark were 499,783.91 tons of inbound cargo and 591,574.90 tons of commodities outward bound.

Port accountants estimate that the Harbor's increased business will push gross revenue for the year over 3,000,000 for the first time since the Port began operations in 1911, Vickers said.



Mr. Lloyd A. Menveg is shown receiving the Bronze Plaque Award from President James S. Catlen of the Los Angeles Chamber of Commerce.

Menveg, I.A.P.H. President, Honored

The top honor for port and shipping people in Southern California—the Bronze Plaque Award annually bestowed by the Los Angeles Chamber of Commerce for outstanding service to the cause of world trade—was presented to Lloyd A. Menveg, president of the Los Angeles Board of Harbor Commissioners May 26 at the annual Foreign Trade Association luncheon highlighting World Trade Week.

Menveg received the award at the Ambassador Hotel in Los Angeles from James S. Catlen, president of the Los Angeles Chamber of Commerce.

More than 400 Southern California leaders in the cause for a healthy two-way trade between this country and nations of the world applauded the association's selection of the youthful Port of Los Angeles executive.

The 37-year-old Menveg was singled out as a "successful business executive who has dedicated his abilities, energies, experiences and talents to the cause of good government in the services of Los Angeles through its great port."

Menveg was first appointed to the Los Angeles Board of Harbor Commissioners in August 1953

and is now serving an unprecedented sixth term as its president.

Under his leadership the Port of Los Angeles has grown to a \$155,000,000 municipal enterprise. During the past year, two great new terminals have been dedicated and construction of three others started. Completed facilities are a supertanker terminal and a new general cargo terminal. Projects underway are passenger-cargo, container and grain terminals.

Fourteen new berths, five general cargo terminals and a bulk loader will be added during the next five years at a cost of more than \$36,000,000.

Menveg's many accomplishments during his tenure as leader of the Port of Los Angeles' development include a sister-city project with Japan's port city of Nagoya, and aggressive traffic promotion programs in Europe and Japan.

It was pointed out that Menveg has served during this time as a volunteer without compensation.

Currently, Menveg is president of the International Association of Ports and Harbors, a group he has been active with since its inception.

1960 Predicted Best Year for L. A. Port

The Port of Los Angeles should have one of the best years in its history, General Manager Bernard J. Caughlin predicted.

He based his optimistic view on: 1) the healthy gains scored in cargo movement of all types during the first nine months of fiscal 1960 (ending June 30); and 2) the speedy settlement last week of a minor dispute between the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association, the employers' group, which brought a resumption of night stevedoring.

Total cargo of 16,181,724 tons was up 12.6 per cent over the same period in fiscal 1959; general cargo rose 15 per cent to 2,935,439 tons; bulk oil was up 14 per cent to 12,792,955 tons.

The labor dispute temporarily limited normal operations to daylight hours. Settlement last week, Caughlin pointed out, returned the port to its "long-held status as a 24-hour port—the busiest on the entire U.S. western seaboard."

U.S. Pacific Coast Iron Ore Rate Fixed

Freight rates for iron ore (about 1,400,000 tons) from the United States Pacific Coast ports for fiscal 1960 have been fixed at 3 per cent above the rates for the previous years. They are: \$5.25 from Stockton (\$5.10) and \$5.00 from Texada, McNeill, and Beavercoop (\$4.95) respectively. Figures in parenthesis are for fiscal 1959.

Marchesini to Join A.G. Conference

At an extraordinary meeting held on June 17, the Japan Atlantic and Gulf Freight Conference accepted unanimously the application for membership to the conference by Marchesini Line, which has been operating the New York service as non-conference member since last year and also decided to extend the application of the existing closed rates on the principal seven items from August 1 to 31. As a result, the opening of rates was completely avoided and the long pending problem of the service was finally settled.



This is Oakland as seen from the Port of Oakland's Jack London Square at the foot of Broadway. The central business district now includes the new Kaiser Center, the towering building at right upper center.

The Port of Oakland's Aggressive Expansion Program

An aggressive expansion program has been undertaken by the Port of Oakland—strategic gateway to the Pacific—to pace the rapid population and industrial growth on the mainland side of San Francisco Bay.

According to John F. Tulloch, president of the Board of Port Commissioners, capital expenditures during the next two and a half years will total nearly \$17,000,000, which is nearly half again as much as the \$40,000,000 investment in Port facilities.

The program reflects the growing importance of the Port of Oakland in the participation in

world trade in the Bay Area.

Oakland, California, is the seat of Alameda County. The city has a population of more than 400,000 and is the center of a mainland area of more than 1,300,000 persons.

The Port of Oakland has 19 miles of waterfront devoted to diverse uses related to commerce and navigation.

Its steel and concrete transit sheds are among the finest in the United States.

But perhaps equally important, according to Dudley Frost, executive director, the Port of Oakland is ideally suited for the future

development of container operations, with spacious open land and back-up areas.

Other installations in the varied Port development program are Metropolitan Oakland International Airport, the Port of Oakland Industrial Park, Jack London Square, the colorful waterfront restaurant and convention center, small boat harbors and marinas, shipyards and industries.

New construction and improvements in all of these developments are part of the current multi-million dollar expansion program. Added to the Port's expenditures will be millions of dollars in private investment on Port land.

This growth, accelerating at its greatest rate, climaxes 33 years of development on the Oakland waterfront by the Port of Oakland.

It is a sharp contrast to the first 75 years of Oakland's history,

when harbor facilities planning were neglected.

To capitalize on the natural advantages of Oakland as a deep water Port, the people voted to establish the Port of Oakland as a businesslike enterprise in 1927. Along with the autonomy included in the charter amendment to guarantee the promotion of commerce and navigation, the Port of Oakland started with a bond issue of \$9,960,000.

This was the last money the taxpayers put up for harbor development, except for a \$10,000,000 bond issue for the expansion of the airport.

And in place of the hodge-podge collection of docks and wharves, the Port of Oakland now is recognized as one of the most progressive and self-sufficient in the United States.

Principal marine terminals of the Port are located in the Outer Harbor, adjacent to the approaches of the world famous San Francisco-Oakland Bay Bridge, and along the Inner Harbor, the tidal canal separating the cities of Oakland and Alameda.

These terminals—Outer Harbor, Grove Street and Ninth Avenue—are served by three transcontinental



The Grove Street Terminal is one of the fine facilities of the Port of Oakland on the Inner Harbor.

railroads and are convenient to local freeways and inter-state and intra-state highways.

Supplementing them are the privately-owned facilities of Howard Terminal, of Oakland, and Encinal Terminals, of Alameda.

Together, the Port of Oakland,

Howard and Encinal terminals offer a wide range of facilities and services, for general cargo and liquid and dry bulk cargoes.

With choice rail and highway connections, air service, and the experienced varied services of the harbor, the Port of Oakland well



The Outer Harbor Terminal of the Port of Oakland includes three spacious transit sheds and the pier (right), with the tanks of the Mobil Oil Company's Northern California and Nevada distribution center visible. General cargo is handled by Encinal Terminals through the transit sheds, and warehouses are shown adjacent to the piers.

justifies its claim as the "transportation center of the Bay Area."

Prime facilities of the Port are leased to Howard and Encinal terminals, and are integrated with their own facilities.

These veteran operators join with the Port in aggressively promoting world trade to serve the cause of world peace and prosperity.

Another major facility of the Port of Oakland is the main Northern California and Nevada distribution plant of the Mobil Oil Company in the Outer Harbor, which receives substantial bulk petroleum tonnage over the Port of Oakland oil pier.

Also in the Outer Harbor is the McGuire Chemical Company, the first complete deepwater petrochemical terminal on the West Coast, where chemicals are received both by rail car and tanker and processed and packaged for distribution.

California agriculture produces a major portion of cargoes shipped over Port of Oakland piers.

The Port of Oakland is convenient to the farming and canning areas of the San Joaquin, Santa Clara and Sacramento valleys, and canned fruits and vegetables represent a substantial amount of the tonnage moving from Oakland to the ports of the world.

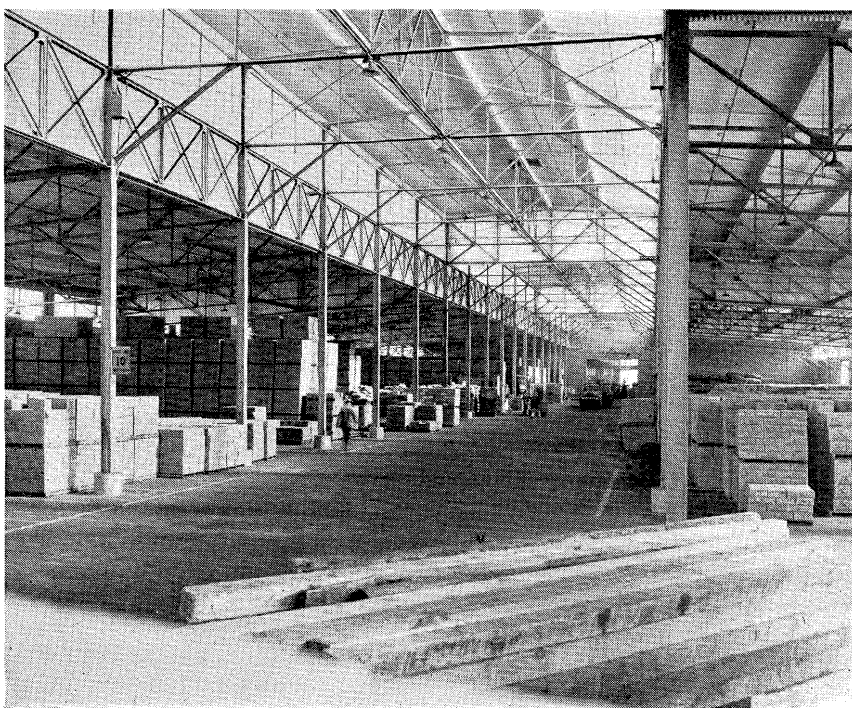
Also high on the list of exports is California cotton. California is one of the leading cotton-growing areas in the United States.

To meet the need for more cotton storage space, the Port recently completed a giant new cotton warehouse with space for 30,000 bales. This more than doubled the space available for lease to the U.C. Cotton Compress and Warehouse Company for cotton storage.

The Cotton Compress and Warehouse Company operates a high density cotton compress at one of the two cotton warehouses in the Outer Harbor to prepare export cotton for shipment.

Products imported via the Port of Oakland include automobiles, coffee, newsprint, fertilizers, sand, glass, steel, fibres, nuts and many other products.

Backing up the Port's marine terminals is a wide variety of industry on Port property. Many are national and international firms, attracted to the Port by the



Interior of the Ninth Avenue Terminal, one of the modern steel and concrete transit sheds of the Port of Oakland.

excellence of transportation facilities—land, sea and air—and the importance of Oakland as a marketing and distribution center.

Port industries include producers and distributors of cereals, dog food, canned goods, dry ice, chemicals, and petroleum, and warehousing, trucking containers, packaging, lumber and hardwood, shipyards and boat harbors.

This industrial development is being stepped up with the opening of the new Port of Oakland Industrial Park, a choice 1,000-acre tract between the Nimitz Freeway and Metropolitan Oakland International Airport. This site borders San Leandro Bay, a potential site for future deepwater shipping facilities.

Studies indicate that this property, when fully developed over a 20-year period, will produce employment for 15,000 to 20,000 persons, annual payrolls of between \$60,000,000 and \$90,000,000 and up to \$46,000,000 in new construction.

Port plans include hopes to interest developers in establishing a modern food and produce center on 173 acres within the Industrial Park.

Work is underway on the installation of utilities and road improvements to serve still another section of the Industrial Park, now

immediately available for industry.

Additional future expansion area of the Port is the North Harbor, which has 1,500 acres near the San Francisco - Oakland Bay Bridge, opposite the Outer Harbor.

Part of the \$17,000,000 in capital improvements programmed through June 30, 1962, includes the completion of the \$17,500,000 expansion of Metropolitan Oakland International Airport.

This project is the biggest in the history of the airport, which was started in 1927, just a few months after the Port of Oakland itself was established.

Construction of the first 7,000-foot hard-packed runway was rushed to completion for the first flight from the United States mainland to Hawaii by Army Lieutenants Albert H. Hegenberger and Lester J. Maitland in the tri-motor "Bird of Paradise." Their flight, beginning June 28, 1927, took 25 hours, 50 minutes.

Other flights to Hawaii followed. Ernie Smith and Emory Bronte became the first civilians to fly to Hawaii on July 14, 1927, and the Dole race started from Oakland on August 16, 1927.

Charles A. Lindbergh arrived in the "Spirit of St. Louis," in which he had flown solo to Paris, to dedicate the airport on September 17, 1927.

The first flight to Australia was made by Australian Capt. Charles Kingsford-Smith and his crew in the "Southern Cross" beginning on May 31, 1928, and Amelia Earhart was the first to solo from Hawaii to Oakland January 12, 1935.

Since aviation's pioneering days, Metropolitan Oakland International Airport has been keeping pace with its growth.

For passengers, it is one of the most convenient major airports in the nation, easily reached by freeways and only 12 minutes away from downtown Oakland.

The Port of Oakland undertook the current expansion program after the votes of Oakland approved a \$10,000,000 general obligation bond issue.

To meet the requirements of the jet age, a bold and imaginative plan was adopted.

With the existing airport of 900 acres bordering San Francisco Bay, the Port constructed a dike 4½ miles long surrounding 1,400 acres of underwater land.

Then hydraulic dredges pumped 14,500,000 cubic yards of sand from selected pits in the Bay and filled 600 acres of underwater land.

This will be used to construct a new passenger terminal, an air freight terminal, a new parking lot, and other facilities, and a 10,000-foot runway which will have two miles or more of unobstructed overwater approaches at each end.

Plans for the new passenger terminal building were prepared by Warnecke and Warnecke, Oakland architects, in consultation with the Port staff, the Federal Aviation Agency, the commercial airlines, and expert consultants.

The terminal building will cost an estimated \$4,750,000.

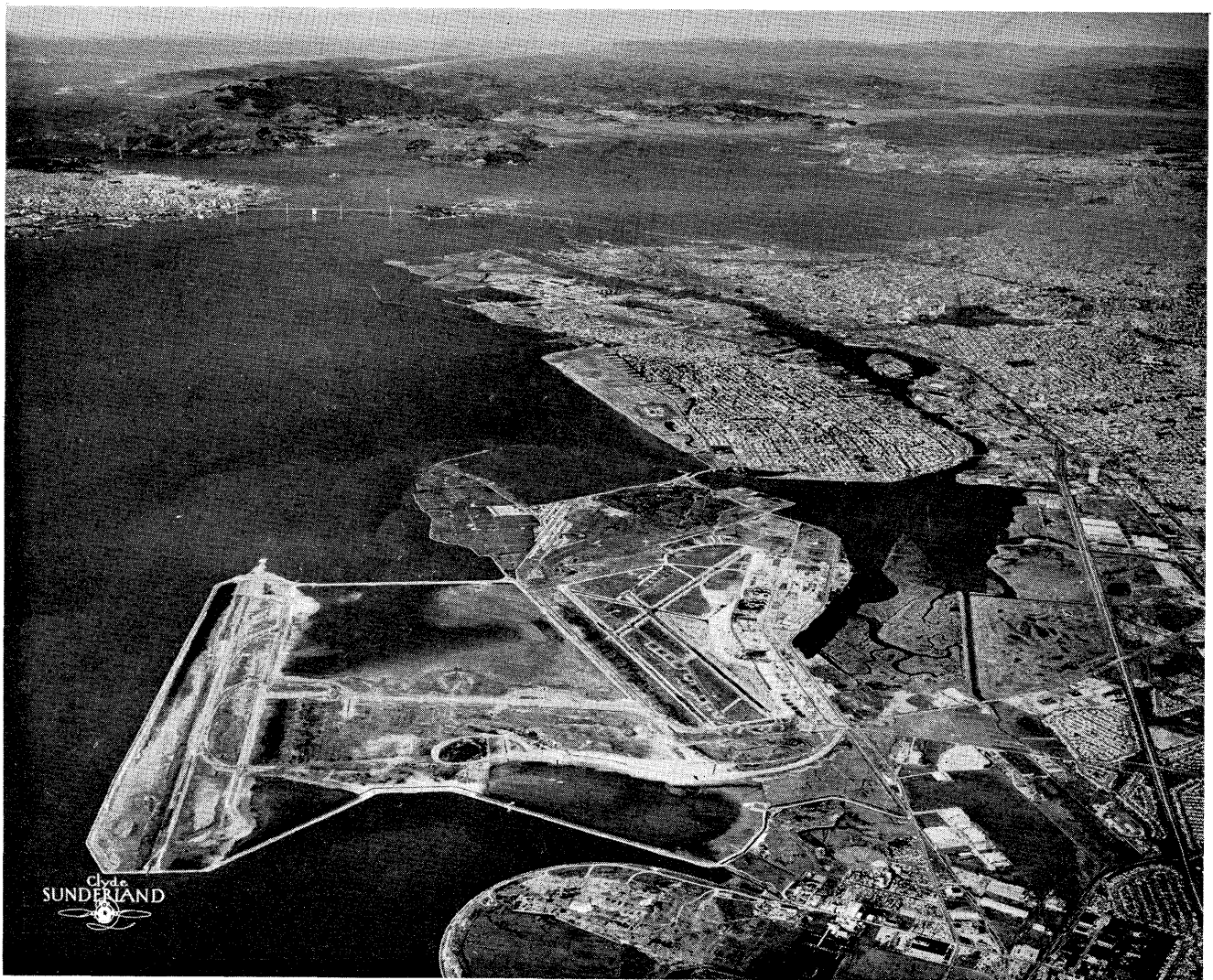
Plans include spectacular architectural features, a functional design and economical expandability.

The terminal will have two connected and integrated buildings.

The first will be a curved glass-fronted ticketing building, 500 feet long, featuring a conoidal canopy for weather protection over the sidewalk and parking lane. This will house the ticket counters of the airlines. Eleven airlines have applied for space.

The second will be the two-story terminal building housing the coffee shop, newsstand and other concessions, waiting and observation areas, dining room, airport and airline offices. Both an escalator and stairways will be included.

The 11-story control tower rises from the core of the terminal



This is an aerial view of Oakland and other Bay area cities, showing the Metropolitan Oakland International Airport and the site of the Port of Oakland's \$17,500,000 expansion program. At left is the 10,000-foot runway with two miles or more of unobstructed overwater approaches at each end.

This is the Port of Oakland Industrial Park, conveniently located between the Nimitz Freeway and Metropolitan Oakland International Airport, and now being developed.



building. At the eighth floor, there will be a spectacular cocktail lounge, cantilevered outward 23 feet on all four sides, providing a view of the Bay Area in all directions.

Ten aircraft parking gates will be built at a single finger leading from the terminal building. The structure will be adaptable to second-story loading in the future.

Passengers from arriving planes will have the convenience of a self-claim baggage area at curbside. Conveyors will be installed to receive the baggage from carts and diverters will separate the bags for the passengers.

The terminal complex will have more than 175,000 square feet of space, including 43,880 in the ticketing building; 76,473 in the terminal; 33,141 in the finger, and 19,320 in the control tower.

All public spaces in the terminal will be air conditioned.

A separate emergency and mechanical building will have 11,920 square feet.

All units of the terminal are designed to be expandable independently.

The initial development is intended to meet needs for the period from 1965 to 1970, when an esti-

mated 800,000 passengers will be using the airport annually.

From its first stage development, the building may be expanded to more than triple in size, handle five times the number of passengers, and quadruple the number of gate loading positions.

By 1985, according to forecasts, more than 4,000,000 passengers will be handled annually.

Unique among Port of Oakland enterprises is Jack London Square, named for the author, Jack London, who got his start in the ramshackle "First and Last Chance."

The Port razed a conglomeration of buildings to establish a new waterfront restaurant area which has attracted international attention and millions of tourists.

There are five restaurants with view of shipping along the Inner Harbor, the studios of a television station, and a new convention and banquet building, Jack London Hall, completed six months ago by the Port.

New development here will include a small boat marina, and the remodeling of a building as the Port of Oakland Building, with Polynesian restaurant on the roof, a Japanese restaurant on the ground floor, and other businesses,

as well as new offices of the Port of Oakland.

The Port of Oakland is operated under a five-man Board of Port Commissioners headed by President Tulloch, prominent Oakland contractor and civic leader.

Other Board members are Nat Levy, first vice-president, retired vice-president and secretary of the Moore Dry Dock Company; Carl H. Hansen, second vice-president, coffee company owner; H. W. Estep, appliance and furniture dealer, and Peter M. Tripp, who is in the insurance business.

Executive Director Frost, who has served as president of the California and Pacific Coast Association of Port Authorities, was formerly alternate U.S. director of the International Association of Ports and Harbors.

Last year he was president of both the American Association of Port Authorities and the Airport Operators Council and holds the distinction of being the first man to serve as president of both organizations.

He has been active in many other trade associations and now is vice-president of the new World Trade Club in the World Trade Center, San Francisco.

The St. Lawrence Project

Outstanding Civil Engineering Achievement

The St. Lawrence Project, involving the power and seaway developments on the United States and Canadian sides of the St. Lawrence River, was named as the outstanding civil engineering achievement of the year at the closing session of the national convention of the American Society of Civil Engineers held last March in New Orleans.

The Board of Direction of the Society officially confirmed the selection of a jury of engineering magazine editors, which had picked the St. Lawrence Project for the 1960 outstanding civil engineering achievement award.

It is the first award to be made by the Society to recognize an achievement in civil engineering.

Henceforth, an award will be made annually to the outstanding civil engineering achievement in the United States.

The St. Lawrence Project was one of 12 nominations made for the award from all parts of the country, involving all types of engineering developments.

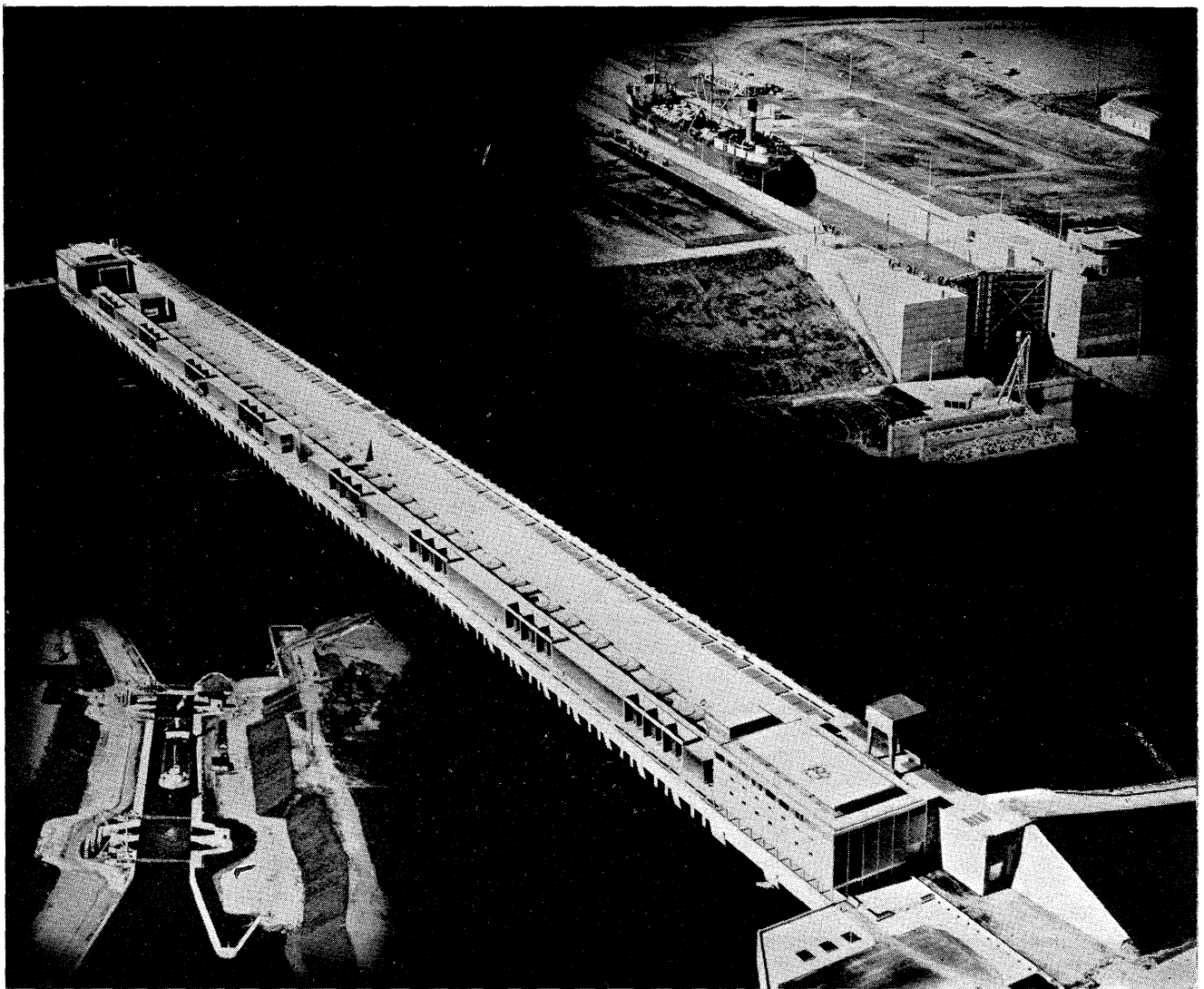
Actually, the citation is directed toward the four entities involved in the St. Lawrence Project, the power and seaway projects on both sides of the river. These are owned by the Power Authority of the State of New York, the St. Lawrence Seaway Development Corporation (USA), the Hydro-Electric Power Commission of Ontario, and the St. Lawrence Seaway Authority (Canada).

Each of these entities will receive an appropriate plaque from ASCE at ceremonies to be held at Massena, N.Y., on May 19. Representatives of both Canada and the United States will participate. The ceremonies will be held on the power dam which connects the United States with Canada.

Nominations, made by the directors of the Society in their respective districts throughout the country, were judged in three categories: (1) whether the project demonstrated improved skill in civil engineering; (2) whether the project contributed to engineering progress, and (3) the project's value to mankind.

The St. Lawrence Project scored high in all categories.

Other nominations made in the competition for the 1960 Award as the "Outstanding Civil Engineering Achievement of the



OUTSTANDING CIVIL ENGINEERING ACHIEVEMENT—THE ST. LAWRENCE PROJECT
Lower left, Iroquois Lock, Canada; center, Moses-Saunders Power Dam connecting U.S.
and Canada; upper right, Eisenhower Lock, U.S.

Year" were as follows: Oak Street Connector, a highway and bridge development at New Haven, Conn.; Torresdale Water Treatment Plant, Philadelphia, which serves 2,200,000 Philadelphians; Allegheny County Sewage System, which serves Pittsburgh and 69 other communities in the area.

Also, Oahe Dam, in South Dakota, an earth dam and control works; Executive House, an unusual apartment development in Chicago's Loop District; Scioto Downs Grandstand, a modernistic stadium at a horse racing track near Columbus, Ohio; Wilson Lock, in Alabama, which serves navigation on the Tennessee River.

Also, Glen Canyon Bridge, on the Arizona-Utah border, which spans a 1200-foot wide gorge of the Colorado River; Vandenburg Air Force Base, near Los Angeles, Calif., a missile operation; Priest Rapids Dam, on the Columbia River, in the central part of Washington State, and Wichita Valley Flood Control Project, which has made Wichita, Kansas, flood-proof.

The Growth of Ontario Hydro

The Hydro-Electric Power Commission of Ontario, a publicly-owned utility, developed Canada's share of the power potential from the International Rapids section of the St. Lawrence River.

The Canadian portion of the international powerhouse—the Robert H. Saunders-St. Lawrence Generating Station—is the second largest hydro-electric plant in Ontario Hydro's province-wide system. The last of the 16 generating units in the Canadian powerhouse, which have a combined capacity of 940,000 kilowatts, was placed in service last December.

To complete its share of the \$600,000,000 project—built in partnership with the Power Authority of the State of New York—Ontario Hydro employed a peak work force of 5,200. Construction of the Canadian powerhouse involved the excavation of 1,796,000 cubic yards of earth and 171,000 cubic yards of rock. The structure itself required 947,000 cubic yards of concrete and 32,100 tons of structural and reinforcing

steel. Hydro also built five miles of dyke along the Canadian shoreline.

A complex and unique phase of the St. Lawrence power development was the extensive rehabilitation program carried out by Ontario Hydro. Flooding to create the huge lake necessary to operate the generators affected 20,000 acres of land in Ontario. Unlike the American side of the river, which was mostly farmland, on the Canadian shore were towns and villages, tracing their history to pioneer days.

Flooding affected some 6,500 persons in Ontario and involved the relocation of seven communities and part of an eighth.

The inhabitants and a total of 525 houses were moved to three new communities—new Iroquois, Long Sault and Ingleside—for which roads, waterworks, sewage treatment plants, sidewalks, shopping centres, schools and churches were built. These new communities were designed to meet the highest standards of town planning, and provision was made for industrial expansion in the future.

Flooding along the Canadian shore also meant the relocation of highways and 40 miles of main-line railway track, which was accomplished without disruption to traffic.

The St. Lawrence power development is one of the largest projects undertaken by Ontario Hydro since its establishment in 1906.

Now Canada's largest electrical utility, Ontario Hydro meets 90 per cent of the province's power requirements, or about one third of total Canadian demands.

With assets amounting to \$2.5 billion, Ontario Hydro's resources include 68 hydro-electric and two major thermal-electric plants. It serves directly, or through the 354 autonomous municipal electrical utilities in the province, more than 1,800,000 customers within a 250,000 square-mile operational area.

The growth of Ontario Hydro has paralleled the province's rapid economic and social progress. In 1949, for example, Hydro provided 14 billion kilowatt-hours of electric energy; last year, 35.5 billion.

Iino Line to Divide NY Service

Iino Shipping Company announced that it will divide the existing New York and East Canada service into the New York service and the Canada and Great Lakes service as from July. The former service will be provided with a monthly sailing and during the winter period from November to February it will be extended to Halifax. The latter service will be operated with a monthly sailing during the period from March to October when the St. Lawrence River is open to traffic.

Auction of "Pacific Pioneer"

Uraga Dock Company announced on April 12 that the Pacific Pioneer (14,450 tons d.w.), the third cargo vessel ordered by Pacific Pioneer Trading Company was put to auction, as the result of which Mr. C. Y. Tang (Island Navigation Company) was the successful bidder with the highest bid £661,000 (\$1,850,800). Accordingly, the dock company collected en bloc an outstanding payment of \$721,845.

Philippine High Speed Cargo Vessel Launches

A launching ceremony was held for the high speed cargo vessel Philippine President Queson (11,500 tons d.w.) ordered by the National Development Corporation of the Philippines at Yokohama shipyard of Uraga Dock Company on April 11. The ship was christened by a daughter of Mr. Queson, Philippines' first president.

Foreign Vessel Charter Increases

Recent chartering of foreign vessels is steadily increasing due to increasing import cargoes. Foreign vessels on charter as on April 1 are 57 units aggregating 599,607 tons d.w. and will exceed 700,000 tons d.w. together with tonnage whose charter is now applied for and whose charter contract has been informally decided. Of all tonnage, 24 vessels belong to Britain, 10 to Panama, 8 to Hong Kong, 6 to Norway, 3 to Liberia, 2 to Greece and France respectively and 1 to West Germany and Sweden respectively.

Greater Markets Predicted for Southern California

The decade just past has been one of unparalleled growth for the Port of Los Angeles, General Manager Bernard J. Caughlin recently told a meeting of foreign traders.

"And from what the conservative Southern California Research Council tells us, we can look forward to a far greater growth in the next two decades," he added.

Caughlin was referring to a recently issued 96-page report entitled "The Southern California Metropolis—1980" which contains a series of forecasts that dwarf all previous estimates. Among the more electrifying cited by Caughlin:

- * Southern California will become one vast city of 17,000,000 persons and 5,000,000 homes.

- * 10,000,000 automobiles will travel a vastly enlarged system of freeways.

- * The labor force during the 1960s and '70s will increase from today's 3,500,000 to 6,700,000 workers and averaged personal income will rise from \$2,777 per person last year to \$4,470.

- * Southern California's gross regional product will soar to \$80,000,000,000 annually from its present \$30,000,000,000.

Caughlin then summarized the growth pattern at the municipal port during the past decade in this fashion:

"Ship arrivals during the 1950s totaled 42,365 of which 16,787 were foreign flag vessels.

"On the cargo front, all commerce totaled 239,887,755 tons—an annual average of 24,000,000 tons. Foreign general cargo (not including petroleum and lumber trade) struck a fairly close balance in the '50s: 10,888,451 incoming tons versus 10,490,491 outbound tons.

"In 1959, the balance was even closer and overseas shippers continued in the favorable position. World commodities crossing our wharves totaled 1,458,427 tons while our exports amounted to 1,138,471 tons."

This steady trade growth of the fifties, Caughlin pointed out, required a supporting expansion of port facilities. "Indeed, it became obvious during the early postwar years that the Port of Los Angeles would become a world trading center of far greater proportions than ever before. In 1945 alone, the World Trade Department of our Chamber of Commerce received 8,048 inquiries from 52 countries—all interested in Los Angeles as a market for their goods," said Caughlin.

The Port spent \$35,000,000 during the past decade, according to Caughlin, building new facilities and expanding and modernizing existing ones. "And last year, the way was cleared to speed up our expansion program in the years ahead. The owners of the port—the citizens of Los Angeles—voted overwhelmingly in favor of permitting the Board of Harbor Commissioners to issue revenue bonds for necessary construction," he said.

The port official gave his audience of international traders a quick picture of the multi-million dollar, 1960-'65 expansion program now in progress or slated to start in the near future.

Approaching completion: a \$2.4 million dredging and land-filling operation to prepare for constructing four berths and passenger-cargo facility for American President Lines at a cost of over \$12,600,000; a \$700,000 berth alongside the recently opened double-berth general cargo terminal; and the \$1,850,000 push-button container cargo terminal to be operated by Matson Navigation Company.

Projects to start soon include a \$4,850,000 3-berth cargo terminal; \$3,150,000 wharf for handling container cargoes; a \$5,380,000 5-berth cargo terminal; and a \$5,770,000 cargo terminal to occupy three-berth space.

"Many more millions will be spent on enlarging existing facilities for handling larger ships and more commodities," Caughlin promised. "In other words, we in-

tend to keep pace with the growth of the market area we serve—all of Southern California."

* * *

New Project for Long Beach Port

Lon Beach Harbor will be the only port on the Pacific Coast and one of the few in the world with all modern concrete wharves when an estimated \$2,500,000 project recently authorized by the Board of Harbor Commissioners is completed in about 18 months.

The port's only timber wharf will be torn out and replaced by a concrete structure as part of a job calling for raising and reconstruction of the wharves and transit shed at Berths 3 and 4, Pier A.

The Board's action Monday was to authorize invitation of bids for the work. Bids will be opened May 25 at 10:00 a.m. in the port's new administration building.

Raising and rebuilding the facilities was made necessary by subsidence which caused a total sinkage of about 11 feet in the area. Similar work has been almost completed at Berths 1 and 2, Pier A.

The project at Berths 3 and 4 will entail raising the wharves and jacking up the 832 feet by 120 feet shed to an elevation about 14 feet higher than it now is. Utility lines and railroad tracks will also be reconstructed.

A total of about 440,000 tons of earth fill will be required in the work. Also raised as part of the operation will be a section of Pico Avenue adjacent to the berths.

When the job is completed, port engineers plan to raise similarly the wharf and shed at Berth 5.

Efforts to halt subsidence through water injection have proved so successful that the port will save \$2,500,000 by not having to raise facilities at Berths 6 and 7, as engineers first planned.

Total future subsidence in the area is now estimated at less than a foot. Two years ago, when the remedial work was planned, it was feared that sinkage at the Pier A berths might reach more than a dozen feet.

The Shipping Challenge in Hawaii's Future

Foster L. Weldon

It is a privilege and a pleasure to speak to you at this luncheon honoring maritime activities. Hawaii is the only state in the union that is truly "maritime" in every sense of the word. To be asked to discuss shipping matters in this setting and before such a knowledgeable audience is flattering indeed.

Because of the very direct effect that ocean shipping has on all of you I have decided to focus my remarks today primarily on shipping problems that are peculiar to Hawaii—the situation now, some factors that loom large in the future, and some of the things

that are being done and that still remain to be done to give you the kind of shipping your economy needs.

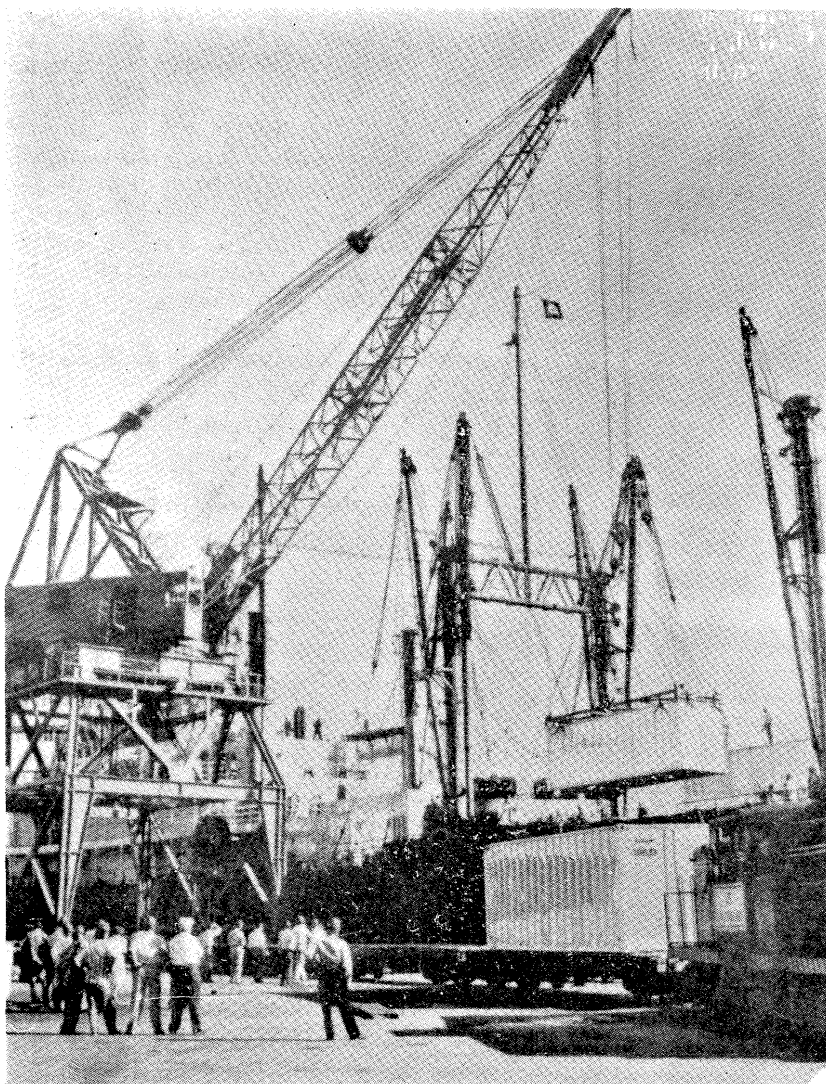
First of all let's look at your economy today in relation to ocean shipping. Perhaps the most significant feature of this economy is its high degree of specialization depending, as it does, on very close integration with the Mainland economy. As you all know, by far your largest income producer is the sale of goods and services to the military and to visitors. This "invisible export" from the standpoint of ocean shipping manifests itself as a flow of food products and manu-

This speech was delivered by Mr. Foster F. Weldon, Director of Research for the Matson Navigation Company, at the annual Maritime Day luncheon in the Hawaiian Village Hotel on May 19, to which all attendants at the I.A.P.H. Executive Committee meeting in session on the same day in Honolulu were invited to attend. The speech discussing on the very important problem being now confronted by all of our members, it has been reproduced here through the good offices of the Board of Harbor Commissioners, State of Hawaii, and Mr. Harry A. Johnson, Vice President of the Matson Navigation Company. — Editor

factured goods from the Mainland to Hawaii. Your remaining income derives largely from the actual export of just two products, raw sugar and pineapple, whose production of course also demands a large flow of goods from the Mainland to Hawaii.

From a shipping point of view this specialized integration with the Mainland economy has some important implications. The most obvious result is a much larger tonnage requirement westbound than eastbound. This means that the size and hence operating cost of a fleet necessary to serve Hawaii is determined almost entirely by your westbound or import requirements. With imports playing such an important part in your over-all economy it is clear that transportation efficiency has a very direct effect on the lives of every one of you—on your cost of living and your over-all standard of living. This relationship is certainly not news to you. It has always been a controlling factor in your growth and development. But now with production leveling off in your sugar and pineapple industries and with your growth potential becoming more and more concentrated around the imports that support your visitor business, transportation costs are assuming a more critical role in your future than ever before.

Looking at your over-all transportation costs in a little more detail it is clear that by far the largest single component is that associated with loading and discharging the large volume and variety of westbound general merchandise.



Twenty-five-ton aluminum containers are being unloaded from the Matson freighter Hawaiian Merchant onto railroad flatcars at OR&L Pier 29-A, Honolulu. The operation pictured marks the beginning of large-scale van cargo service in the Pacific. (Photo Courtesy of Castle & Cooke)

It was the critical nature of this transport cost that led Matson to pioneer its large scale containerized shipping operations. This development alone offers a potential benefit in the Hawaiian economy that can far outweigh the foreseeable value of the more glamorous transport prospect of nuclear propulsion.

The point I want to make here is *not* that containerization is the panacea for all your transportation worries—far from it. It is simply one step in the logical trend toward greater specialization in the transportation industry. If transportation is to improve its productivity and keep its costs in line with the rest of the economy it must be capable of continually adapting new and more efficient equipment and methods to the specialized needs of the trade it serves.

In most cases this continual adaptation will call for large investments in new capital equipment. The basic challenge is to attract new capital into what has been traditionally a low-earnings, high-risk industry and then through technological improvement, create a sound viable transport operation profitable enough to retain the capital that is necessary for continuing improvement in a dynamic economic environment. This is no more than any business must accomplish if it is to exist for long in our ever-changing, competitive world. But to illustrate the magnitude of this task in transportation let me point up a few of the problems that are facing us.

Strangely enough holding the line on transport costs is not so much a technological problem as it is a sociological and political one. From a strictly technical viewpoint we know quite clearly a number of the things we would want to do and how we might go about doing them. But as a practical business matter you are all well aware that we are constrained from rapid actions in this direction by outside factors over which the steamship company as such has little or no control. These factors are the labor constraints, the legislative constraints, and the competitive constraints that have grown around the transportation

industry and solidified into a static framework that makes dramatic change very difficult indeed. Let me give a few examples:

Perhaps the most critical problem area in shipping at the present time is labor costs. In the case of the essential general merchandise that Hawaii must import from the Mainland 70% of the maritime transportation cost goes directly to longshore and offshore wages and benefits. In the early days of shipping such a high labor fraction was not only reasonable but necessary. Today modern technology can provide a much more economical solution. For specialized operations where all cargo can be mechanically handled in large unit loads, studies by a number of independent research agencies indicate that the conventional ocean transport cost could be cut in half by this method alone if the full benefits of labor saving could actually be realized.

Another interesting labor saving possibility lies in the automation of shipboard operations themselves. Preliminary studies sponsored by the Maritime Administration indicate that the necessary propulsion machinery, navigation and control equipment, and communications, signalling and safety equipment are essentially available now to provide completely crewless operations except for local pilotage in and out of port areas. The Administration has now contracted for a detailed feasibility study of the problems involved in converting this capability into reality.

I cite these labor examples merely to emphasize the real nature of some of our cost reduction problems. Although great cost savings are technologically feasible it would be completely impractical and totally irresponsible to expect to accomplish such changes without first facing up to the sociological problems which they imply. In programs of this kind industry must accept a responsibility for any sudden large-scale dislocation it induces in the work force. Labor in return must cooperate with industry improvement provided it is accomplished in a fair and equitable manner.

Critical shipping problems are by no means limited to the field

of labor relations. Political and competitive constraints are important factors inhibiting change. In the realm of political or legislative problems basic national policy on merchant marine matters was last expressed 24 years ago in the Merchant Marine Act of 1936. The serious decline of the merchant marine in recent years suggests that a complete review and revision of this act might be in order. American Flag ships are carrying a steadily decreasing portion of the nation's foreign trade (only 12% in 1958) in spite of government payments intended to compensate for the large differential between American and foreign vessel construction and operating costs. In your Hawaiian-Mainland trade the situation is even worse for here there is no government subsidy of any kind; yet the operator is constrained by law to use only American built ships and American crews in this trade. With foreign ships costing less than half of ours and crew wages less than a third of ours it is not surprising that Philippine pineapple can be delivered to the West Coast at a transport cost as low as that for your own product or that automobiles from Germany can be delivered in Hawaii at freight rates essentially the same as those from California ports.

Competitive problems affect the cost and quality of your Hawaii-Mainland service largely because of perturbations they create in cargo flow patterns. Whether the competition is purely between products in the destination market or by competing ships running parallel to each other, the net result is the same. In either case surplus ship capacity develops which is often impossible to remove from the total shipping system. For example, even if substantial amounts of eastbound cargo were to disappear from the Hawaii-Mainland trade, still just as many ships as previously would be required to move your westbound cargoes. The result would be a sharp rise in transport rates or a sharp curtailment of essential services. This points up a matter

I referred to earlier—that the most efficient service is one that is soundly enough based so that it can be especially tailored to your over-all trade requirements.

What is being done and what can be done about these over-all problems I have emphasized? If I have sounded rather pessimistic about their solution let me hasten to reassure you that I am not. Actually, I am optimistic about future improvements in shipping. I shouldn't have the job I have if I were not. And, as a matter of fact, we have already made (and are continuing to make) significant progress in the right direction.

In the Matson container service that started back in August 1958 you have seen the first product of research on improved shipping methods in the Hawaiian trade. At that time we could have abandoned the whole project on the theory that the labor problems inherent in the approach made it too difficult to attempt. Instead, we have also focused a considerable amount of research effort on these labor problems and we believe that the industry is approaching acceptable and equitable solutions of this aspect of the problem as well. In recent labor negotiations both here and on the West Coast there is ample evidence that labor is not opposed to labor-saving innovation as long as they are given reasonable protection against the economic hardship of lost work opportunity. Management in turn has recognized its responsibilities in this direction and the climate for significant progress in labor relations appears favorable indeed.

As a further step toward improved labor relations the West-Coast shipping industry has recently taken steps to establish within the Pacific Maritime Association a permanent professional operations research group to assist in developing sound objective industry policy on labor matter of all kinds. This will be the first research group of its kind anywhere in the transportation industry and it cannot help but make an important contribution to the health of shipping operations.

Another big step toward improving Hawaii's shipping future is taking place today with the sail-

ing of the Hawaiian Citizen, the Pacific's first exclusive container-ship, from San Francisco for Honolulu. This is a "first" in another sense too in that it incorporates a large-scale reefercontainer capability into our regular container services. On an over-all basis this first full-scale container ship in one step essentially doubles our previous container service capacity and now puts us in a position to consider specific methods for providing container service to the neighboring islands.

Next month and the following month will see another important cost reduction innovation in the Hawaiian trade, this time with ships especially tailored to match efficiently the dissimilar characteristics of two of your most important east- and westbound cargoes. These ships, the CALIFORNIAN and HAWAIIAN are combination sugar-bulk and container ships each capable of carrying 16,000 tons of bulk sugar eastbound and 180 loaded containers westbound. The CALIFORNIAN is expected to be delivered from the shipyard about mid-June and the HAWAIIAN about mid-July. With these ships and the CITIZEN in the fleet previous container service capacity will have been tripled.

We are making headway too on the difficult problem of how we can react quickly and efficiently to service requirements involving changes in the cargo mix, schedules or pricing. To tackle these management problems we have developed a detailed mathematical model of our entire West Coast—Hawaii shipping operations that will permit us to simulate on a high-speed computer the exact process of actually operating the fleet. With this simulation we will be able to duplicate a year of actual operations in just a few minutes. This will permit us to evaluate rapidly and thoroughly proposed changes in operations schedules or pricing before putting them into effect.

I have gone over some of the things that are being done toward solving your future shipping problems but now let me return to

some of the problems that remain as a challenge in the future.

I said earlier that the technological problems were relatively easy and it is natural that this is where the most rapid progress is being made. But we will never get good measure out of our technological potential until a great deal more has been accomplished in the other problem areas I emphasized—the labor problems, the legislative problems, the competitive problems.

A steamship company alone can make some progress in these directions as I have indicated, but the real improvements will come when a whole shipping community such as this one gets solidly behind an integrated effort to improve its vital sea-lines of communication. It's the user of transportation, not the supplier, that will have the real voice in alleviating the labor, legislative, and competitive constraints that still remain in the way of a modern efficient merchant marine.

As we look at the over-all shipping challenge in Hawaii's future the trend stands out clearly over all the rest. It is that economic pressures are continually forcing you toward the most highly specialized technologically sophisticated shipping system the world has ever seen. But this trend will fall far short of its goal unless an unprecedented degree of cooperation develops between all groups concerned with the health of the shipping system—labor, government, the industry and its customers. Creating an understanding of this need and positive action toward it is a job for all of us. There are big rewards in Hawaii's future for this kind of transport system operation and I know of no better group to pick up such a challenge and do something about it than the audience here today.

Miscellaneous

Large Dry Kiln Under Construction at Encinal Terminals

Construction has started on a modern dry kiln plant adjacent to Encinal's berth 6 in Alameda on San Francisco Bay for the Harbor Kiln Company. The kilns will be in operation by August 1st and will have a monthly capacity of approximately 1,000,000 board feet. This new dockside facility will handle lumber imported from Formosa, Japan, the Philippines, Southeast Asia, Central and South America, as well as outbound lumber shipments to Hawaii, Europe and other world ports.

The Harbor Kiln Company will offer a custom drying service, available to all importers, exporters, processors and handlers of lumber. Facilities are also being constructed for air drying, planing and servicing lumber as well as the grooving and handling of plywood.

The Encinal shipside location in Alameda is served by 66 steamer lines operating to and from all world ports, trucking lines and all local and transcontinental rail lines.

Overland import rail rates will apply from this facility. Rail tariffs allow for including of lumber and plywood in the same car.

Inquiries may be directed to the Harbor Kiln Company, c/o P.O. Drawer A, Alameda, California.

* * *

Fish Imports to S. California

Japan accounted for almost total fish imports at the Port of Los Angeles during the last fiscal year, according to the Port's Assistant General Manager John F. Parkinson.

"A total of 54,236 tons of fish—fresh, canned and preserved—were imported from about 30 countries by fish dealers of Southern California for the fiscal year ending June 30, 1959," he said.

Japan's fish export of 26,842 tons, he pointed out, was followed by Oceania Isles (5,829 tons), Peru (3,447 tons), Ecuador (1,744 tons), and Norway (1,023 tons).

The remarkable increase from 41,642 tons in the previous fiscal year reflects the fact that Southern Californians not only consume large quantities of fish caught in American waters, but also account for the ever-growing fish imports that cross the wharves of the Port of Los Angeles.

The port official's remarks were provoked by the recent discharge of a wide assortment of imports from the French Line's new M/S MISSISSIPPI.

Among the assortment was a sizable consignment of lobster tails. What interested Parkinson especially in this particular shipment was the loading point—the Port of Le Havre, France.

Meanwhile, the latest available U.S. Government statistics (calendar 1958) shows the Port of Los Angeles again held the title as the nation's leading port in poundage and value of fish landed. Officials of the Interior Department reported the local port led with a record of 380 million pounds of fish valued at almost \$28 million.

The local catch included 73,600 tons of sardines; 90,652 tons of tuna; 10,000 tons of jack mackerel; 10,000 tons of Pacific mackerel and about 6,600 tons of anchovies.

Retail value of fish products at the local fish harbor within the Port of Los Angeles was estimated at more than \$1,700,000,000.

Admittedly, quantities of the local catch are exported by canneries located at the port. "But the greater share of the total is consumed in the great southwest market we serve, as well as other parts of the U.S.," said Parkinson.

"Still, there's an ever-growing demand for high quality imported fish, as is evidenced by the lobster tails from Le Havre," he concluded.

Fish Exports to the Port of Los Angeles* Fiscal 1959 (ended June 30)

Nation	
Japan	26,842
Oceania Isles	5,829
Peru	3,447
Ecuador	1,774
Norway	1,023
Trinidad	718
Australia	708
Netherlands	268
Philippines	211
Hong Kong	204
West Germany	168
Pakistan	153
Panama	123
United Kingdom	88
Taiwan	79
Sweden	55
Guatemala	41
Iran	32
Colombia	31
Belgium	25
Denmark	24
Argentina	19
Portugal	16
British South Africa	7
Italy	5
New Zealand	4
Yugoslavia	3
India	2

* Not included in this table but in the port of Los Angeles' total import figures are shipments from the Panama Canal Zone (6,898 tons) and Pacific Isles, such as Guam, Wake and American Samoa (5,254 tons).

* * *

87,000-Ton Dock Nears Completion

The expansion work on the No. 3 dock at Nagasaki Shipyard of Mitsubishi Shipbuilding and Engineering Company which was initiated in June 1959 in order to meet the growing size of vessels, is nearing completion. With orders for two 87,500-ton and five 67,000-ton tankers in hand now, the company is hurrying up its completion. The dock will be able to be enlarged to accommodate vessels up to 100,000 tons d.w. as occasion demands in the future. Its principal particulars are: length of dock bottom—275.00 meters; breadth at middle part of dock bottom—40.83 meters; breadth at mouth of dock bottom—38.83 meters; length of gantry—244.00 meters; capacity—87,500 tons d.w.; and cost—some ¥450,000,000.

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Miss Barbara Ware, of the Port of Long Beach, shines up the new beacon light located on top of the Harbor Department Administration Building. The 3,300,000-candlepower revolving light can be seen 50 miles at sea.



Central Secretariat of the International
Association of Ports and Harbors

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Cover photo and photo left below show waterfront scenes of the Port of Honolulu, Hawaii, around the Aloha Tower, the site of the State Board of Harbor Commissioners.

