

PORTS *and* HARBORS

November, 1979 Vol. 24, No. 11



Port of Helsinki

Finland

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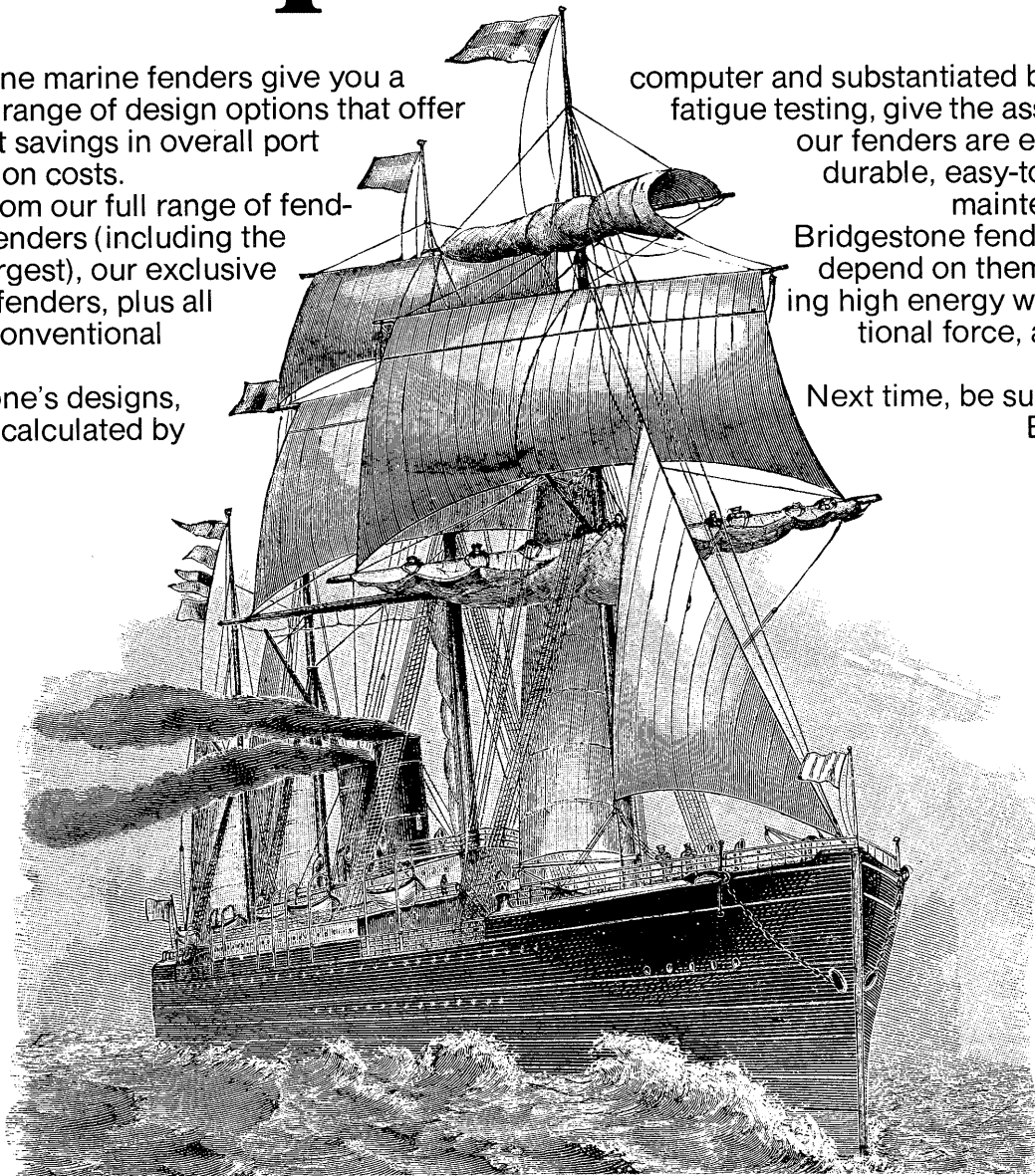
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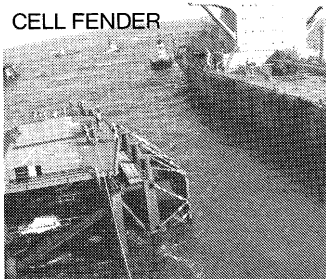
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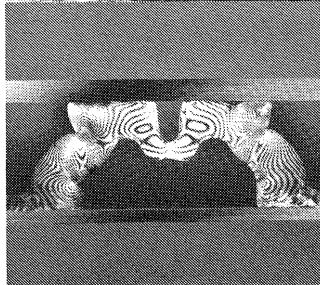
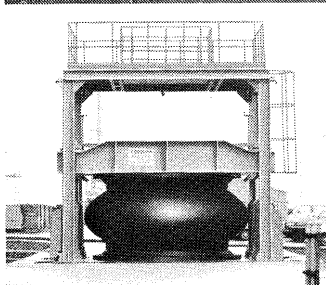
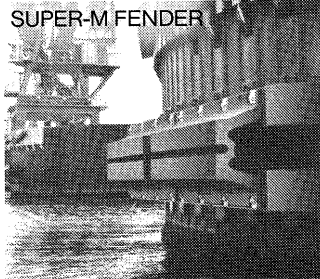
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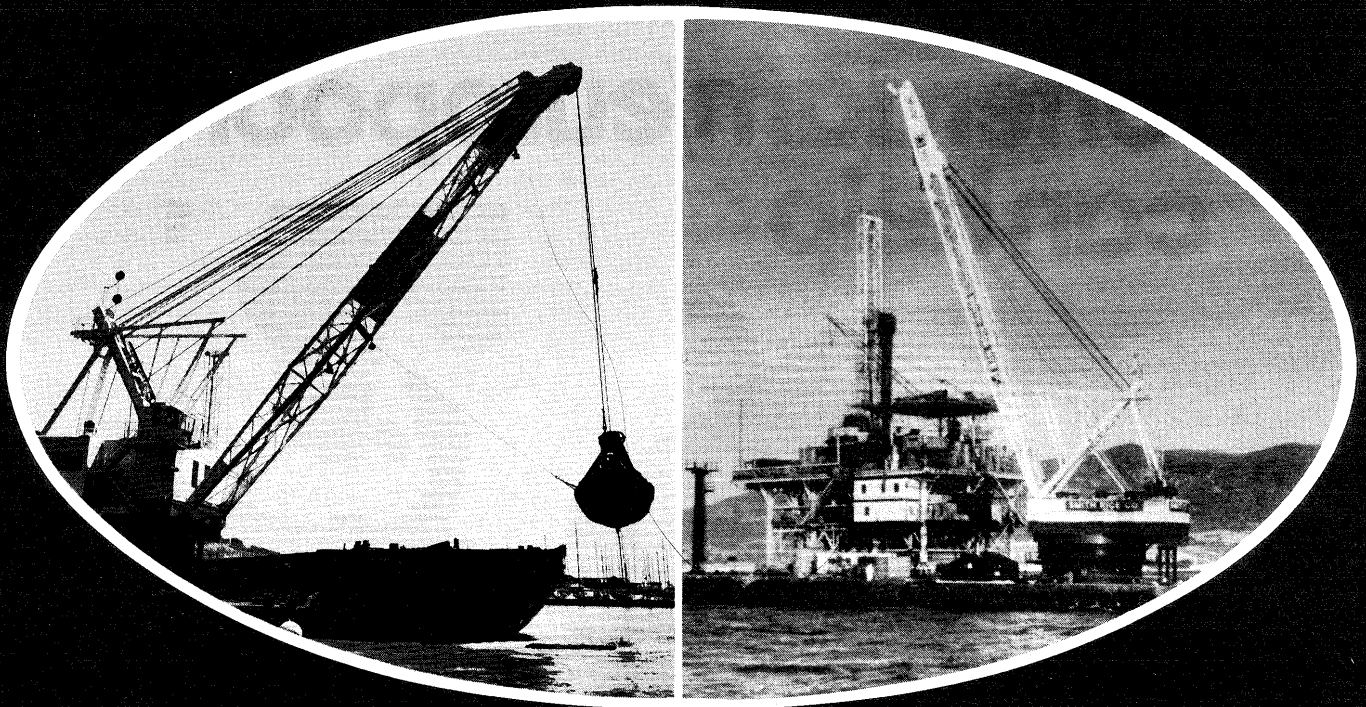
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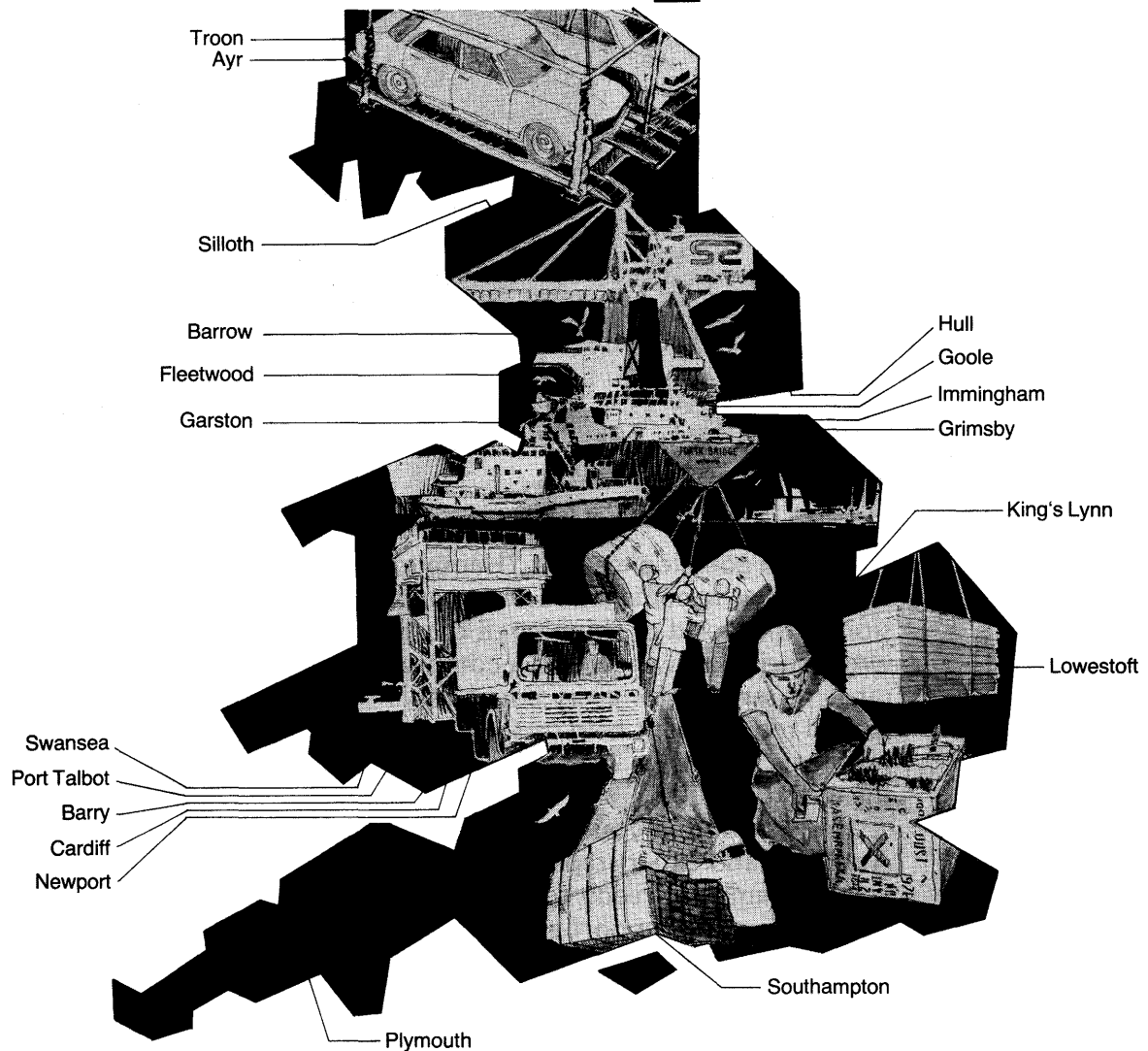


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The Cover: The West Harbour of the Port of Helsinki, Finland. The Harbour handles piece goods transport to and from the North Sea area and container transport to the American continent.

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PORT OF ANTWERP

The multi-purpose and "round the clock and year" activities are some of the assets symbolized by the new P.R.-emblem, stressing the fact that the Antwerp service to port users **AT ALL TIMES** meets all requirements of international trade and transport.

Information: General Management of the Port, Town Hall, Antwerp, Belgium.

IAPH announcements and news

Membership Committee Advances Another Campaign Front

Concentrating upon 218 carefully selected ports of the world, Membership Committee put in action its second front of campaign to invite them to join IAPH recently, implementing the decision it reached at a meeting during the Deauville Conference in May.

Mr. J.P. Davidson, IAPH Executive Committee Member from Clyde Port, U.K. and concurrently Chairman of the Membership Committee drafted two letters, one for those to whom the campaign letter was sent in 1978 but with no expected response, and the other for those who have left the Association since 1971 and passed them on to President Bastard in Paris for his approval and signature, which President Bastard translated into French and they, after signed by Mr. Bastard, were mailed out in two languages to 196 ports and 22 ex-members of IAPH throughout the world together with a brochure outlining what IAPH is and an advance information pamphlet of the coming 12th Nagoya Conference 1981, on September 5, 1979.

The English version of the Presidential letter follows. (TKD)

In August of last year my predecessor, Mr. George W. Altvater, sent to you a brief description of the work of the International Association of Ports and Harbors and invited you to consider joining the Association.

In the course of the year since August 1978, the I.A.P.H. regular membership has increased from 191 to 209 ports in 73 nations throughout the world which is testimony of the increasing importance which the ports of the world place on membership of the Association.

At our 11th Biennial Conference held at Le Havre, France in May of this year, it was decided that those ports who had not yet felt able to join the Association should again be invited to join our ranks. The full benefits of Association membership can of course only be appreciated by participating in our work and particularly by taking part in our Biennial Conferences. I therefore hope you will seriously consider joining us and it would give me great pleasure to welcome you at the 12th Conference which is to be held in Nagoya, Japan in May 1981.

I am taking the liberty of sending a newly printed brochure about I.A.P.H., a copy of the By-Laws and also preliminary information about the 1981 Conference which I hope you will find of interest.

Looking forward to welcoming your organization to I.A.P.H.,

Sincerely yours,
Paul Bastard
President

IAPH Observes Its 24th Birthday

November the 7th being day and the month on which IAPH was formally established 24 years ago in Los Angeles (Hollywood-Roosevelt Hotel) U.S.A., Ports and Harbors wishes to call attention of the readers to what a big stride ahead it has made during the time.

At the first conference the IAPH Constitution and By-Laws was adopted and the following officers were elected:

President—Mr. Bennet J. Robert, Chairman, National Harbours Board, Canada

1st Vice-President—Mr. C.W. Chen, Advisor, Ministry of Communication, Taiwan

Chief of the Central Secretariat—Mr. Gaku Matsumoto, President of Japan Port and Harbor Association

Board of Directors was established with members elected from 14 countries (74 countries in 1979), as follows.

Brazil, Canada, China, Germany, Japan, Liberia, Mexico, Peru, Sweden, Thailand, USA, Venezuela, Viet Nam.

Members of IAPH as of November, 1956, one year later, totalled to:

Regular Members 44, Supporting Member (Associate Member) 30 in 15 countries (the number of September 20, 1979, 24 years later, are Regular 210, Associate 153 in 74 countries, almost 5-fold increase in 24 years.

While the next birthday counts 25th, the Silver Jubilee is to be celebrated on the occasion of the 12th Conference in Nagoya, 1981. (TKD)

IAPH Summit Meet at Honolulu

An extraordinary meeting of IAPH Officers will be called on November 9th and 10th, 1979, at Kahala Hilton Hotel, Honolulu, Hawaii, to discuss the guidelines of the 12th Conference in Nagoya 1981.

The meeting was planned by the suggestion of President Bastard taking advantage of the AAPA's Convention in Honolulu (November 4-8, 1979) to which IAPH President and Vice-Presidents are invited.

The meeting will be attended by President Paul Bastard, First Vice-President A.S. Mayne, Second Vice-President A.J. Tozzoli, Third Vice-President P.K. Kinyanjui, Honorary Vice-President and the host of the 12th Conference F. Kohmura and the Immediate Past President G.W. Altvater and also from Tokyo Head Office, Mr. T. Akiyama, Secretary General Emeritus and Mr. R. Kondoh, Under Secretary, representing, Secretary General Hajime Sato as he has

to be excused due to his being on a mission of the Japanese Government to China at that time.

The guidelines agreed upon at this Honolulu meeting will further be referred to the Executive Committee Meeting to be held in April, 1980, at Brisbane, Australia, for further deliberations and adjustment. (TKD)

COLS Invites your Suggestions

At the very successful 11th Conference of the Association in Le Havre the Committee on Large Ships presented a report entitled "Guidelines on Port Safety and Environmental Protection" which was the culmination of some years of work by many experts from various countries.

The Committee accepted from the outset that its first edition would require editing, revision, and expansion to reflect changes in techniques and technology.

This is the task of the Committee during the next two years and it is believed that when this is completed the Association will have a manual which will be an invaluable aid to Port Managers in the promotion of port safety and environmental protection.

The procedure adopted has been to nominate Committee Members as primary and secondary authors. Each primary author will be responsible for revision and refinement of a section of the report and, following review by secondary authors, copies of all sections will be circulated within the Committee for the consideration of members.

It is hoped to finalise the work and discuss arrangements for the printing of a report for the Nagoya Conference at a meeting of the Committee to be held in conjunction with the Executive Committee Meeting in Brisbane, Australia in April 1980.

Now that Conference delegates have had the opportunity to study the report "Guidelines on Port Safety and Environmental Protection" the Committee would appreciate receiving any further comments or suggestions which it is believed should be taken into account. Any advice in this regard should be forwarded to myself or Vice-Chairman, Dr. Chris Van Krimpen, Port of Rotterdam no later than 31 January 1980.

John M. Wallace,
Chairman.

European Port Data Processing Association Founded

Mr. Robert L.M. Vleugels, Director-General of Port of Antwerp who is presently the chairman of IAPH Committee on Trade Facilitation telexed to Secretary General on October 3rd informing the news on the recent establishment of an association to be known as EVHA (European Vereniging Voor Haveninformatica).

Mr. Vleugels who has been elected as President of this "task force" takes advantage of sending the news to this journal with his comments;

"As chairman of the Committee on Trade Facilitation I am glad to inform you that within the framework of the European Economic Community several port authorities have founded an association which is called to play an important part in the concept and the realization of inter-ports communication systems. They are trade facilitation projects indeed"

"With the full support of the EEC these port authorities, as further named, will work out and put into practice pilot systems, which after experience, will be at hand for possib-

ly use."

The press release from Mr. Vleugels follows. (TKD)

Press Release

On September 25th 1979 the representatives of ports of the E.E.C. countries including Antwerp, Bremen, Copenhagen, Cork, Genua, Hamburg, Le Havre, Rotterdam and the British Ports Association signed an agreement in the City Hall of Antwerp, whereby the European port data processing Association was founded.

The objectives of the Association named EVHA (Europese Vereniging Voor Haveninformatica)—are:

1. To undertake for the commission on the European Communities and extensive data processing project within the framework of European port data systems, as agreed with the commission, comprising three elements:
 - A. A pilot data communication system connecting a few European ports together through a computer network.
 - B. The study of the distribution of dangerous goods data.
 - C. The study of a permanent data communication and automatic processing system linking ports.
2. To undertake other projects of general interest to the Association.

The E.E.C. commission indeed is furthering the facilitation of the data flow between the ports which will result in more efficiency and greater security in the maritime transport and the management of cargo traffics.

The Association is born out of the cooperation which has already existed for some years between these ports. Their study teams have worked on different pilot projects in the above fields and not want to develop them in practice.

The support given by the commission of the E.E.C. under the auspices of Viscount E. Davignon, Commissioner for Internal Market and Industrial Affairs, will greatly foster the realization of the projects, which finally should become available for use in all ports interested in this essential and important matter port operation.

Eastern African Ports Meet in Seychelles

Mr. P.K. Kinyanjui, Chairman of Kenya Ports Authority and Third Vice-President of IAPH wrote to President Paul Bastard, inviting him and IAPH to the 7th Council Meeting of PMAEA (Port Management Association of Eastern Africa) of which Mr. Kinyanjui is Chairman.

According to his invitation dated 29th August, 1979, the PMAEA meeting is scheduled to take place in the Republic of Seychelles between the 26th and 30th November, 1979. Mr. Kinyanjui in the letter says that any member of IAPH who has the time to attend this meeting, would be most welcome. (TKD)

Invitation to the IAPH Award Scheme 1980

HOW EFFICIENT IS YOUR PORT? PLEASE GIVE US YOUR ASSISTANCE TO BE ABLE TO ASSIST YOU TO BE MORE EFFICIENT—HOW?—JUST HELP US BY INFORMING YOUR PORT PERSONNEL ABOUT THE NEW IAPH AWARD SCHEME WHICH IS MEANT TO ENCOURAGE PORT EFFICIENCY!

Following the success achieved in stimulating interest among developing ports' personnel which led to an encouraging number of entries for the 1978 IAPH Award Scheme Competition, the continuation of the Competition once every two years was endorsed at the 11th Conference held this year at Deauville.

The competition which invites developing ports' personnel to submit suggestions on improving their port's efficiency is designed to cover any aspect of port working, in the technical fields or in administration, planning or operations. Entries can be submitted in English, French or Spanish.

Enclosed in this edition of Ports and Harbors is a poster advertising the Competition and the Conditions of Entry and Chief Executives of all developing ports are urged to ensure that this is displayed in a prominent position where it can be seen by all those personnel who may wish to submit entries.

The judging of the entries will be by a panel appointed

by the Executive Committee. The panel will, in reaching their decisions on winning entries be paying particular attention to the way in which applicants have attempted to quantify the benefits (and the costs) of their suggestions on methods to improve their port's efficiency.

The closing date for receipt of entries has been set at 1st September 1980. The results of the Competition will be published in Ports and Harbors in an issue before the 12th Conference to be held at Nagoya. The decision on the winner of the 1st Prize will be made no later than 1st January 1981 in order that the individual or the leader of a winning group entry can be notified in sufficient time to allow him or her to be able to accept the invitation to attend the Conference. In order to meet this timetable all entries must be received by the Secretary General no later than 1st September 1980. Failure to submit entries by the date may render them invalid for consideration.

Conditions for entry

1. Suggestions regarding how the efficiency of your port (or ports in general) could be improved should be presented in English, French or Spanish typewritten, and submitted to the Secretary General, The International Association of Ports and Harbors, Kotohira-Kaikan Building, 2-8, Toranomon 1-chome, Minato-ku, Tokyo 105, Japan.
2. Suggestions may cover any aspect of the administration, planning or operations of ports, such as improving productivity or the utilization and maintenance of equipment and storage areas, reducing delays and damage to cargo, etc. An attempt should be made to quantify the benefits which would result from the suggested improvement together with the costs (if any) involved.
3. Entries may be made either by individuals or small groups.
4. Entries will be judged by a panel of experts appointed by the Executive Committee of IAPH.
5. The First Prize for the winning entry will be:
 - (i) A silver medal from the IAPH.
 - (ii) US\$750 (or the equivalent in local currency).
 - (iii) An invitation, including travelling costs and hotel accommodation to attend the 12th Biennial Conference of IAPH, May 1981 in Nagoya, Japan.
6. In addition to the First Prize, Second, Third and Fourth prizes of US\$450, US\$350 and US\$250 will be awarded to the next best entries.
7. Additional prizes of US\$100 each will be awarded to any other entries judged by the panel to be of a sufficiently high standard.
8. A winning entry may be subject to publication in the Ports and Harbors Magazine.
9. The closing date for receipt of entries is 1st September, 1980.

Bridge Clearance Survey Under Way

In accordance with the decision made at the 11th Conference held in Deauville, May, 1979, Committee on Containerization, Barge Carriers and Ro-Ro Vessels chaired by Mr. R.T. Lorimer, General Manager of Auckland Harbour Board, New Zealand, recently completed a questionnaire form on the Bridge Clearance with explanatory notes.

The questionnaire form as reproduced hereunder was circulated to all IAPH members from Tokyo Head Office on September 29, 1979 with Secretary General's covering letter asking the members' cooperation to this new undertaking by the Containerization Committee. (TKD)

Secretary General's Circular Letter and Questionnaire Form

It has been brought to the attention of the Technical Committee on Containerization, Barge Carriers and Ro-Ro Vessels, that there is a lack of information on bridge clearances in the approaches to and within Ports of the world. It was decided at the 11th Conference of the Association that a questionnaire should be circularised to all members. The questionnaire would set out to collect information on existing bridge clearances as they affect each Port.

It is considered that the data collected will provide an important reference document on bridge clearances which could be made available on an international basis to port planners, vessel designers, and ship operators.

A copy of the "Bridge Clearance Data" form is attached. Please complete one of these forms for each port within your jurisdiction and/or in which the movement of ships is controlled by your Authority. For each port, please list all the bridges in the order in which they would be encountered by a ship approaching from the sea and entering the port. Include bridges which are not within your jurisdiction, but which are above shipping channels serving the port in question. In addition please list for each bridge—

- (a) Bridge type (opening or non-opening);
- (b) Vertical and horizontal clearance dimensions.

A full explanation of the required clearance dimensions is given in the diagram and notes overleaf; and

- (c) The respective areas of the port which are only accessible to ships passing beneath each bridge. Please state the most common name for each wharf or group(s) of wharves which so affected. If the whole port is affected write "whole port".

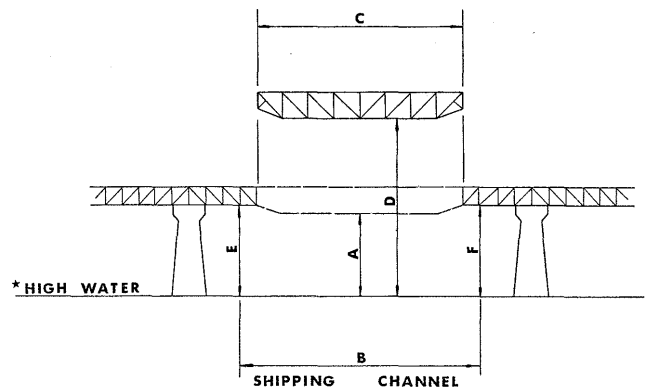
Your co-operation in completing the attached questionnaire forms would be appreciated. Completed forms should be forwarded to—

Mr. R.T. Lorimer,
Chairman, Committee on Containerization

Barge Carriers and Ro-Ro Vessels,
c/o Auckland Harbour Board,
P.O. Box 1259,
AUCKLAND, NEW ZEALAND.

Yours faithfully,

Bridge Clearance Diagram and Notes



★High Water — In tidal ports clearance dimensions should be given to "mean high water springs". For ports in which water level variations are affected by factors other than tide, "high water" should be taken as the maximum water level (corresponding to a condition of minimum bridge clearance) at which all normal shipping manoeuvres can be carried out.

A — The vertical clearance under the bridge at the centre of the shipping channel. For bridges which have a movable span, this dimension should be taken to the underside of the bridge with the movable span in the "closed" position.

B — The width of the shipping channel beneath the bridge.

C — The horizontal clearance at the level of the bridge deck when a movable section is open. If the bridge has no opening span, write "N.A." (not applicable).

D — The vertical clearance when the opening section is fully raised. If the bridge opens in such a manner that there is no limit to vertical clearance, write "no limit". If the bridge has no opening span, write "N.A."

E & F — The vertical clearance under the bridge at each side of the shipping channel.

BRIDGE CLEARANCE DATA

AUTHORITY

PORT

BRIDGE NAME	BRIDGE TYPE	CLEARANCE DIMENSIONS (METRES)						PORT AREAS ONLY ACCESSIBLE TO SHIPS PASSING BENEATH THIS BRIDGE
		A	B	C	D	E	F	

Cook Islands Hosts the Pacific Ports Conference

IAPH was invited to attend as an observer the Sixth Pacific Ports Conference which will be held in Rarotonga, Cook Islands, from the 17th to the 19th October, 1979, under the sponsorship of Ministry of Trade, Industries, Labour and Commerce, Government of the Cook Islands.

Invitation came from Mr. R.C. Chapman, Secretary under the date of 31st July, 1979, in which he seeks for advice on several matters that may arise regarding the establishment of a South Pacific Ports Association from IAPH as a senior and experienced international organization of ports of the world.

Secretary General referred the matter to our First Vice President, Mr. A.S. Mayne, Chairman of Port of Melbourne Authority for his advice on the representative from IAPH, and as a result Mr. R.W. Carr, Chairman of Auckland Harbour Board, New Zealand and an Executive Committee member of IAPH was delegated to attend the meeting whilst representing New Zealand Harbours Association.(TKD)

Visitors

— On September 17, Mr. Anatolij Evgenjevich, Vice-President of V/O Morzagranpostavka (a sub-agency of Shipping Ministry of U.S.S.R.), together with other two officers of his agency, visited the Head Office and was received by Dr. Hajime Sato. Visitors were on the observation tour of port facilities in Japan to ports of Osaka, Kobe and Tokyo during the second week of the month. He was received by Mr. Sameshima, Director-General of Bureau of Ports and Harbours of Japanese Transport Ministry on the same day.

— On September 11, Mr. L.J.R. Tucker, Chairman, Mr. J.R. Joyce, Board Member, and Mr. N. de V. Lawrence, General Manager, of Hawke's Bay Harbour Board (New

Zealand) visited the Head Office and were received by Dr. Hajime Sato and his staff, during the visitors' trade promotion tour to Japan and other countries in this region.

— On September 20, Mr. R.J. Gross, President, Capt. J.W. Clark, Commissioner, and Mr. E.S. Reed, Executive Port Director, of Board of Commissioners of the Port of New Orleans, visited the Head Office and were received by Dr. Hajime Sato and his staff. Visitors were in Japan and other countries in this region for the promotion of their port's trades.

Portrait for insertion

The portrait of Mr. W.M. Loubriel, Executive Director, Puerto Rico Ports Authority, is printed below. Please clip it out for insertion in the blank space on page 19 of (your copy of) "Ports and Harbors", July-August, 1979.



Mr. Wilson M. Loubriel
Executive Director
Puerto Rico Ports Authority
Puerto Rico

Recent movement of the SDR unit

Movement of the SDR unit against the 16 currencies in the SDR system during the period of August 17-28, 1979, is as shown below.

Currency Units per SDR

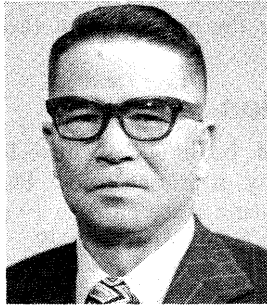
Currency	August							
	17	20	21	22	23	24	27	28
Australian dollar	1.15164	1.15164	1.15177	1.15205	1.15213	1.15134	1.15231	1.15268
Austrian schilling	17.3686	17.3781	17.3887	17.3746	17.3830	17.3689	17.3908	17.3803
Belgian franc	38.0941	38.0904	38.1307	38.0817	38.1040	38.0854	38.1375	38.0912
Canadian dollar	1.51935	1.51803	1.51328	1.51638	1.51338	1.51627	1.51894	1.51742
Deutsche mark	2.37720	2.37817	2.37966	2.37836	2.37863	2.37562	2.37912	2.37689
French franc	5.53232	5.53393	5.53681	5.53511	5.53532	5.53627	5.54786	5.54585
Iranian rial	91.5181	91.4857	91.5280	91.5428	91.5731	91.5111
Italian lira	1063.55	1063.17	1063.34	1061.88	1062.23	1061.52	1063.05	1062.16
Japanese yen	282.443	282.603	282.344	282.844	284.172	284.415	286.035	286.966
Netherlands guilder	2.61276	2.61249	2.61304	2.61152	2.60978	2.60703	2.61084	2.60867
Norwegian krone	6.53450	6.53479	6.53975	6.53627	6.54168	6.53998	6.54204	6.54439
Pound sterling	0.586139	0.587070	0.585541	0.585741	0.582259	0.584029	...	0.578340
Saudi Arabian riyal	4.35677	4.35523	4.35724	4.35794	4.35939	4.35912	4.36006	4.35643
Spanish peseta	85.7849	85.6909	85.7461	85.7508	85.7844	85.7661	85.8067	85.8172
Swedish krona	5.49407	5.49330	5.49233	5.48763	5.49205	5.48755	5.48743	5.48677
U.S. dollar	1.29859	1.29813	1.29873	1.29894	1.29937	1.29929	1.29957	1.29849

Note: The value of the SDR in terms of the U.S. dollar is determined as the sum of the dollar values, based on market exchange rates, of specified quantities of the first 16 currencies shown above. The value of the SDR in terms of any currency other than the U.S. dollar is derived from that currency's exchange rate against the U.S. dollar and the U.S. dollar value of the SDR.

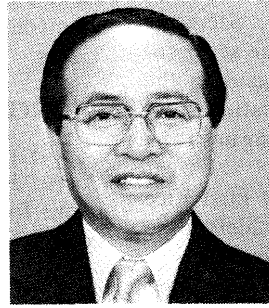
Data: IMF Treasurer's Department

Organizing Committee for Nagoya Conference Established

On April 5, 1979, the Organizing Committee for the 12th IAPH Conference 1981 was established in Nagoya with the appointment of 45 members including the following Officers and Directors.



Councilor-General
Rikiya Takamura
Chairman of
Nagoya Port Authority Assembly



President
Yoshiaki Nakaya
President of Nagoya Port Authority
Governor of Aichi Prefecture



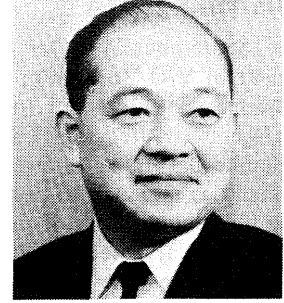
Councilor-General
Toru Akiyama
President of IAPH Head Office
Maintenance Foundation



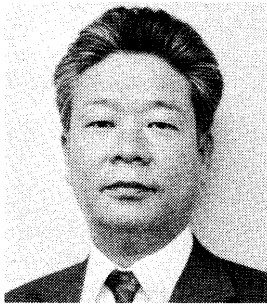
Councilor-General
Ryoza Sawada
Vice Chairman of
Nagoya Port Authority Assembly



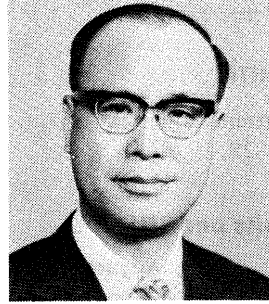
Councilor-General
Masao Motoyama
Mayor of Nagoya City



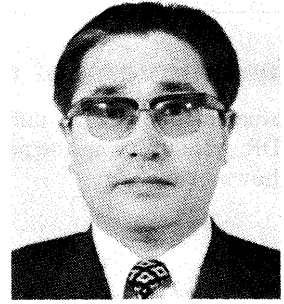
Councilor-General
Shigemitsu Miyake
President of Nagoya Chamber
of Commerce and Industry



Director
Toshiyuki Nishimura
Director General of the Fifth
District Construction Bureau, M.O.T.



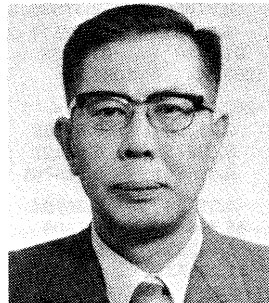
Chairman
Fumio Kohmura
Executive Vice-President
of Nagoya Port Authority



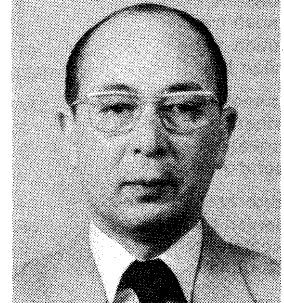
Director
Hiroshi Kusaka
Managing Director of IAPH Head Office
Maintenance Foundation



Director
Kaname Iwata
Vice-Governor of Aichi Prefecture



Director
Takao Tani
Vice-Mayor of Nagoya City



Director
Yoshihisa Harada
Executive Director of Nagoya
Chamber of Commerce & Industry

Open forum: Port releases:

Report of the 53rd/54th Sessions of The Customs Co-operation Council

by **John S. Taylor, Chief Planner,
Port of Melbourne Authority**

The IAPH was invited to observe proceedings at the Customs Co-operation Council (CCC) meeting held in Canberra on 14th, 15th, 16th May, 1979. Due to this meeting clashing with the Le Havre IAPH Conference, the PMA's Chief Planner attended on behalf of the Trade Facilitation Committee of IAPH and makes the following general observations and comments on the proceedings of the Council Meeting.

1. Enclosed is a copy of a brochure produced by the CCC outlining the responsibilities, functions and operations of the Council which comprises 87 member countries with a Secretariate located in Brussels staffed by 110 persons. It may be appropriate to publish edited details in a future IAPH Journal.
2. The CCC considered detailed reports from each of its permanent committees and working parties. The matters considered were often of a highly technical and complex nature, particularly in the area of trade classification and valuation procedures. The CCC envisage that in the not too distant future considerable advances will be made in the area of achieving a more uniform or "harmonised" approach to the classification (and coding) of trade to facilitate compilation of international trade statistics and comparison between countries.
3. One of the major resolutions taken at the Council meeting was that exporters should be encouraged to include the CCC Nomenclature (CCN) or "Brussels Code" on Commercial Invoices as a means of promoting the CCN and facilitating customs clearance of goods.
The current practice of some exporters is to incorporate either the CCN or SITC number on invoices and at this stage there seems to be little consideration by the CCC of the benefits of SITC as against CCCN. This is a matter which should be investigated by the IAPH Trade and Facilitation Committee as most port statistics and cargo control systems are based on SITC. Furthermore, as ports are becoming increasingly involved in the preparation of more detailed trade statistics from manifests, which in turn are generally produced from bills of lading, the IAPH Trade Facilitation Committee should give consideration to taking appropriate steps to incorporate SITC on these documents.
4. Unfortunately there was an almost complete lack of knowledge of the work of IAPH by CCC delegates.

Consequently, at this point of time the CCC seems to take little heed of Port thinking in its decisions and the IAPH Trade Facilitation Committee should give consideration to requesting to observe proceedings of the "Technical Committee" in future. Should this course of

action be followed careful consideration of the appropriate representative will be necessary. This committee considers matters which are of vital interest to Ports such as:

- (1) The introduction of CCC Nomenclature on invoices.
 - (2) International multi-modal transportation of goods.
 - (3) Facilitation of goods in Customs transit.
5. At the conclusion of the Conference I made the following comment on behalf of IAPH.

"On behalf of the Secretary General of the IAPH I would like to take this opportunity to thank the CCC for the invitation to observe the proceeding of your Council for the first time in 1979.

For those delegates who are not familiar with IAPH it is an Association comprising most major Port Authorities around the world which is vitally concerned with the efficient and safe movement of cargoes through sea ports.

Uniform documentation and standard procedures are of course important factors in the efficient movement of cargo through ports and in recognition of this matter the IAPH has recently established a Trade Facilitation Committee to investigate what initiatives in this area would be appropriate for Ports.

It is our desire that the Trade Facilitation Committee of IAPH will be able to provide constructive comment to the CCC on matters referred to it as far as they affect Ports and we would encourage your Council to refer relevant matters to IAPH in the future, particularly in the work of the Council's Technical Committee and consideration should be given to the inclusion of IAPH as observers at the Technical Committee Sessions.

As far as the future is concerned, I feel that there is scope for ongoing and growing co-operation and consultation between our respective bodies and I will be recommending this position to the IAPH Secretariate in Tokyo in due course."

Para.'s 276, 277, 278 of Attachment 2. give an indication of possible future areas of involvement between CCC and IAPH.

6. In conclusion, the most lasting impression I gained from attendance at the CCC meeting was the necessity to have a permanent secretariate working directly for the Chairman of each committee in order to make significant progress.

If the IAPH is to be an effective Port voice in this important area of trade facilitation on the international scene it will be essential to allocate sufficient full-time resources to the Trade Facilitation Committee. In the first instance I would estimate that at least 2 experienced persons would be required.

These resources are necessary not only to provide liaison with other international port related organisa-

tions but also to tackle the many important port and interport matters related to trade facilitation that have been highlighted in the report from SITPRO prepared for consideration by the IAPH Trade Facilitation Committee on 17th August, 1978.

Attachments

1. Customs Co-operation Council. Brussels April 1979 (extracts).
2. Paragraphs 276, 277 & 278 extracted from the Minutes of the 53rd and 54th Sessions of the Customs Co-operation Council—Technical Matters.

Attachment 1. Customs Co-operation Council, Brussels, 1979 (extracts)

Functions and responsibilities

The Customs Co-operation Council (CCC) is the specialized intergovernmental organization for the study of Customs questions. Its objective is to improve and harmonize Customs operations and thus it plays an important role in the facilitation of international trade.

The significance of the Council's work can be appreciated in the context of the growing number of regional economic agreements where one of the first tasks is to seek harmonization of Customs matters, usually on the basis of CCC Conventions and Recommendations.

Working methods

The CCC works mainly through its technical committees. There are four such committees: Nomenclature Committee, Valuation Committee, Permanent Technical Committee and Harmonized System Committee. Based on the work of these Committees, the Council initiates action to establish international conventions and recommendations or gives directions to the Committees or to the Secretary General of the CCC on current work or future plans.

The CCC has its General Secretariat in Brussels. The Secretariat's task is to study various Customs technical questions and assist the Council, its Committees and, when requested, national administrations.

CCC Nomenclature

A tariff Nomenclature is a "must" for Customs administration. The only internationally known system for this purpose is the CCC Nomenclature (CCCN), formerly known as the Brussels Tariff Nomenclature (BTN). It forms part of the Convention on Nomenclature for the Classification of Goods in Customs Tariffs (1959). The current version of CCCN is that in force since January 1978. CCCN is also suitable for the collection of external trade statistics.

There are 42 Contracting Parties to the Convention. Over one hundred other countries have based their national tariff on CCCN and it is used by almost all the organizations created by regional economic or trade agreements.

Harmonized System Committee

Studies have shown that the repeated description and coding of merchandise during its flow from supplier to consignee in international trade can now occur as many as 17 times in one transaction. If there were a multi-purpose code, it could do much to improve the situation.

In view of this, the CCC has set up the Harmonized System Committee to develop a harmonized commodity description and coding system based on CCCN, which will

simultaneously meet the major needs of Customs authorities, statisticians concerned with external trade or production, carriers and producers. The system is to be suitable for automatic data processing and transmission.

The Committee's work will be completed by the end of 1981. Membership of the Committee includes not only some CCC Members but also a number of international organizations including UN Statistics Office, GATT, IATA, International Chamber of Shipping and International Organization for Standardization.

Customs valuation

Ad valorem duty collection is known all over the world. Its administration needs a standard of value. The CCC has provided the only internationally accepted definition of value through its Convention on the Valuation of Goods for Customs Purposes (1953). There are 33 Contracting Parties to the Convention, and, in addition, some 70 other countries apply this definition of value in their national legislation. Most of the regional organizations make use of the definition, known as the Brussels Definition of Value, in their work.

Procedures, law enforcement and other Customs matters

Harmonization of Customs regimes must also cover Customs matters other than tariff nomenclature and valuation. The CCC has been equally concerned about this and has so far established 11 Conventions and 30 Recommendations on Customs procedures and anti-smuggling measures.

Current work in this field includes an important Convention dealing with the simplification and harmonization of all Customs procedures. This Convention, known as the Kyoto Convention (1973) lays down systematically the basic principles of the different Customs procedures—each procedure being covered by a separate Annex to the Convention. 23 Annexes have already been completed relating to Customs clearance for home use, warehousing, drawback, inward processing, rules of origin, etc.

Another new Convention concerns mutual administrative assistance among Customs administrations for the prevention, investigation and repression of Customs offences. This Convention, known as the Nairobi Convention (1977), develops and strengthens the earlier instruments prepared by the Council to foster international co-operation in combating Customs fraud in general and the illicit traffic in narcotic drugs in particular.

Conclusion

The CCC has travelled a long way since it was established by a Convention signed by a small number of European countries in Brussels on 15 December 1950. The organization is now truly world-wide with 87 Member countries, from all the continents, and currently manages 14 international Conventions and 40 Recommendations dealing with important Customs questions for the facilitation of international trade.

List of the Recommendations of the Customs Co-operation Council

- I. Recommendations concerning the Convention of the Valuation of Goods for Customs Purposes[†]:
 - Treatment of inadvertent errors in the declared value of goods (17 June 1955)
 - Treatment, in valuation of goods, of the right of reproduction in the country of importation (2

- December 1964)
 - Application of the Brussels Definition of Value (1 June 1965)
 - Application of the provisions of Article III of the Definition of Value and of its Interpretative Note 2 (11 June 1969)
 - Application of the Definition of Value in regard to trade marks (6 June 1972)
 - Interpretation of Article I of the Definition of Value (8 June 1977)
- II. Recommendations concerning the Convention on Nomenclature for the Classification of Goods in Customs Tariffs⁺⁺:
- Form and lay-out of Customs tariffs (29 November 1957)
 - Recommendation to enable international trade statistical data collected on the basis of the CCC Nomenclature to be expressed in terms of the second revision of the Standard International Trade Classifications, Revision 2 (1 January 1975)
 - Amendment of the Nomenclature for the classification of goods in Customs tariffs (18 June 1976)
- III. Recommendations pertaining to Customs technique^{*}:

⁺ Available in the publication "Customs Valuation Compendium".
⁺⁺ Incorporated in the official edition of the CCC Nomenclature.

^{*} Available in the publication "Customs Technique Compendium".

(a) Co-operation between Administrations

- Customs questions dealt with at international level (30 November 1956)
- Temporary exportation of goods sent from one country for manufacture, processing or repair in another (Information Document) (3 December 1963)
- Communication of information concerning the Customs status of goods (22 May 1963)
- Mutual administrative assistance (5 December 1953)*
- Pooling of information concerning Customs fraud (8 June 1967)*
- Pooling of information concerning Customs fraud (22 May 1975)*
- Spontaneous exchange of information concerning illicit traffic in narcotic drugs and psychotropic substances (8 June 1971)*

(b) Duty reliefs, repayment and remission

- Repayment or remission of duties on goods refused by the importer as not conforming to contract (28 November 1957)
- Tax-free shops (16 June 1960)
- Repayment or remission of import duties and taxes on goods destroyed or lost (5 December 1962)
- Free admission of removable articles imported on transfer of residence (5 December 1962)
- Refund of import duties and taxes on shortages (5 December 1962)
- Reimported goods (6 June 1967)
- Free admission of gift consignments (11 June 1968)
- Recommendation to expedite the forwarding of relief consignments in the event of disasters (8 June 1970)
- Customs treatment of products imported for

testing (5 June 1972)

(c) Transport, travel and tourism

- Use of temporary importation papers in respect of radio and television vans (1 December 1955)
- Temporary admission of radio and television vans (9 June 1977)
- Customs treatment of provisions carried in restaurant cars, pullman cars, sleeping cars and similar cars on international express trains (16 June 1960)
- Customs treatment of registered baggage carried by rail (5 June 1962)
- Customs sealing systems in connexion with the international transport of goods (11 June 1968)
- Application of a flat rate assessment system to goods sent in small consignments to private individuals or carried in travellers' baggage (flat rate assessment) (11 June 1968)
- Simplified Customs control, based on the dual-channel system, of passengers arriving by air (8 June 1971)
- Simplified Customs control, based on the dual-channel system, of passengers arriving by sea (5 June 1972)
- Lighters carried by LASH or similar-type vessels (5 June 1972)
- Measures to facilitate the application of the ITI Convention (18 May 1973)
- Temporary admission of special equipment carried in vehicles used for or in connexion with the transport of radio-active materials (9 June 1977)

(d) Other

- Samples to be regarded as being of negligible value within the meaning of the international Convention to facilitate the importation of commercial samples and advertising material (30 November 1956)
- Lay-out key for Goods declaration (outwards) (1 June 1965)
- Right of appeal in Customs matters (6 June 1967)
- Adoption of a standard form of certificate of origin (16 January 1973)

*Available for national administrations only.

**Attachment 2.
 Paragraphs 276, 277 & 278
 extracted from the minutes of the
 53rd and 54th Sessions of the
 CCC – Technical Matters**

276. Mr. Bosch then turned to the third possibility open to the Council. The Secretariat felt that until now the Council had been concentrating exclusively on technical co-operation involving only Customs matters, such as Customs training, Customs legislation, etc., but the present international emphasis was on broad-based technical co-operation projects of which Customs matters might be only a part. The Council should take this trend into account and even try to turn it to advantage, by focussing more on Customs-related projects. Examples of these were the construction of ports and
(Continued on next page bottom)

European Seaport Policy (Concluded)

F. Suykens
Deputy General Manager,
Port of Antwerp, Belgium

IV. Policy.—In his book “The Age of Uncertainty” Galbraith says (p. 227): “Politics, in one of the oldest professional clichés, is the art of the possible. Equally in its highest development, it is the art of separating the important no matter how difficult”.

That the transport sector in Europe is a difficult one will probably be admitted by everyone who knows how little progress has been made in this field since the creation of the European Community.

In a memorandum dealing with the general lines of European transport policy dated 10.4.1961 the Commission laid down some very nice principles of a strongly liberal nature. However, events have shown that, for instance, certain social problems in the inland navigation sector have led to a greater limitation of the choice of the transport user than was previously the case.

Financial and economic circumstances as well as changing attitudes towards the environment have not made the solution of the problem of the financial independence of transport enterprises, above all in the railway sector, any easier. It is thus easy to understand why just as little progress has been made with regard to port problems with their very complex nature.

We need hardly be surprised, in the light of what has already been said, to learn how difficult it is to formulate a national port policy in the various countries of the European Community. Naturally we all look with admiration to the National Ports Council in Great Britain. In many European countries pleas can be heard in favour of the creation of a similar national consultative body which would make a considerable contribution to harmonizing port operations and port investments.

(Continued from page 15)

harbours or international airports, where the Customs played an essential role in the utilization and administration of the facilities, and the setting up of free zones or the introduction of other export-oriented measures. Mr. Bosch accordingly urged Members to think more in terms of Customs-related projects in the execution of which the Council could play a meaningful role for the benefit of Members, in co-operation with other organizations.

277. Mr. Bosch requested delegates to reflect on this proposal and give the Secretariat the benefit of their considered advice.

278. The Representative of the International Association of Ports and Harbors supported Mr. Bosch's views concerning the advisability of orienting technical co-operation towards large projects with Customs-related components. He noted that since the Customs was a big user of port installations there was vast scope for technical co-operation with the organization that he represented; he would himself make recommendations to this effect.

However, this admiration for the National Ports Council must not make us blind to the fact that this very body in 1965 published a plan entitled “Port Development—An Interim Plan” which proposed that in view of the fact that it was general cargo traffic which had posed the greatest problems over the previous few years and taking into consideration the further increase in general cargo traffic which could be expected, it was in the large ports, above all in London and Liverpool, that the greatest stress should be laid on port expansion. Of the 70 new berths provided for in the plan, 14 were reserved for London and 14 for Liverpool. As far as the modernization of berths was concerned, 10 to 11 in London and 23 (out of a total of 46) in Liverpool were to be adapted. Liverpool was to receive preferential treatment with regard to modernization since there were far fewer possibilities for further expansion there, while pressure was if anything even greater.

In order to relieve the large ports the National Ports Council was in favour of a third terminal for general cargo traffic and for this reason supported the Bristol port project. In spite of its very favourable natural location Southampton was kept in reserve for future long-term development.

When we read today, 15 years later, the report “Port Perspectives 1976” we find on p. 1 the statement: “Why have the ports that have grown rapidly tended to be the traditionally less important ones—Southampton rather than London or Liverpool; the Tees, Immingham and Dover, and not the Clyde or the Tyne? The answer is that in this way the country has obtained that good value for money which everyone seeks and this, in the end, means establishing precisely what is wanted and then seeking out the deepest market.

“While it might well be true that not everything that has happened is necessarily right, it would be extremely unwise to assume that what has happened, which is the consequence of a very great number of free choices by port users of all sorts, is wrong overall. Rotterdam makes sense for the continental land mass but would not have made sense for this country”. And on p. 21: “Any suggestion that this country has too many ports conceals a total misunderstanding of economic geography coupled with the superseded conviction that “bigger and fewer” are necessarily better than “many and smaller”. It is hoped that this article has made clear the fact that Britain's economic geography (which has a real relation to physical geography) makes for a dispersed port solution rather than for concentration on a few super-ports”.

This shows that even in the case of an excellent organization such as the National Ports Council views can change.

Personally I have the impression that over the past few years views on transport policy have also changed in the E.E.C. This would appear from an interesting article by Dr. Jürgen Erdmenger in E.G. Magazin of January 1979. On this see also the comments in DVZ no. 8 of 18.1.1979.

In the early years of the common traffic policy the idea predominated that a Community transport market should be organized in accordance with all the rules of free competition. This meant absolute liberalization, the abolition of state intervention and a harmonization of the conditions of competition.

These theoretical principles led to a clash of interests

between the countries in which one country expected to benefit from the liberalization while another expected to lose by it so that in actual fact no progress could be made.

Nowadays, however, this theoretical approach is being abandoned and this is clearly expressed in the approach which the E.E.C. Commission has taken towards European shipping. Not much time was spent on long theoretical considerations as to how the new European shipping policy should be formulated, but in the first place an attempt was made to examine together with the representative of the economic sector how the activity of the European Community could benefit them economically and politically.

It very soon became clear that this was to be achieved by supplementing the activity of member-states in cases where Community action could strengthen the steps taken by individual countries. More progress is expected from this "government by exception" than from theoretical analyses.

All of this perhaps illustrates the fact that political action at the level of the European Community is essentially different to similar action at the level of the individual state. It has already been pointed out at the beginning that the character of the new Europe will be completely different to the character of the individual states which were one and indivisible throughout the course of their history.

It is perhaps a comfort to know that one of the most powerful nations in the world, the U.S.A., in fact has no clearly defined port policy at federal level. The intervention of the federal authorities is simply limited to the maritime approaches which are adapted and maintained by the Army Corps of Engineers and to buoying and beaconing them which is the responsibility of the Coast Guard, a solution similar to that existing in continental Europe.

The lack of a port policy has not prevented the United States from developing into a large common market.

It is, moreover, one of the rules frequently met within politics that it is useful "to govern less in order to govern better".

V. European Seaport Policy.

a/- Legal aspects.

It is indeed very striking that the term "seaport" is nowhere mentioned in the Treaty which led to the creation of the European Economic Community. It is thus not possible on the basis of the Treaty to lay down clearly certain principles for a seaport policy.

For several years there were lengthy discussions as to whether ports belonged to the sector of maritime transport or to that of internal traffic carriers. As far as the latter are concerned (rail, road, barge) special provisions were laid down in the Treaty but article 84, paragraph 2, specifies that the Council of Ministers can only lay down by a unanimous decision to what extent and in what way appropriate regulations can be drawn up for shipping and aviation.

In the meantime the debate has been considerably cleared up by a judgment of the European Court of 4.4.1974 in case no. 167/73 with regard to the conflict which had arisen between the European Commission and the French government. This lays down that the general provisions of the Treaty apply also to maritime traffic and that the exception provided for in article 84, paragraph 2, only applies to the specific provisions in the section dealing with transport which can only be applied to shipping by a unanimous decision of the Council. This naturally means that a whole series of problems in ports (elimination of

discrimination, right of establishment in a port, rules for fair competition, state aid, etc.) can be tackled on the basis of the general provisions of the Treaty.

More specific measures such as the application of the general principles of the section dealing with transport, require a unanimous decision by the Council of Ministers, while even further reaching measures could be taken on the basis of article 235 of the Treaty which lays down that if action by the Community within the framework of the smooth functioning of the Common Market, even if the Treaty itself has not provided for such a case, the Council of Ministers may with regard to proposals put forward by the Commission after consultation with the European Parliament adopt appropriate resolutions by a unanimous vote.

The conclusion to be drawn from all of this is that even if the word "ports" does not appear anywhere in the Treaty it cannot be denied that the general provisions of the Treaty apply to ports or that other regulations or specific provisions may be laid down by unanimous vote in the Council of Ministers.

b/- Treatment of port problems at E.E.C. level.

The extent to which the initial action with regard to European port policy emanated from the European Parliament is quite striking. As early as 29.11.1961 the Kapteyn Report contained a well known plea on behalf of a common port policy. In paragraph 80 eight major principles with regard to seaports were laid down.

Whereas the Kapteyn Report was devoted to European transport policy as a whole, the first report which was specifically devoted to port policy was that of S. Seifriz which was submitted to the European Parliament on 26.10.1967.

In March 1971 the E.E.C. Commission published a note in which it expressed its views on a common port policy: the note on Port Options on a Community Basis, Paragraph 57 of this note provided for the gradual elaboration of a European port policy based on the following principles:

- in the first place a **consultation** phase with a view to collecting information both on the present situation and on the development in port activity;
- **concerting** efforts for those traffics where major changes were likely to affect both technological and economic aspects of port activity;
- **common action** in order to come to a common approach to the problems;
- **coordination** of the port policies of the member-states by agreement on certain basic objectives;
- finally an agreement on a **common port policy**.

It is perhaps curious that this report provides for a gradual approach and that it was clearly assumed that quite a lot of time would pass between the consultation and the final agreement on a European port policy.

On 12.4.1972 the H. Seefeld Report was submitted to the European Parliament. The resolution which was accepted by the European Parliament on the basis of the Seefeld Report laid down 16 principles on which a European port policy should be based. These range from non-discrimination via competition to covering costs and the elimination of subsidies.

However, it must be added that these principles were not unanimously approved by the European Parliament and in many ports there was considerable surprise that a German reporter insisted so strongly on the principle of covering costs since in German ports no special cost-price calculations are made. Finally almost every port found it un-

acceptable that the report accepted by the European Parliament on the proposal of Mr. Seefeld should state that ports are one of the principal causes of the difficulty in coming to a common European transport policy.

After this parliamentary phase, the European Commission became busy and on the initiative of Mr. Coppé, Vice Chairman of the E.E.C. Commission a meeting was organized on 21.11.1972 to which some 20 large European ports were invited. Most ports adopted an extremely reticent attitude at this meeting and pointed to the very great importance of transport between the ports and their hinterland.

A second meeting between representatives of the principal E.E.C. ports was called by the European Commission on 19.2.1974. This meeting led to the creation of a working group whose specific task to draw up a fact finding report describing the operation and organization of the European ports. This report was published in early 1977 and discussed at a new meeting of the representatives of the principal E.E.C. ports on 9 and 10 June 1977.

At this meeting the working group was entrusted with a new task consisting of the following points:

- 1.— to examine the reasons for the differences in organization, management, operation, financing, etc. which have been revealed by the fact finding report in order to ascertain to what extent these differences can give rise to distortion in competition;
- 2.— to attempt to clarify the influence of the above-mentioned difference on the costs involved for cargo passing through a port as well as on the costs involved for the ships calling at the port;
- 3.— to draw up a list, on the basis of the above analysis, of possible priority initiatives which need to be taken in the port sector;
- 4.— to review the present fact finding report every two years with regard to the situation then existing in the principal ports of the Community;
- 5.— to express the views of ports with regard to the common traffic policy;
- 6.— to make recommendations with regard to the improvement of the collection, publication, etc. of comparable port statistics.

A whole series of meetings has already been devoted to these tasks. Naturally enough a number of difficulties have been encountered of which I shall mention only two. In the first place it is very difficult to describe accurately the concept of the "distortion of competition" which is constantly being used in E.E.C. circles. There is no single definition which has been worked out in any other E.E.C. context which would serve as a guideline for seaports.

Secondly, it is no easy task to compile a comparative survey of the costs which are borne by the ship and the cargo in the various ports. In the case of the ship there are usually published tariffs available which in spite of their complexity nevertheless do give an idea of the principal costs. On the other hand, however, no official cargo handling tariffs are published by most North European ports, especially in Germany, Holland and Belgium, so that it is difficult to draw up a reliable comparative survey.

Finally a question arises as to what conclusions could be drawn from such a comparative survey since it is clear that the internal differences in port costs within the individual countries are sometimes greater than those between the countries themselves, which certainly does not make it any easier to draw definite conclusions from the

data so laboriously compiled.

It is impossible to state at the present moment when the working group will have completed its second task and which conclusions it will be possible to reach.

CONCLUSION

From what has been said it is possible to draw a few conclusions.

As far as Europe and European policy in general are concerned the approach to problems in the future will without any doubt be more pragmatic.

Diversity is one of the valuable characteristics of our continent and it would be difficult to achieve at supranational level the same uniformity as that which has evolved historically in the various countries.

It should, moreover, be noted that few European countries have a uniform port policy in which uniform principles apply to all ports irrespective of their size or composition of their traffic. Seaports have not only evolved historically but also form a component part of the various national economies. They are in addition places affected by many other policies which are gradually being implemented at European level.

To the extent that those other policies are realized and Europe grows towards a greater unity many important aspects of European port policy will be achieved. It is a well known proposition defended by many ports that the best European port policy is a good European transport policy. The cost of transport to and from a seaport to a great extent determines the choice of the port. It is not proven that the differences in the organization and running of the ports which are mainly expressed in the divergent concepts which are to be found on the one hand in the countries of the European continent and on the other in the three new E.E.C. countries i.e. in the first case a limited concept of what a port is and in the second the total organization concept, necessarily cause distortion on a large scale in other countries which would require far-reaching changes of structures which have evolved historically.

The evolution of a European port policy is a long term process which can scarcely proceed faster than European integration itself. This does not detract from the fact that further consultation at the E.E.C. level between ports is extremely useful. In the first place it is desirable for European ports to become better acquainted with each other's structure and mode of operation. R.O. Goss (Op. cit. p. 55) states: "There is no single best structure of organisation and management of seaports: but there are ways of improving their efficiency and some of these may involve learning from elsewhere".

The fact of knowing that in another port certain things are done in a different way to that in which they have traditionally been done in one's own port can frequently lead to the question arising as to whether some adjustments should be made.

When we know each other better and obtain a better insight into each other's aims and solutions, then we can also cooperate in full confidence. Such cooperation naturally grows only gradually. In the first instance it can consist in exchanging information. It is, for example, not impossible to imagine that European ports can reach an agreement to inform each other about the tariff changes which they periodically make. It could also be useful to provide regular surveys of plans for port expansion which are being carried

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THE ECONOMIC EFFICIENCY OF SEAPORTS

by R. O. Goss of Government Economic Service, London

Delivered at SEATEC II Seminar, June 11-15, 1979

INTRODUCTION – In order to familiarise at least some of its civil servants with administrative techniques used in other countries the British Government offers ten travelling fellowships each year. The procedure is simple: any civil servant can apply, suggesting his own scheme of travel and study. In 1977-8 I was lucky enough to be awarded one of these in order to study the administration and management of seaports and this paper is derived from the work I did in that year.

It follows, therefore, that whilst it was done under official auspices the results are personal and do not necessarily represent the views of the British Government or any of its Departments. Moreover, given the aims of the Fellowship scheme I necessarily devoted most of my time to studying port administrations outside the U.K. Consequently, what follows is not derived mainly from U.K. experience and the conclusions do not necessarily apply to Britain.

In all, I travelled over 52,000 miles, visited 15 countries, 40 seaports and 8 cities having government departments concerned with port matters. The countries included Australia, Belgium, Canada, Denmark, the Federal Republic of Germany, Hong Kong, India, Israel, Japan, the Netherlands, New Zealand, Singapore, Sweden, Thailand and the USA—though I did not visit them in alphabetical order.

A MODEL OF SEAPORT ORGANISATION? – It is tempting to follow the precedent of Professor James Bird's historical and geographical development of "Anyport" (1) in producing a single model possibly some concept of "Best-port", which might be considered ideal. But by whom would it be so considered? The fact is that the fundamental concepts of port authorities differ very widely indeed; nor

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out so that we can learn from each other's experience. Many ports have made studies of the development of traffic which they expect. An exchange of these data would undoubtedly be instructive.

We are being confronted by new challenges, why should we not study them together? I have in mind here subjects such as the safety regulations for handling dangerous products, the safety of navigation to and from ports, obligatory pilotage, measures to be taken with regard to sub-standard ships, etc. There is also the increasing use of data processing in maritime transport and ports, in which connection various initiatives have already been taken at E.E.C. level. I should also like to mention the necessity of making European statistics more comparable, and so on.

In this way we shall grow closer together while keeping the final aim of European integration constantly before us. In so doing we should apply the maxim laid down by Aquaviva in the 16th century: "Fortes in fine assequendo et suaves in modo assequendi simus" which means, let us be strong in striving for the goal and flexible in the way we strive.

do many of them produce comparable statistics or other indications of their efficiency, to enable one to perform mathematical modelling of the kind beloved of econometricians. Moreover, as I shall be explaining later, I think it is a serious error to transplant port organisations as if they were mechanical rather than social bodies.

NATIONAL PORTS POLICIES – Overtly, the constitutions of port authorities may be under national control, like British Transport Docks Board in Britain, the Israel Ports Authority of the National Harbours Board in Canada. They may be under municipal control, as they often are in Japan, California or on the Continent of Europe, or under the control of individual states within a Federation as in Australia. But, whatever, the ostensible situation I found that most countries had at least the rudiments of some kind of national policy or that they were developing it, whether their constitution appeared to allow for this or not.

Thus, whilst the Australian constitution places seaports firmly under State rather than Federal control (though it is surprising to find that stevedoring within those ports is a Federal matter), the Commonwealth (or central government) of Australia has developed a considerable expertise in the appraisal of proposals to invest in seaports (through its multi-disciplinary Bureau of Transport Economics), Canberra is usually consulted about major projects and the Federal Department of Transport is constructing a remarkable systematic approach to statistics of seaport operations, including numerous indications of their efficiency. Anyone interested in open government will like to know that this information will be held on a computer memory capable of direct interrogation by the public.

Similarly, the municipal ports of Belgium and the Netherlands generally need the approval of both Provincial and National Government before proceeding with important projects and not only because the national government will often be providing much of the finance as a grant. This approval can be refused and in some instances it has been. Moreover, the Netherlands Government has become increasingly reluctant to contribute as heavily as it once did to the costs of deepening the approaches to Rotterdam—and at Rotterdam they are considering ways in which the city can obtain significant net revenues from the port. In the Federal Republic of Germany, whilst the main ports are under largely municipal or Land Control, the Federal Government provides channel dredging free but will need to be persuaded of the justification for any deepening. A similar regime applies in the USA, where the Army Corps of Engineers provides both maintenance and capital dredging free of cost to the ports, but will have to persuade Congress of the need to allocate funds for this purpose—a process which takes so many years that some ports prefer to pay for the dredging themselves.

In India the major ports are nominally autonomous but actually under fairly strict control, especially as regards investments and tariffs; there is a continuous and systematic, though unpublished, monitoring of numerous aspects of efficiency by the All-India Government. In Japan a similar, though more diffuse, arrangement exists, with the Central Government having a powerful lever through its

system of grants towards major port investments in the municipally controlled ports; though the principal basis of planning lies in the achievement of a consensus between these two, the national and local Port Advisory Councils and is interesting to note that for the construction of container berths this has been substantially modified, with the grants being much less and the port users having to pay more.

In New Zealand the NZ Ports Authority (which neither owns nor operates any ports) has the functions of authorising major investments and producing a national ports plan, but is hampered by having no research staff of its own, no clear basis on which to produce such a plan and no direct connexion with the Waterfront Industry Commission, which is responsible for labour matters, including the allocation of labour and payment of wages on behalf of the industrial employers. In Sweden, where most major ports are municipal, there is controversy over the desirable extent of national planning, with the government favouring de-centralised decision-making but some centralised data collection, whilst the Association of Swedish Ports and of Municipalities favour compulsory port planning to co-ordinate, reduce duplication and raise economic efficiency. The latter feel that planning without compulsory powers is just talking.

In Canada, where ports are a Federal matter, there are 2 distinct types of port administration—apart from a large number of small “public harbours” and a number of single-user private ports. Some 15 major ports come under the National Harbours Board under direct control from Ottawa and with local committees which, even though they may be termed “port authorities” actually have very little power. These ports are financed by the Federal Treasury which, at least until recently, has not required ports to pay interest or capital repayments unless the port could afford it. In most instances they could not and a contributory factor was the NHB’s imposition of uniform charges on almost all the ports regardless of their costs or levels of demand. Significantly, I think, Vancouver is an exception to both the uniform pricing rule and the general record of low or negative profits. At least until recently the NHB’s record of marketing effort has been so low (they did not wish to appear to favour any one port for fear of political repercussions from others) that in Halifax and Saint John, New Brunswick, the municipalities established their own “port commissions” with the sole function of getting more business for their local port.

Secondly, the Port Commissions control a number of lesser ports, with Boards having substantial authority in practice and generally covering the full costs of finance obtained from the private sector. This dual system is widely recognised to be unsatisfactory and a bill is currently before the Canadian Parliament to break up the NHB, create a Canadian Ports Commission to oversee all major ports, provide Regional Advisory Councils for co-ordination and, most important of all, place NHB ports under Port Commissions with substantial local representations and financed by borrowing from the private sector (e.g. banks) for which each port would remain responsible. To ease the transition most NHB ports would have some debts to the Federal Treasury forgiven and it is possible that the same may apply to a small number of the existing Port Commissions.

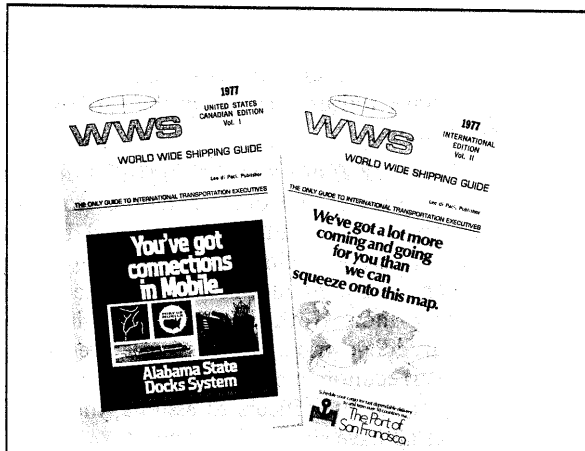
OBJECTIVES OF PORTS — Most of the port I visited had no specified objectives, at least in the sense of there being something laid down in writing that they were supposed to

be maximising, subject to certain constraints. Most of them attempted to earn sufficient revenue to cover their costs, though these were generally defined as excluding any return on capital or services provided free (like dredging in Canada, the USA and parts of Europe) and represented accounting costs only. For example, most ports in the USA are able to issue bonds the interest on which is free of Federal and State income taxes, even when the investor lives in a quite different state. Such bonds are very attractive to those liable for high rates of tax and the rates of interest can be correspondingly low. This may not technically be a subsidy; but it is certainly a form of fiscal assistance.

In some USA ports the objective of maximising jobs in the locality has been formally established and quite elaborate “economic impact studies” are carried out in order to attempt to determine the degree of success. I have read several of these very carefully and they seem to me to ignore a number of important factors. Typically, they assess the effect of the port in total and at a given point in time; thus they are not relevant to questions of expansion or investment (an existing port can scarcely disappear). Secondly, they fail to account for what economists call the opportunity cost of the resources involved; that is, the value of the capital, labour and so on in its various alternative uses. This is seen most clearly in the calculations which are sometimes made of “benefits” per ton of various types of cargo and which often show figures for general cargo much higher than for bulk. But all this really means is that it costs far more to handle and process general than bulk cargo. On this basis, it would presumably be argued that if the costs were even higher, so would the benefits be; and as Euclid used to say, that is absurd.

Such studies often attempt to include the activities of port-related businesses, including inland transport, warehousing, broking and manufacturing, outside the port area. By including the whole turnover of such firms they overstate the total, since they are unable to distinguish those parts which are not related to the port and also because they fail to deduct the value of goods and services purchased by the firms in question and originating from other districts. On the whole, I was much more impressed by a senior official of the American ports industry who told me that the studies were very largely produced for public relations purposes and to secure the willingness of local citizens to paying taxes used to support the ports’ finances or to authorize bond issues for its expansion: though even this view does not imply a very high opinion of the voters’ intelligence.

In fact, the creation of jobs—or the expansion of economic activity—is a function of central rather than of local public bodies; we term it macro-economic policy and it is affected by numerous other issues (to say nothing of economic controversies not relevant here). Local economic activity can be enhanced by regional policy, consisting largely of assistance from, e.g. congested areas to those with spare resources, e.g. of labour and land. It cannot readily be increased by imposing local taxes to provide an equivalent amount of local spending, since the first is likely to cancel the second. And the whole process is likely to be made even less effective when numerous public bodies, port and inland, are competing in the various forms of assistance they can offer to attract industry, whether these are in the form of low taxes, no taxes, low rents or anything else. In other words, I believe that this objective is incapable of



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achievement; though I can quite see that almost unlimited sums of money can be spent in pursuit of it. This last point may go a long way to explain the parlous financial state of a good many ports in the USA despite the assistance they often get in free "capital" and maintenance dredging, low interest rates, zero taxes on their properties and, in some instances, tax revenues.

At still other ports, for example some of those in the Continent of Europe, port activities are carried on without any intention of achieving a return on capital—so that, in some municipal ports there are no published accounts for the port as such and no one can, at all readily, discover what the profits or losses are. The roots of this lie deep in local and national history but today the process is sometimes justified by a process somewhat similar to that just described, namely that the total tax revenues derived from port tenants, other companies dependent on the port and their employees are amply sufficient to justify the losses, subsidies or grants made to the port. The argument would be more convincing if such calculations were actually and regularly made, but to my mind they would be unconvincing anyway.

For the port exists and cannot be taken away, we are thus concerned with whether an increment to it is justified, relative to the country, this may be assumed to be small. If it were not provided, and assuming that what I have just referred to as macro-economic policies remained unchanged, then so would the aggregate level of employment of national resources. These would then be liable for the same taxes and, unless they earned much less in these other uses, the tax yield would be much the same. Indeed, since these other uses would presumably not need subsidies, the profits would probably be greater and so would be the yield of profits tax. Thus, the generality of taxpayers would win twice over if port investments were built without grants and on a basis of genuine profitability.

Although most ports had no specified written objectives it became clear to me in the course of my interviews that most of them were maximising cargo throughput, subject to the financial constraint of "covering their costs" and complying with the law in other respects, e.g. the control of pollution.

As already noted, "costs" were commonly defined for this purpose in purely accounting terms and there were rarely any target rates of return on the overall capital employed. Thus there was usually no real attempt to recover the opportunity cost of capital and this was generally reflected in a lower level of port charges. I shall be returning to some of the economic effects of this last later on.

The Israel Ports Authority is most unusual in having paid the closest attention to the definition of costs. Their first objective, like that of every port, is to cover their cash operating costs of wages, fuel maintenance and so on. They then aim to recover full replacement cost depreciation on all their fixed assets, plus the interest they have to pay on the money they have borrowed to finance some of those assets—capital repayments are made through the balance sheet from the cash flow provided by the depreciation. All this, too, is quite normal, save only that the depreciation is on a replacement cost basis, calculated with the aid of price index-numbers. The unusual part is a third deduction, termed "implicit interest" and calculated by multiplying the best estimate (8%) of the opportunity cost of capital in Israel by the depreciated replacement cost of those assets

which were not financed by borrowing. Their financial objective, in other words, is to cover capital consumption in real terms, explicit interest on loans and to achieve a rate of return on the rest of their capital equal to what could be obtained elsewhere in their economy. The balance after all these deductions is supposed to be zero and, since it cannot be (except by a fluke) it is carried forward as an adjustment to a "Tariff Equalisation Account", which is another way of saying that a positive balance carried forward will help to keep charges down in future years and vice versa. Naturally, the implicit interest, plus that part of the depreciation which remains after capital repayments from the net cash flow available for financing future investments.

Although this is unique in its precision and formality many other ports, for example in the USA and in Australia, are attempting to increase their financial surpluses with a view to financing more of their expansion internally, rather than by borrowing. The reasons for this change were not always clear to me; they may be derived partly from a somewhat stricter financial control by state on municipal treasuries and partly from the high initial burden of borrowing in a period when interest rates reflect recent rates of inflation, even though these interest rates may be low (or even negative) in real terms and in the long term.

A more systematic approach, though not nearly as sophisticated as the Israelis', is used in some Swedish ports, where an item termed "internal interest" is deducted before the port's surplus or deficit is shown. This consists of the rate of interest on Swedish municipal bonds applied to those assets not financed by loans; but at their depreciated historic and after historic cost depreciation, instead of the replacement costs used by the Israelis. It therefore represents a very much lower, and perhaps sometimes even negative, rate of return on the capital employed as well as producing a much lower cash flow for reinvestment. Both these effects are reinforced by regular failures to achieve even the specified rate of "internal interest".

Despite the simple argument that, if you are not recovering replacement cost depreciation, then you are gradually giving your capital away to your customers, very few of the world's ports use it in their accounts—though many of them have it and insert it in their charges! It is even more rare for them to publish the data on which comparisons and adjustments can be made. One notable exception is the municipally-owned port of Los Angeles, which deliberately publishes a great deal of information about itself, including the full (i.e. undepreciated) values of its assets at original and replacement cost, though its published accounts like those of other ports in the U.S.A. are on a strictly historic cost basis. The ratio of financial surplus after historic cost depreciation on the historic cost of assets is about 8.5%. But if we add back the historic cost and deduct replacement cost depreciation and express this as a percentage of the replacement cost of assets the ratio is 0.65. It may well be true that both of these are too low, because they are taken on the undepreciated asset values, but they must be in about the right ratio to one another; and the result is that the rate of return based on historic costs is about 13 times bigger than that on replacement costs. (In case anyone should feel that I am casting doubts on the efficiency or management of the Port of Los Angeles, let me say that they are undoubtedly in a very strong financial position, partly because they receive substantial oil royalties

and seemed to me to have a management which was both efficient and enterprising. (I merely cite them because they are one of the few ports to publish sufficient information for the calculations to be made). The real and economic importance of such low rates of return will, I trust, become clear when I have finished laying up the various strands I am now constructing.

THE FUNCTION OF PORT AUTHORITIES — All over the world, seaports contain dock quays and other port facilities where ships are loaded and discharged and by, on the whole, much the same techniques. Even such specialised facilities as ro-ro and container berths resemble each other closely, varying more with decisions on whether, say, transtainers, straddle-carriers or chassis are used than with any geographical, economic or political features of the port. It is very easy for ships' officers to assume, therefore, that port authorities all have similar functions.

Yet in fact these vary markedly, all the way from the nearly "total" approach of some BTDB and many other British ports to the largely landload functions of ports in Japan, Canada and the USA. A non-British example of the first type is the Port of Singapore Authority, whose quality of management is so high that, like the ports of New York—New Jersey and Oakland, they have taken on a number of functions not closely connected with seaport operations in any sense. A good example of the second is the Fraser River Harbour Commissioners (New Westminster) in British Columbia. This port shifts about 1½ million tons of various types of cargo a year and the authority has a staff of 7, including 2 typists, one of whom does the statistics. Leaving aside a few local complications, all other port operations are carried out by private sector lessees, some of whom specified the port facilities they wanted, had them built by the port authority (which borrows from a bank) and on which they pay an agreed rent, subject to review every few years.

This is deliberately chosen as an extreme example of the 'landlord ports' of which I visited many. Some took responsibility for pilotage, marine traffic control and for the maintenance of structures, others combined leasing out of some facilities with the direct operation of others and in many of them the stevedores working on the ship were employed by a different body or firm from those on the quay. Some ports, like Tacoma and Fremantle, carry out all wharfinger or quayside operations themselves, whilst private sector stevedoring companies do the work on the ship. At Auckland the port provides mechanical equipment on the quays, complete with drivers but they then work to the orders of private sector companies. Numerous other variations exist.

PUBLIC VERSUS PRIVATE SECTOR OPERATIONS IN PORTS — It was a characteristic of most ports I visited that, whatever their approach and functions were, they expressed every satisfaction, even though they knew perfectly well that these contrasted with the way things were done elsewhere. It is, for example, tempting to assume that competition will ensure that the private sector will work efficiently and that, therefore, all will be well if we rely on it.

But there are a number of limitations to this. First, it may be asked whether the private sector firms actually are in competition. Do they, for example, have price fixing agreements? I found some major ports where they did, to a greater or lesser extent. Are they in common ownership

with similar companies at other ports? If they are (and, again, I found examples) then inter-port competition is greatly reduced even without such agreements. Are there shareholdings in these firms by lines' agents, which would tend to affect the choice? Above all, since the concentration of many break-bulk services into container operations, it is relevant to ask whether there is a sufficient number of such firms to compete effectively. Often, there are not; in Townsville (Qld.) I found there was only one; and even in Sydney (N.S.W.) there were only two competing for the handling of general cargo. One of these operated at most, if not all, competing ports and has recently been the subject of adverse findings by the Australian Prices Justification Tribunal. These are all important questions and port authorities would do well to satisfy themselves on such matters before deciding that, to quote the philosophy of one port: "if it can be done by business then it should be done by business".

Several ports have considered these matters and have decided to change their pattern of operations drastically. Copenhagen, for example, found it had some five or seven stevedoring firms but that they were so specialised that they did not really compete. A similar finding took place at Gothenburg and, at these and other places, the result was that the port authority bought out the companies and merged them, sometimes with residual private sector shareholdings and some complexities not relevant here. In New Zealand a more remarkable development has been taking place at certain ports, where the Waterside Workers trade union, as such, has been buying shares in certain stevedoring companies, thus shifting them towards becoming workers' co-operatives. In a country where conflict of attitudes between business and unions is endemic I was told that some businessmen do not know whether to laugh or cry.

Perhaps a more fundamental question than those cited above is that of the general attitude to the private sector in the country in question. For, if it is widely believed that almost any public sector activity is likely to be inefficient or dishonestly conducted (or both) then the private sector is likely to do a better job, even if it does have some price-fixing agreements or other forms of restrictive practice. And if there are similar widespread suspicions about the private sector; or beliefs that it is exploitative, neglectful of safety or incompetently managed then there should probably be a shift towards the greater operation of ports by the port authorities themselves. Notice that I have expressed my ideas in terms of what is widely believed rather than of what is objectively true; for in such circumstances the truth will be hard to come by and the power of simple slogans should not be underestimated.

Nevertheless, the importance of the port authority's function of planning and co-ordinating developments, as well as of safety and pollution control, remains not least because the port may perceive long-term needs far ahead of any individual companies. A good example of this can be seen in Hong Kong; where the government set up a Container Committee to recommend whether, where and how container terminals should be built. The Committee (like most of those which advise that government) consisted of businessmen and civil servants and it worked with such efficiency that a suitable site was earmarked and outline construction plans approved some years in advance of any tenant applying for a lease. When they did apply, of course, they wanted it very quickly and it was the Government's

initiative which ensured they could have it. With an ingenuity typical of that Territory what might elsewhere have been public expenditure was turned into revenue by the tenants paying a rent for the bare site—then a mudflat—and paying all the construction costs themselves; they also found themselves told exactly where to take their reclamation fill from and to leave that site levelled and ready for housing development. It is by such means as these that Hong Kong has avoided all public debt.

PORT PRICING—Apart from the charges made for handling cargo and for other specific services like the supply of water and the removal of rubbish, most port authorities levy charges on such dimensions of ships as gross or net tonnages or length and also upon the cargo per ton weight or cubic metre and often discrimination between commodities according to their value (as a surrogate for their "ability to pay") and sometimes discriminating against imports. Australia and New Zealand both do this last, though by far the strongest discrimination I found was that of the Israel Ports Authority, who levy ad valorem wharfage at 2.0% on imports and 0.2% on exports (regardless of their import content) and also discriminate in their stevedoring charges.

It is commonly accepted that there should be separate charges on ships and cargo, even though such ports as Antwerp only charge the ships. The California Association of Port Authorities (CAPA) has employed consultants to divide costs between ships and cargoes; which they did by analysing the costs of those port facilities assumed to be needed by one rather than the other. There seem to me to be a number of arguments against this.

First, the different facilities (e.g. the vertical and horizontal faces of the quay are usually in joint demand—there is really not much point in having one without the other. Secondly, they are generally in joint supply. Dolphins for barge-ports apart, it is fairly difficult to construct one without the other. Thirdly, both charges have ultimately to be paid by the consumer of sea transport. This is most clearly seen when someone time-charter a ship to carry his own cargo; then he will pay both ship and cargo dues himself; but it is relevant whatever the form of contract.

Another argument against the present structure of port charges is that, unlike the rents charged to lessors they are generally uniform throughout the port. Indeed in the eight major ports of Japan, as in California and in some other parts of the USA they are uniform by agreement between the port authorities concerned; whilst the NHB in Canada (Vancouver apart) the Israel Ports Authority and the Maritime Services Board of New South Wales impose uniformity on all the ports under their control, practices which seem to me to have all the disadvantages generally associated with the suppression of price-competition and which casts doubt on the practical—as distinct from the theoretical—advantages of national owning and co-ordinating ports. (It should, however, be noted that this is not a necessary doubt; the British White Paper on the Reorganisation of Ports expressly stated that ports would be encouraged to compete on charges and other matters (2).

Leaving aside uniformity between ports, its practice within ports leads to better berths being in greater demand and to the poorer (which probably means the older) ones being in lesser demand. There are many ports where they have fallen into disuse, and unless they can be converted to other purposes, they may become broken down and objectionable. It is sometimes argued that these effects of port

charges are unlikely to be significant because they represent a small part of the value of the goods and, probably, of total transport costs. But cargoes are not shipped to raise revenue: they are sold and transported to make profits; and since the profits are usually a small proportion of the goods' value it follows that variations in port charges can have a significant effect on the profits and thus on decisions as to what port facilities to use. Such effects are entirely consistent with shipping companies' attempts to vary ship designs so as to achieve lower gross or net tonnages and also with the view of numerous port authorities, local and national that differences in charges between ports can and do affect routing decisions. This, indeed, is why many American and Japanese ports (Anti-Trust Acts notwithstanding) fix prices by agreement. And if price variations are effective between ports, as the port authorities believe (and I agree), then it should be considerably more effective within ports.

I would therefore suggest that the present charges on both ships and cargoes be replaced by berth rents, levied for as short periods of time as may be practicable (Canadian NHB ports use 12 hours, the Israel ports Authority four hours and Singapore uses one hour) and tailored to the levels of cost and demand for the berth in question. For further details see ref (3). Such berth-rents would, of course, be additional to charges for other functions, such as cargo-handling, and could be used by landlord as well as other ports. Where there were marked seasonal fluctuations in the demand for some or all berths in a port then a more even flow of cargo would probably be achieved by having similar fluctuations in the level of charges. I have found no seaport which actually does this—it is one of many ideas I found they had never considered—but the British Airports Authority has done it successfully at Heathrow for several years (4).

It is this, or some similar arrangement which can incorporate the appropriate levels of cost and demand, with the berth-rents being set up so as to aim at achieving a satisfactory level of activity throughout the port and seasons. (Economists will recognise that I am doing no more than advocate adjusting prices until they are equal to marginal social costs, including locational rent. But the explicit use of this technique must be preceded by experiments to discover the supply and demand relationships). Thus, having done the best we can with what we have (and this may well involve accounting profits of losses overall; and possibly both at once in different parts of the port) the financial surplus and achieved rate of return on capital employed is the result of the pricing system rather than an input to it, as it would be with a cost-plus system.

Following the earlier argument, this rate of return may be expressed, as such, as the ratio of the financial surplus after replacement cost depreciation and explicit interest to the replacement cost of those assets not financed by the loans whose interest has also been deducted. For good measure I also feel that, in general, ports should not be supported out of taxes on revenue account: on the contrary, I feel they should generally pay taxes, just like similar bodies in the localities concerned. There may be some exceptions to this, for example, where regional policy is relevant, or where a single project can open up a whole new area of development; but such instances are probably best judged on their merits rather than by such general rules as that all capital and maintenance dredging should be provided free by government.

INVESTMENT DECISIONS — I found a wide variety of practices in this field. Some major ports had no real system of deciding when, where and how to invest in port facilities *(though they were generally more systematic in deciding how to finance them); they claimed to respond to the needs of their users. Many other, especially landlord ports in the USA, would adopt any proposal if the initial revenue, comprising rent, ship and cargo dues, exceeded the debt service likely to be associated with it by a safety margin (e.g. 25%, 50%) sufficient to maintain the ports' credit-worthiness in the bond market; they ignored the rent reviews which were likely to occur subsequently and all questions of the opportunity cost of capital. Except in the Port of New York—New Jersey, risk analysis was scarcely used and even there it had not been applied to marine projects. Antwerp had an interesting variation on this, by taking the fifth instead of the initial year, on the grounds that it might take that long for the project to become full productive.

Still other ports used more formal methods: either discounting cash flow or some form of cost-benefit analysis. The remarkable impressive port planning at Brisbane used both and tested the sensitivity of the results. Such countries as Australia, India, Israel, the Netherlands and Singapore have amply demonstrated that these methods are not matters of theoretical speculation: they can be usefully employed in seaports; and so have the World Bank, in their admirable work for developing countries. Both techniques have been thoroughly described elsewhere and I merely wish to discuss some of the factors relevant to their application in seaports.

Discounted cash flow takes into account all of the cash costs and revenues accruing to the port through its pricing and payment systems. If, as I have suggested in the previous section the level or structure of prices is wrong then the answer is also likely to be wrong and to an unknown (if possibly insignificant) extent.

But cost-benefit analysis, which tries to incorporate the effects on other (in practice this generally means port users) suffers from two major disadvantages. The first is the practical difficulty of getting reliable data⁷ on sea transport costs—a topic on which I heard numerous complaints. The second is much more complicated.

For a successful port investment is likely to mean that the cost of sea transport is lower than it otherwise would have been and the benefits of this are unlikely to accrue wholly within the country in which the port is situated. Some economists stress the effects of shipping conferences in this context: I prefer to assume that these are, for present purposes, mainly a stabilising force whose overall results are not too different from free competition, so that lower (or more slowly rising) costs appear in their prices, or freight rates. If this is so then the international distribution of the effects of a successful port investment will be determined by the interaction of the long-run-elasticities of supply and demand for the goods being transported—just as for a reduction in a customs tariff. The World Bank have done some elegant work on this and so has a member of my staff (6) but some important problems remain. For there will always be doubts on the quantities of goods moving, on the total benefits of the improvement in sea transport costs and on the quantification of the elasticities for the future, **and these three sources of error are multiplicative not additive.** Inevitably, the result will be a larger area of doubt than the decision-maker would wish to see. I was

moreover surprised to discover numbers of port authorities who had either missed or misunderstood the problem of the international division of benefits, complicating it still further. The Israelis, for example omitted it entirely and thereby overstated the benefits of their proposals.

To me, at least, the correct approach is to use discounted cash flows on an appropriate pricing system. This may capture some of the savings in shipping costs; as for example, at Seattle where one of their charges is simply doubled at a new and particularly rapid-loading grain elevator. In short, a need should be expressed through a willingness to pay.

EFFICIENCY IN SEAPORTS — Earlier I discussed the objectives that some port authorities have adopted, explicitly or implicitly; and the reader will have noticed that I failed to specify what I thought an appropriate objective might be. It is now time to repair that omission and to lay up the various strands I have been making in the argument so far.

The usual objection to a seaport authority maximising its profits is that it has at least a local degree of monopoly power—a fact which tends to be supported by the surprisingly few ports which have carried out origin and destination surveys on the goods passing through them. But where, as in Britain (or dare I say in the range of ports from Dunkirk to Hamburg?) there are good inland communications and different ports serve overlapping inland areas this objection is worth much less and sometimes nothing at all. Profits may then be maximised, and proper (published) accounts will reveal them if they ever become too big.

Elsewhere and in the more usual situation, I believe that the proper approach is to maximise efficiency, defining this by means of a number of ratios, such as ship turnaround time, various financial, economic and physical measures (including the use of profit centres and value added) of labour and capital productivity, average costs of specific function, all suitably disaggregated by ship type and commodity. Those who believe this cannot be done should try looking at the work of the ports authorities of Israel and Thailand, of the New Zealand Waterfront Industry Commission and getting access (as I did) to the often quite elaborate procedures regularly employed, but not published, by certain others. I assure you that there is ample to keep an appropriately small staff occupied for years. I agree that the calculation of trade-offs between various forms of efficiency is difficult and that the approach I am suggesting is not theoretically elegant. But it is a great deal better than much of what we have now.

CONCLUSION

For the typical existing system of ports involves the free or assisted provision of capital (e.g. through grants, low interest rates or free dredging) to public authorities which either have no clear objectives, objectives which cannot be attained or no effective supervision from any other body. The result is often (though far from universally), ports that are unnecessarily elaborate, and whose charges involve extensive cross-subsidisation within (and sometimes between) ports. They often achieve rates of return which are markedly too low and fail to capture for their own nations the full economic benefits of their investments. And that, combined with a rule of covering only accounting costs is a very good way of giving national income away without even noticing.

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Asian industrialisation— a challenge to Australia

The director of Australia's Federal Bureau of Industry Economics, Mr. Brian Johns, has pointed to the challenge facing Australia and SA in the industrialisation of Asia, and to ways in which we can contribute.

Speaking recently to the SA branch of the Federal Productivity Promotion Council, Mr. Johns emphasised the differences in living standard between nations, political systems, stages of industrialisation, involvement in international trade and in the degree of natural resources and skills.

He went on: "The focus of attention will be on a group of nine countries; the People's Republic of China; the ASEAN group of countries, (Philippines, Singapore, Malaysia, Indonesia and Thailand); and three East Asian economies, South Korea, Taiwan and Hong Kong. In 1976, the total population of those nine countries was 1 130 million, or about 10 times the population of Japan. The People's Republic of China dwarfs the other eight with a population estimated at 840 million in 1976.

"Of course population is not necessarily a good guide to the effective size of this market, particularly since average living standards in Asia are so much lower than in Australia. A better measure is provided by the combined gross national product of these nations. In 1976, their combined GNP was about US\$478 billion. This compares with Japan's GNP of US\$553 billion and Australia's GNP in 1976-77 of about US\$95 billion.

"Thus, in terms of income, these countries are about five times the size of the Australian market, but are still about 14 p.c. below the size of the Japanese market. However, it should be remembered that the current GNP of the region is greater than that of Japan at the time when Australia began to forge strong trading links with that country in the 1960's.

"There appear to be three major reasons why Australia has rather suddenly become aware of the importance of this region to its economic future:

1. There have been major economic developments in the Asian developing countries themselves;
2. Australia's imports of manufactured products from the region have grown at a time of recession and high unemployment;
3. The region has become an increasingly important market for Australian exports.

"Let us consider each of these aspects in turn.

"First, it is important to realise that several of the Asian developing countries have recently been experiencing rates of economic growth which are not only high in relation to their previous historical experience. They are also high in relation to the experience of countries like West Germany and Japan, renowned among the advanced countries for their economic 'miracles'.

"For example, between 1970 and 1975, GNP per head (at constant prices) grew at a rate of over 8 p.c. per annum in South Korea and at more than 7 p.c. per annum in Singapore. Each of the remaining seven countries enjoyed growth rates in income per head exceeding 3.5 p.c. per annum in this period. By way of comparison, Australia's growth rate of GNP per head was only 2.4 p.c. per annum

in the same period (see Table 1). The recent growth of the developing countries in the region has also been exceptional compared with that of most other developing countries. Only Brazil, and to a less extent Mexico, can be said to emulate their performance in economic and export growth.

"Their economic growth has been closely associated with the increased importance of manufacturing industry and the rapid growth of manufactured exports, particularly to the advanced countries. In fact this group of developing countries, together with Brazil, have accounted for more than three-quarters of the total expansion of manufactured exports from the developing countries to the advanced countries that has taken place in recent years.

"Secondly, Australia's consciousness of Asian industrialisation has been heightened by increased imports of clothing, footwear, furniture and other labour-intensive products from that part of the world. However, the extent of this additional import penetration and its significance for Australian production and employment should not be exaggerated. In 1975-76, among broad industry groups in Australia, the clothing and footwear industry was the only industry in which imports from the developing Asian countries accounted for more than 10 p.c. of domestic sales. In most cases where the penetration of Asian imports increased between 1968-69 and 1975-76, there was also an increase in the share of the market held by imports from other countries. The exception was wood, wood products and furniture, where the percentage of domestic sales represented by Asian imports more than doubled (to 4.2 p.c. in 1975-76) while that gained by imports from other countries declined.

"The third factor which has strengthened Australia's economic ties with the Asian developing countries has been the increasing importance of the region as a market for our exports. In 1968-69 about 12.5 p.c. of Australia's exports went to this group of nine countries. In 1977-78, over 17 p.c. of exports went to these destinations. What factors have caused this region to become a significantly more important market for our exports? Two favorable factors stand out. First, incomes in these countries have been growing faster on average than in many of Australia's other export markets. Secondly, most of the countries, with the exception of China, have become more open to international trade during the past twelve years. In particular, total imports have been typically rising faster than GNP. A less favourable aspect of the situation, however, is that Australia has not been able to maintain its share of the rapidly growing import requirements of these countries. The share fell slightly between 1970 and 1977, continuing a downward trend which was already evident between 1965 and 1970. Over the whole period from 1965 to 1977 we find that Australia's share of Asian imports declined from 4.1 p.c. to 3.3 p.c.—a fall of about 20 p.c. compared with the earlier level. (see Table 2).

"I shall be returning to this point a little later.

Future economic relations

"We have seen that the Asian developing countries, which are among the fastest growing economies in the

world today, potentially represent a sizeable and rapidly growing market for Australian exports of goods and services (including Australian technology). Yet two conditions have to be met if Australia is to take advantage of this potential opportunity. First, the import requirements of these countries must continue to expand. This indeed is a likely outcome if their current plans for industrial and agricultural development can be fulfilled. However, the realisation of those plans and the continuation of strong economic growth in these countries is not completely assured. Much will depend on the ability of these nations to secure access to the markets of the advanced nations for their exports of labour-intensive manufactured goods. Australia, like other developing countries, cannot expect to gain the benefits of increased exports to Asia, without being prepared to accept the challenge of increased imports of certain manufactured products.

"The second condition is that Australia industry must be alert to the market opportunities in the region and must consider whether these are best exploited by exports from Australia or by direct investment in the region. Australian exporters should aim to avoid any further reduction in their share of the region's import requirements. In the past decade Australian manufacturers have generally been able to keep their previous share of the rapidly increasing imports of manufactured goods by the region. The reason that Australia has lost its share of total imports is more subtle. It is that Australia is a much more important supplier of foodstuffs to this group of countries than it is of manufactured goods, and the region has been increasing its imports of manufactures much faster than its imports of foodstuffs. This latter trend can be expected to continue, as industrialisation proceeds in these countries.

"If, as I expect, the economic links between Australia and the developing Asian countries become stronger in the future, what are the likely implications for industry in this country, and particularly for South Australian industry? Imports of labour-intensive products are likely to increase, probably putting additional pressure on the clothing and footwear industries. However, these industries are relatively less important to the economy of South Australia than to the economies of some other States, notably Victoria.

"However, it is not unlikely that the more advanced of the Asian developing countries, such as Singapore and South Korea, will find it economic to increase the production of machinery and fabricated metal products as their wage rates continue to rise. An increasing fraction of that production may be exported, thus providing additional competition for Australian industries manufacturing these products. As far as exports are concerned, it is likely that China will be seeking considerably increased quantities of Australian iron ore as its steel production grows towards the planned target of 60 m. tonnes in 1985. Coal exports to South Korea and other countries in the region are also likely to expand. In the case of manufactured exports, a large and growing market is expected for agricultural machinery and irrigation equipment, notably for China. Continued strong growth is also expected in the region's imports of industrial machinery, electrical equipment and transport equipment.

"At present, Australian producers have only a small share of the region's import requirements for these goods, amounting to only about 1 p.c. in the three years ended December 31, 1976. Clearly the ability of Australian manufacturers to increase this share of a rapidly growing

market depends on their ability to reduce costs. The possibilities of increasing the scale of production, improving manufacturing techniques and cutting distribution costs all seem worthy of examinations.

"Finally, some export opportunities in the region will be less easy to identify since they will exist only if Australian manufacturers take the initiative to develop new innovative products and processes. In this State, the example of the export success of Sola International comes readily to mind. The fact that it would have been difficult to predict that Australia would become a major exporter of optical lenses makes that export achievements seem even more noteworthy."

Table 1
REAL GROWTH RATE OF GROSS NATIONAL PRODUCT PER CAPITA, 1960-75 AND 1970-75

Developing Asian countries:

	US\$	Real growth rates(%)	
	1975	1960-75	1970-75
Philippines	380	2.5	3.7
Malaysia	760	4.0	5.3
Indonesia	220	2.4	3.5
Thailand	350	4.6	3.6
Singapore	2450	7.6	7.3
Hong Kong	1760	6.5	4.2
South Korea	560	7.1	8.2
Taiwan	930	6.3	5.7
China	380	5.2	5.3
Australia	5700	3.1	2.4

Source: World Bank, World Bank Atlas (1977).

Table 2
Developing Asian countries: Australia's share of total imports, 1965 and 1977.

Country	1965(a)	1977
	%	%
Indonesia	1.3	3.3
Philippines	3.0	4.4
Thailand	2.1	1.9
Singapore	4.8	2.5
Malaysia	5.3	5.9
ASEAN countries	3.6	3.4
Hong Kong	2.3	2.0
Taiwan	2.7	2.5
South Korea	1.1	2.5
China	8.2	7.4
Other East Asia	4.6	3.3
Developing Asia	4.1	3.3
Developing Asia (excluding China)	3.1	2.9

Note: (a) Average of the three year, 1964, 1965 and 1966.

Annual Report 1978: Clyde Port Authority

(Extracts)

Report for 1978

The depressed trading pattern at the end 1977 continued into the early months of 1978 during port activity fell to an unprecedentedly low level. The industrial dispute which resulted in the container terminal being closed for four weeks and the one-day stoppages at Glasgow against the Authority's adherence to the Government's pay policy contributed further to a poor start to the year. These stoppages lost the Port trade, revenue and goodwill. Once normal working was resumed, however, the high standard of performance and reliable service provided to our customers during the remainder of the year, backed by the hard efforts of the Authority's marketing staff, restored the Port's good reputation. Grain handled at Meadowside granary at 644,000 tonnes was marginally up on 1977, an encouraging improvement for the third year running. Imports of iron ore at 1,591,000 tonnes—virtually the same as 1977—continued to reflect the low level of activity in the steel industry and coal imports for the steel industry at 177,000 tonnes were down on 1977 by over 70,000 tonnes.

Notwithstanding the four weeks' closure at the start of the year, trade at the container terminal reached a record figure of 789,000 tonnes. The problems of plant breakdowns which impaired performance in 1977 were overcome during the year and a further three Peiner straddle carriers were added to the fleet early in the year, making five new carriers over a period of seven months.

Warehousing and distribution at Deanside and Braehead maintained a high level as did the other storage activities of the Authority at former dock areas. Crude oil imports from the Middle East to Finnart, which have fallen so dramatically from over 10 million tonnes in 1974, appear to have levelled out at around the 3 million tonnes mark. The total imports of oil to the estuary at 3,502,000 tonnes showed an improvement over last year and reflected 570,000 tonnes of fuel oil for the Inverkip power station. A trial cargo of 42,000 tonnes of North Sea oil from the Forties Field for Rotterdam was outloaded from Finnart in the autumn. Fuel oil handled at Dunglass and Old Kilpatrick at 997,000 tonnes inwards and 106,000 tonnes outwards was marginally up on 1977.

Consolidated Revenue and Expenditure Account for the year ended 31 December, 1978

	1978		1977	
	£	£'000	£	£'000
Operating Revenue				
Dues				
On ships	3,795		3,468	
On goods	2,608		2,296	
On passengers	9		10	
Cargo handling		8,565		8,392
Cranes and plant		622		617
Warehousing and storage		1,178		1,070
Haulage		2,002		1,937
Sundry services and facilities		609		550
Other revenue		2,393		2,076
Total operating revenue		21,784		20,421
Expenditure				
Total expenditure		16,606		15,430

Operating Surplus Before Depreciation		5,178		4,991
Provision for depreciation	1,183		1,095	
Less: Proportion of port improvement grants	62		78	
Operating Surplus		4,056		3,973
Surplus for Year Before Taxation		2,263		2,768
Taxation		(1)		54
Surplus for Year After Taxation and Before Extraordinary Item		2,265		2,714
Extraordinary item		156		500
Surplus for Year After Taxation and After Extraordinary Item		2,108		2,214
Outside shareholders—share of surplus		2		5
Surplus for Year		2,106		2,209

Consolidated Balance Sheet as at 31 December, 1978

	1978		1977	
	£	£'000	£	£'000
Capital Employed in Undertaking				
Fixed assets				
Gross amount	41,349		39,886	
Aggregate depreciation	20,012		18,881	
		21,337		21,004
Capital work in progress, at cost		281		133
Hunterston marine works, at cost		26,229		24,109
		47,848		45,247
Net current assets				
Current assets	13,682		15,473	
Current liabilities	2,778		2,706	
		10,903		12,766
Deferred liability				
Deferred taxation		(358)		(365)
Represented by		58,393		57,648
Capital debt		43,861		45,130
Reserves		9,866		7,759
Interest of outside shareholders		2		5
		53,729		52,896
Port improvement grants		4,663		4,752
		58,393		57,648

Trade

The gross registered tonnage of shipping using the Port at 25,693,139 tons was up 6.7% on 1977, due mainly to an increase in the number of new ships which underwent trials. Goods passing through the Port at 9,415,859 tonnes were up by 576,890 tonnes attributable to increased oil imports to Inverkip power station.

Imports overall at 8,049,552 tonnes were up 618,093 tonnes while export traffic at 1,366,307 tonnes was 41,203 tonnes down on the previous year, due to reduced coast-wise cargoes and mainly because of the cessation of steel pipe shipments to the Sullom Voe oil terminal.

At the roll-on/roll-off berths at Ardrossan used for vehicular traffic to Ireland and the Isle of Man and Arran
(Continued on next page bottom)

Annual report 1978: Port Helsinki Authority

Extract from the Summary of the Report

The new organizational structure of the Port of Helsinki Authority was approved last year. The goals of reorganization were to specify more precisely the duties of the port authority and the units responsible for them, to clarify the distribution of labour between the city central administration and the harbor committee, between the harbor committee and the port authority, and between the different departments of the authority, and to create a middle — management, which would be authorized to develop its operations and finances.

The operations of the port authority are directed at the services for commercial and industrial life. In order to make port services more adequate and flexible, additional attention must be focused on relations between the port and the economy. "Port days" were organized in May, so that port users could learn about new plans and undertakings at the port, and those who are involved in import or export activities could make clear their expectations with regard to the port.

At the suggestion of the port authority, a committee composed of port users was established as a permanent contact unit. The committee's function is to give opinions as to how any shortcomings in port operations can be corrected and to present suggestions for ways in which the port can best be developed.

Plans to switch over gradually to the use of automatic data processing in port services were completed. An ADP

(Continued from page 28)

25,992 commercial vehicles and trailers were handled, virtually no change over 1977, and accompanied cars and buses were up by 6,546 to 52,079. Passenger traffic through Ardrossan at 395,137 was up 10.1% on 1977.

Finance

Consolidated revenue increased during the year by £1,363,072 to £21,784,649 while operating costs increased by £1,176,138 to give an operating surplus before depreciation of £5,178,101, an increase of £186,934 over 1977. Net depreciation increased by £104,069 to £1,121,276. Repayment early in the year of the outstanding Government loans borrowed under the Harbours (Loans) Act, 1972 contributed to a reduction in interest charges which, at £2,217,854, were £463,872 down on 1977. Exceptional items of £300,000 comprised provisions for the Pension Fund and for conversion of buoyage to a new international system, while a further write-down of assets by £156,970 in Rhu Marina Limited is shown as an extraordinary item. Surplus of the group for the year decreased by £103,273 to £2,106,229.

Hunterston ore/coal terminal is not yet operational and construction costs of £26,229,504 remain in capital works in progress. The terminal will be opened officially in June of this year.

The impact of inflation on the Authority's costs necessitated port charges being increased by 15% on 1st February, 1978, at which level they were held for the remainder of the year.

system was chosen and the central unit and peripherals were installed in the autumn. At the end of the year, programs were being planned and tested. The system will be put into operation in autumn of 1979.

The past year was relatively difficult for the port authority: financial results are decisively dependent on general trends in the economy, in which the effects of the economic slump were still dominant last year. The finances of the port authority are also strained by the high cost of maintaining the physical plant. It was not possible to reach the goal of 6% of the fixed assets which had been set for profitability. However, if the port of Helsinki is compared with other ports in Finland — according to a recent study conducted by the Finnish Ports Union — the port of Helsinki is one of the most profitable in the nation.

Harbor traffic

Finland enjoyed balanced foreign trade in 1978 for the second year in a row.

Recovery measures, adjustments of the value of the mark and efforts on the part of businesses had the desired effect on the competitiveness of Finnish products on export markets.

Developments in harbor traffic at the port of Helsinki were uniform with those of foreign-trade transport as a whole: import trade decreased slightly, with the exception of coal imports, while export trade increased by 13% in terms of the number of shipments leaving the port. The total freight traffic of the port rose to 5.8 million (metric) tons in 1978. The port of Helsinki is rightfully considered an import centre, as one third of Finland's total general cargo imports are shipped to Finland via Helsinki. The importance of Helsinki as an export centre has grown, however: Helsinki ranks third among Finland's ports in terms of export trade. The import/export ratio, with regard to general-cargo shipments, has simultaneously decreased, which provides for more balance not only in the use of resources, but above all in the use of vessel capacity.

Imports

Foreign imports arriving at the port rose to 3.05 million tons and thus grew by 2% compared to the preceding year. One reason for this growth was the increase in coal deliveries from Poland. However, general cargo shipments, which are important from the point of view of the port's finances, remained at the same level as in the preceding year, as a result of the continuing moderation in demand for investment- and consumer commodities. In spite of the modest growth in industrial production, the need for imports required in production operations remained at the same level.

Exports

In 1978 a record 1.2 million tons were loaded for export at the port of Helsinki; exports were equally divided between products of the forestry industry and products of other industries. The demand for products of the forestry industry on export markets increased last year for all product groups, and the number of shipments leaving Helsinki increased by one fourth all told. Products of other

(Continued on next page bottom)

Report and Accounts 1978: British Transport Docks Board

Chairman's Statement (extract)

The port and shipping industries in the United Kingdom faced severe difficulties in 1978, brought about by the continuing stagnation in overseas trade. I am therefore pleased to report that the British Transport Docks Board achieved a surplus marginally better than that of the previous year: on the basis adopted for monitoring state enterprises (after historic cost depreciation before interest), the surplus was £29.7 m (1977 £29.0 m). The return on capital was 16.9% (1977 16.8%). This was little advance towards the "target" return of 20% agreed with Government for 1980: but the objective was established when trading conditions were expected to remain much better than they have proved to be. Nevertheless, a satisfactory step towards the "target" would have been achieved but for industrial disputes arising from the Board's support of the fight against inflation and adherence to the Government's pay guidelines.

The total tonnage passing through the Board's ports increased by 2.3%. There were significant improvements in the throughput of containers, roll-on/roll-off freight and motor cars. Conventional general cargo tonnages were reduced as more traffic was transferred to unit load operations, but there was an increase in bulk commodities.

Port Results

The Humber ports again performed well. Hull continued to widen its range of shipping services. At Immingham, which maintained a very high level of activity, the Board have in hand a programme of renovation and improvements to secure its important contribution to the Board's results and future growth.

The South Wales ports also operated satisfactorily, with the exception of Cardiff, where the Board are taking vigorous action to restore the port's position. The crisis facing Cardiff is not dissimilar from that which was experienced at Newport some three years ago, following the transfer of iron ore traffic to Port Talbot. Newport has now re-

(Continued from page 29)

industries consisted of the products of the metal, food and chemical industries. The largest export shipments leaving Helsinki were destined for ports in the Federal Republic of Germany, Sweden and England, from which also came the most substantial number of imports.

Container traffic

The number of containers shipped via Helsinki increased, while the weight of goods shipped in containers decreased by 2%. The decrease, however, is not real, but results from the fact that there was a transition from the use of gross weight to the use of net weight in statistics, so that dead weight — which comes to 2 tons per container — is not counted. Containers leaving the port were noticeably fuller and the percentage of empty containers decreased. Container shipments accounted for one fifth of the general cargo imports and one sixth of general cargo exports. Three fourths of container imports to Finland and more than one half of container exports were shipped via the port of Helsinki.

established a good performance and the Board intend to do everything possible to achieve similar results at Cardiff.

Southampton was a major disappointment to the Board in 1978. There were, during the first half of the year, several industrial disputes, mainly directed against the Board's policy of supporting Government pay guidelines. These disputes led to a delay of several months in the opening of the South Africa container traffic from the port, and an overall deficit at the port of £1.7 m. The position in the second half of the year improved, however, and we are confident that once Southampton's labour relations are stabilised the port can re-establish itself as an important growth point in our business.

The BTDB's small ports generally had a good year. All nine achieved net surpluses and there continues to be an encouraging level of demand from operators in the near and short-sea trades for the services which they provide.

Investment

The Board's positive cash flow permits rapid and positive response to investment opportunities for customer demand projects and provides for needs for essential renewals. The pace of investment is quickening: capital expenditure of £14 m was approved during the year, and present plans envisage further investment in the ports of over £80 m (at present price levels) over the five year period 1979-83. This will be financed from the Board's own resources.

Competition

The Board have always made clear their belief that competition within the industry is an essential means of maintaining and improving efficiency. Competition to be meaningful must encompass price as well as service. We remain totally opposed to the use of subsidies as a means of keeping port charges below their true economic level, in the pursuit of additional business or the retention of existing business artificially. For this reason we have been concerned about the situation in the Port of London, and the danger that Government funds might be made available to enable port charges in that port to be kept below economic levels. The Government have stated their intention of limiting financial assistance to meeting the costs of essential reductions in the labour force, and if this is enforced the BTDB do not and cannot object. We continue, however, to be concerned about the dangers of subsidies and the distortions which they produce in the market for port services. Our concern is not confined to the situation in London: subsidies are already being provided at Bristol and Preston.

Chairman

Sir Humphrey Browne, CBE

Trade and Traffic

The Board's ports dealt with a total of 78.9 m tonnes of traffic in 1978, an improvement of 1.7 m tonnes over 1977. This increase was due mainly to a significant growth in export tonnages, which were 5% higher at 14.6 m tonnes, and in some bulk traffics, which more than offset reduced imports of certain raw materials such as cereals, timber, and non-ferrous ores.

The Board's ports achieved a further expansion in the highly competitive unit load sector, where the number of

freight units dealt with totalled 725,486, the highest ever. Traffic on roll-on/roll-off services was up by 6%, and lift-on/lift-off container traffic was 3% higher. The numbers of passengers and accompanied cars rose significantly, and there was further growth in the movement of vehicles for import or export.

Total fish landings at the Board's ports continued to decline in 1978, with reduced tonnages at Hull, Grimsby and Fleetwood, reflecting the continuing difficulties of the industry. At Lowestoft, landings were slightly higher and towards the end of the year agreement was reached in principle with fishing interests and the Ministry of Agriculture, Fisheries and Food on Phase 3 of the Lowestoft Fish Docks Modernisation Scheme. Fleetwood Fishing Vessel Owners' Association Ltd. announced on 28 November their intention to cease trading unless Government help was forthcoming.

Revenue Account

for the year ended 31 December 1978

	1978	1977
	£000	£000
Revenue		
Dues—Ships	21,668	20,611
—Goods	24,654	22,025
—Passengers	995	996
	<u>47,317</u>	<u>43,632</u>
Cargo handling	54,405	50,346
Cranes and plant	3,909	3,668
Warehousing and storage	1,506	1,230
Sundry services and facilities	2,111	2,152
Rents	6,671	6,217
Other income	1,775	1,567
	<u>117,694</u>	<u>108,812</u>
Expenditure		
	84,601	76,284
Operating surplus before depreciation	33,093	32,528
Depreciation based on cost to the Board	5,974	5,548
Less: Proportion of port modernisation and investment grants	377	375
	5,597	5,173
Operating surplus	27,496	27,355
Investment income	2,156	1,669
Surplus before exceptional items interest payable	<u>29,652</u>	<u>29,024</u>
Exceptional items	Dr. 491	Cr. 245
Surplus before interest and tax	29,161	29,269
Additional depreciation (transferred to reserve) to reflect changes in purchasing power of money	8,103	7,254
Surplus after additional depreciation but before interest and tax	21,058	22,015
Interest Charges	6,477	6,830
Net Surplus for the year before tax	14,581	15,185
Taxation	7,600	7,900
Net Surplus for the year after tax	<u>6,981</u>	<u>7,285</u>

Transfer to Reserves

Capital reserve—stock redemption	39	39
General reserve	6,942	7,246
	<u>6,981</u>	<u>7,285</u>

Balance Sheet

as at 31 December 1978

	1978	1977
	£000	£000
CAPITAL EMPLOYED		
Fixed Assets	147,024	144,063
Investments	284	101
	<u>147,308</u>	<u>144,164</u>
Current Assets	58,720	47,833
Current Liabilities	29,060	9,927
Excess of current assets over current liabilities	29,660	25,117
	<u>176,968</u>	<u>169,281</u>
Deferred Taxation Provisions	6,957	8,221
	<u>2,295</u>	<u>2,019</u>
	9,252	10,240
NET ASSETS before deducting capital liabilities	<u>167,716</u>	<u>159,041</u>
REPRESENTED BY:		
Capital Liabilities	104,258	110,653
Southampton Harbour Board Redeemable Stocks Issued and Outstanding	932	950
	<u>105,190</u>	<u>111,603</u>
Reserves	62,526	47,438
	<u>167,716</u>	<u>159,041</u>

Annual Report 1977/78: Israel Ports Authority

1. Chairman's statement (extract)

Sir,

I have the honour of presenting to you the Annual Report for the fiscal year 1977/78—the seventeenth year of the Israel Port Authority.

The Report includes a detailed survey of the year's activities, the budget as of March 31st, 1978 as well as the accounts of the Authority's revenues and expenditures.

The operational activity in the ports is directly affected by the workings of the Country's economy; thus, after two years of slow-down and even regression, cargo traffic during the year under review was again marked by an upward trend, characterized by the following features:

- a twelve percent overall growth of traffic;
- a substantial increase of exports, mainly of minerals, as against an unchanged volume of inbound cargo;
- the continuing expansion of container traffic;
- an increase, too, in the traffic of conventional (non-containerized) general cargo—after a steady decline of this type of cargo over the recent years.

In the field of development, 1977/78 witnessed the continuation of projects begun in the preceding years, in the main: the construction of the passenger terminal in Haifa Port, the building of a new phosphates plant and a fishing pier at Ashdod, and the setting-up of the infrastructure for a palm-oil plant at the Port of Eilat.

In the course of the year, the prolonged negotiations were concluded regarding the acquisition of 1200 Dunam land within the limits of Ashdod Port, at a price of IL 75 m; with this transaction, the Ports Authority has fully realized all the options for land purchase in the port zone of Ashdod.

During the year under review, preparations were completed towards the commencement of work on the Haifa East container terminal project. This is the largest of the Authority's projects scheduled for the coming years and the preparations for its inception involved much testing and research into the anticipated volume of the Port's activities during the next decade. The completion of the said project will almost certainly answer the expected needs of container services in the Port of Haifa until the end of the Eighties.

Regarding the subject of equipment, the previous year's trend toward curtailing purchases of the new equipment continued also this year.

In the course of the year under review, the modern container terminal at Ashdod was taken into operation and container traffic through this port began to develop gradually. It is worth mentioning, here, that in the light of the changing character of cargoes the Authority's approach entails the creation of specialized terminals to serve large quantities of specific commodities.

The organizational concept of such terminals is to set up an appropriate organization whose permanent staff will consist only of the managerial echelon and a small nucleus of workers, while additional manpower will be drawn from a general pool. Such a type of organization will allow greater flexibility and prevent unwarranted idle-time. Indeed, the container terminal in the Port of Ashdod as

well as the container service system at Eilat have been organized on the basis of these principles.

This year saw a substantial, twenty percent increase of cargo traffic through the Port of Eilat—foremost as a result of a nearly seventy percent growth of minerals bulk exports. However, chiefly because of problems of land transportation to the North, there was a decline in a number of commodities which, in the past, has been destined for Eilat Port but have since been re-routed to the Mediterranean ports via the Suez Canal.

The tendency of cargoes "abandoning" Eilat Port for the Suez Canal route has become aggravated during the last months—in spite of a series of incentives to land transport which are financed by the Government and the Ports Authority. On this point, the Minister's initiative is requested to determine Government's policy regarding the future scope of activity of that Port; this would make it easier to decide upon operative means in accordance with such policy as will be adopted.

During the year, the Authority introduced within the framework of the recent work-agreement (1976/78) a system of "shifting" which is essentially aimed at raising the basic wage whilst reducing the weight of the variable emoluments (premiums)—yet maintaining the current wages average. The implementation of this arrangement improves the pay structure for the workers and prevents drastic fluctuations of wages between peak periods and recessions. The system is based upon raised norms and basic pay—under current up-dating of the whole norms structure. The shifting system has been accepted and implemented in Haifa Port; at Ashdod and Eilat the workers have not yet agreed to it and negotiations are still under way.

In the course of the year, there was some re-routing of cargoes whose handling costs at Ashdod Port exceeded those of Haifa. The Authority's policy, on this issue, is to achieve equal cargo handling costs in the two Mediterranean ports—considering the fact that equipment and work conditions at the two ports are identical.

This year, the Authority continued in its efforts of reducing its work-force and adapting it to the operational needs. And indeed, total establishments were cut by nine percent.

Labour relations during the year under review were generally calm, even though there were serious disruptions in port operations on account of the seamen's strike (January—April 1978).

Training and instructional activities aimed at raising professional standards of the port employees continued this year to the full, and nearly 1600 took part in courses and other training events.

The revenue and expenditure account for the year under review shows a surplus of IL 8.9 million which were transferred to the fund for development and expansion of services. The ports of Haifa and Eilat ended the year with a surplus of revenues over expenditures, whilst Ashdod Port finished up with the considerable deficit of IL 51 m. This deficit is principally due to the only partial operation of the container terminal during the year, but also to relatively high handling costs and redundant manpower.

As said, the Authority devotes much effort to cut down

on expenses and, before all, to reduce idle time in the ports—all of which should bring about an improvement in the ports' revenue and expenditure balance, especially in the case of Ashdod Port.

In the year under review, investments amounting to IL 82 m were made from the development budget. The relatively modest extent of investments in ports development is a result of the fact that projects begun the preceding year were completed while new projects are scheduled to start only in 1978/79.

Dr. Naphtali Wydra
Chairman

2. BALANCE SHEET AS AT MARCH 31st, 1978 (in IL. Thousands)

Fixed Assets	March 31st	
	1978	1977
Land, infrastructure, buildings and equipment	2,997,611	2,115,292
Advances on account of development and purchase of equipment	76,849	122,736
	3,074,460	2,238,028

Investments	693,849	252,541
Current Assets	202,252	147,923
	<u>3,970,561</u>	<u>2,638,492</u>
Reserves		
Reserve for development and expansion of services	284,750	254,813
Revaluation reserve	2,679,199	1,666,626
Tariff equalization reserve	30,700	30,700
	2,994,649	1,952,139
Provisions	1,881,024	1,209,948
Less: Amounts deposited	1,881,024	1,209,948
Long Term Liabilities	722,726	548,919
Less—current maturities	95,493	65,953
	627,233	482,966
Current Liabilities	348,679	203,387
Contingent Liabilities	<u>3,970,561</u>	<u>2,638,492</u>

3. REVENUE AND EXPENDITURE FOR THE YEAR ENDED MARCH 31st, 1978 (in IL. Thousands)

	Total		Ports			Authority Head Office	General "Authority" Item
	1977/8	1976/7	Haifa	Ashdod	Eilat		
Revenue							
Wharfage dues	635,329	425,816					635,329
Services to Cargo	578,724	362,640	318,933	192,114	65,881		1,796
Services to Ships	77,997	45,769	39,075	22,307	16,615		
Other services	15,219	10,521	14,539	680	—		
Sundry	37,428	24,542	14,169	14,741	7,237		1,281
	1,344,697	869,288	386,716	229,842	89,733		638,406
Transfer of Wharfage Dues to Ports for:							
Increases in handling costs			93,415	78,740	28,815		(200,970)
Security expenses			11,228	13,425	4,676		(29,329)
Total Revenue	<u>1,344,697</u>	<u>869,288</u>	<u>491,359</u>	<u>322,007</u>	<u>123,224</u>		<u>408,107</u>
Expenditure							
Total Expenditure	1,336,387	903,770	474,315	373,080	122,649	—	366,343
Surplus (deficit) from operations	8,310	(34,482)	17,044	(51,073)	575		41,764
Surplus (deficit) from sale of assets	552	1,941	183	(380)	9		740
Surplus (deficit) before special items	8,862	(32,541)	17,227	(51,453)	584	—	42,504
Cancellation of war risks provisions	—	19,244					
Adjustment of depreciation and inputed interest from previous years	—	4,005					
Surplus (deficit) for the year	8,862	(9,292)					
Transfer to Tariff Equalization reserve	—	9,292					
Transfer to reserve for development and expansion of services	(8,862)	—					
	—	—					

Annual Report 1978: Port of Gothenburg

The National economy

The Swedish GNP increased by 2.5% between 1977 and 1978. Between the years 1976 and 1977 a decrease by 2.4% was registered. The volume of production in industry was in 1978 1% higher than in 1977, the first increase since 1974.

The following table illustrates Sweden's sea-borne international trade in 1978 as against 1977:

	1978 mill tons	1977 mill tons	Change in %
Exports excl iron ore	29.8	26.2	+ 13.7%
Exports excl iron ore & excl mineral oil	26.7	23.6	+ 13.1%
Imports, total	48.5	52.4	- 7.5%
Imports of mineral oil	28.4	31.1	- 8.7%
Other import cargo	20.1	21.3	- 5.6%

The total net register tonnage of foreign trading vessels was 3% higher in 1978 than in 1977.

The number of passenger arriving by vessels to Swedish ports decreased from 1977 to 1978 by 2%.

Port trade

The following table illustrates traffic to and from Port of Gothenburg in 1978 as compared with 1977:

	1978 mill tons	1977 mill tons	Change in %
Throughput of Cargo			
Exports			
(incl transshipment)			
Mineral oil	0.41	0.38	+ 8%
Other export cargo	3.94	3.33	+ 18%
Total exports	4.35	3.71	+ 17%
Imports			
(incl transshipment)			
Mineral oil	9.25	8.53	+ 8%
Other import cargo	2.76	2.81	- 2%
Total imports	12.01	11.34	+ 6%
Domestic trade			
Mineral oil	4.09	4.60	- 11%
Other domestic cargo	0.06	0.08	- 25%
Total domestic trade	4.15	4.68	- 11%
Grand total	20.51	19.73	+ 4%
Shipping			
	mill NRT	mill NRT	
Vessels in foreign trade	58.1	55.3	+ 5%
Vessels in domestic trade	6.8	5.6	+ 7%
Total	64.9	60.9	+ 7%
Ship's Passengers			
Number	mill	mill	
	3.71	3.56	+ 4%
Unit Load Traffic			
	Number	Number	
Containers and flats (20 ft TEU)	244.000	213.000	+ 15%
Roll on/Roll off vehicles	229.000	206.000	+ 11%
Total (excl palletised cargo and packaged forest products)	473.000	419.000	+ 13%

The total unitised cargo trade represented 76% of Gothenburg's general cargo trade in foreign traffic (as against 74% in 1977).

Gothenburg's share of total Swedish sea-borne exports (excluding oil and iron ore) rose from 14% in 1977 to 15% in 1978. A comparison with respect to general cargo only, shows that exports via Gothenburg represented 16% of Sweden's total sea-borne exports (in 1977 15%).

Out of total Swedish sea-borne dry cargo imports, Gothenburg had a share of 14% in 1978 as against 13% in 1977. General cargo imported by sea to Sweden passed at 22% via Gothenburg in 1978 (1977 19%).

The increased import of oil via Gothenburg in 1978 resulted also in an increased share of Sweden's total sea-borne oil import, from 27% in 1977 to 33% in 1978.

Out of total Swedish oil export, 13% passed via Gothenburg (1977 15%).

Improved Facilities

The Port Authority's expenditure on fixed capital in 1978 amounted to a total of 73.2 mill Swedish Crowns.

Forecast

The Swedish National Budget anticipates for the year 1979 increases in exports (volume) by 8% and in imports by 9% as against 1978 (prices as per 1975). These figures do not, however, refer to quantities but are based on a weighted index, taking value of commodities into consideration. This is why "volume" normally develops more rapidly than quantities in tonnes.

As for Port of Gothenburg, our latest estimations indicate an increase in foreign trade of dry cargo by 6% to 7% annually for the next three years.

Profit and Loss Account

	1978 kkr 000 Sw Crs	1977 kkr 000 Sw Crs
Operating Revenue	94 932	84 193
Works on contract	14 468	16 089
	109 400	100 282
Operating and General Expenditure	-66 567	-65 175
Operating profit before Depreciation and Internal Interest	42 833	35 107
Depreciation	-15 351	-12 946
Internal interest	-27 482	-22 161
Net Profit	0	0

Balance Sheet as at December 31, 1978 & 1977

	1978 kkr 000 Sw Crs	1977 kkr 000 Sw Crs
Assets		
Current Assets		
City of Gothenburg	95 532	81 283
Cash Balance	15	13
Postal Cheque Acct Balance	116	203
Bank Balance	4 042	3 249
Accrued Income	17 335	7 204
Accounts Receivable	12 028	11 483
Stores and Materials on Hand	427	446
Total	129 495	103 881

(Continued on next page bottom)

Annual Report 1978: Port of Corpus Christi

(Extracts)

Report to the Commissioners (excerpt)

The past year was one of major transition in direction for the Port of Corpus Christi.

It was a time of increased emphasis on long-range financial management, establishing careful priorities for capital spending, shifting major staff functions and making renewed efforts to increase public involvement in Port activities.

The Port sustained the unprecedented pace set in 1977 and for the fifth year in a row set a new tonnage record of 61.2 million tons. The tonnage level reflects a surge of oil imports and refining expansions during the mid-'70s.

The Port pushed an ambitious capital improvement and maintenance program during 1978 aimed at keeping cargo docks and other port-side facilities in good operating shape.

With rapidly expanding traffic it is increasingly apparent that the Port must produce more and more revenue to meet demands for channel maintenance and deepening, disposal sites and levees, dock and warehouse construction and repair, grain elevator improvements and administrative requirements imposed by increasing regulations and the upward trend in waterborne commerce.

While a number of ports across the nation show a deficit and require tax support from local or state funds, the Port of Corpus Christi operates solely from revenues paid by users. Revenue projections indicate the Port should be able to continue providing user services and harbor development without tax support from the public in 1979.

(Continued from page 34)

Fixed Assets		
Long Term Receivables		
City of Gothenburg		
(Net Profits, Amounts Accrued)	543	543
Gothenburg Free Port Ltd.	1 855	—
Facilities		
Land, Buildings, & c.	494 692	453 640
Cranes, Vessels, Dredgers, & c.	36 613	34 768
Total	533 703	488 951
Grand Total	663 198	592 832
Liabilities, Capital Reserves and Net Profit		
Current Liabilities		
Accrued Expenses	22 836	10 390
Creditors	18 567	9 415
Reserve for Depreciation of Stores and Materials on Hand	220	165
Total	41 623	19 970
Capital liabilities		
Share of Municipal Bond Loans	327 550	270 655
Capital Reserves, & c.		
Reserves tied up in Fixed Assets	203 755	217 752
Fixed Capital Expenditure Fund	89 727	83 912
Net Profit		
As per 1st January		
(Budget Equalization Fund)	543	543
Net Profit, operating year (8)	0	0
Total	294 025	302 207
Grand Total	663 198	592 832

The Port ended 1978 with net revenues of \$2,481,240.42. That is the result of \$8,733,519.01 in gross revenues and \$6,252,278.59 in expenditures. Operating from revenues alone the port must accumulate net income from year to year in order to have funds available for major capital projects such as the Navigation District's 25% share of the cost of the federal project which is deepening the Port to 45 feet. Three-fourths of the work is done but the most expensive segment is the 9.5-mile Main Harbor which will be deepened by the Army Corps of Engineers in about two years. The District's share of this project could run \$8-to-\$10 million or more.

During 1979 work will get underway on 40-foot maintenance of the Main Harbor, requiring the port to provide the cost of dredging public slips plus the \$1 million required for disposal site levee work under a new Corps interpretation.

Accumulation of capital is also necessary for other port activities including major harbor facility renovations, new docks and equipment and required land acquisition.

Computer systems were added during '78 which serve as important management tools in helping define long-term financial requirements and in setting priorities on maintenance and capital improvement expenditures based on accurate activity and profit-loss experience analysis.

Efforts to get the 72-foot DEEPORT project at Harbor Island approved moved through a decisive period in 1978. The draft Environmental Impact Statement was released and a large-scale public hearing held. At year end the Corps, with the help of the Port's staff and consultants, was putting together the information necessary to write the final EIS which must be filed before a permit decision can be made by the Corps in mid-79.

During 1978 the Navigation District made a concerted effort to gain more public awareness of the Port and increase citizen involvement. Almost 5,000 people took advantage of Port-sponsored harbor tours and thousands more were welcomed to the docks for tours of the Navy vessel Joseph Hewes. The Port cooperated in providing boat tours of the DEEPORT site for public officials, the news media, representatives of many community organizations and members of the Chamber of Commerce. A vigorous information campaign was conducted in connection with the September DEEPORT hearing and the Port staff accepted almost 100 speaking engagements during the year.

Planning was set in motion for involving diverse groups and individuals including state and federal agencies in a consultation process leading to a final DEEPORT decision.

Petroleum traffic continued to dominate our cargo reports in 1978 but new strength was shown in dry bulk cargo and bagged goods. Dry bulk cargoes were up two-thirds from the year before and a sharp upturn was indicated for '79 as the Public Bulk Materials Dock moves toward full capacity operation. Unprecedented movements of bagged goods provided a heavy workload for longshoremen.

Harry G. Plomarity
Port Director

(Continued on next page bottom)

Annual Report 1978: Port of Los Angeles

Extract from General Manager's Report

A progressive blend of planned development together with fuller utilization of existing facilities was the base of operation at the Port of Los Angeles this past year.

During 1977-78 the Port gained the impressive distinction of being the "number one" port in the nation in net income. The net income attained was \$25.7 million—an 82 percent increase over the prior year's \$14.1 million net income figure. While a number of ports across the nation show a deficit and require tax support, projections for the present year indicate that the Port of Los Angeles will retain its top status for net income, thus enabling it to continue its service and development without tax support from the public.

Total billed revenue tonnage for 1977-78 amounted to 38.6 million tons, exceeding those of any other peacetime year and enabled the Port to retain its leading position as the top West Coast port in the amount of cargo handled. Revenue tonnage increased 3.5 million tons over 1976-77. Petroleum and related products led the list of commodities comprising this-banner cargo-handling year.

Gross revenues from operations increased from \$34.8 million in 1977 to a record high of \$45.8 million in 1978. This reflected a \$10.2 million increase in shipping services (dockage, pilotage, etc.) of which \$7.5 million was in

wharfage revenue. Rental revenue registered a \$1.5 million increase over 1976-77.

Prudent management enabled the Port to hold down operating expenses to \$17.3 million, which is only a \$1.3 million increase over the prior year. The ability of Port managers to keep increases in expenses down to eight percent while revenues increased 32 percent resulted in the \$11.6 million or 82 percent increase in net income.

Low fuel prices caused the Port's bunkering business (fuel oil) to triple last year—earning it the label of "filling station" of the Pacific. Ships which normally would have bypassed Los Angeles altered their course by as much as 100 miles to save from \$60,000 to \$150,000 in refueling costs, rather than refueling in Japan or Panama, which are the Port's traditional bunkering competitors.

Through the Port's 13 petroleum and supertanker terminals flowed 26.4 million tons of petroleum, over 4.9 million more than in the previous year. Added to this are 5.5 million revenue tons of bunker oil supplied to many of the more than 3,000 vessels which called at the Port last year.

Other classes of cargo also recorded significant increases. General cargo showed a rise of 2.9 million revenue tons and lumber, a vital element in the Southland's housing boom, experienced a 225,394 ton rise. A research study conducted

(Continued from page 35)

Statement of Income

For the year ended December 31, 1978

Operating Income	\$'000
Wharfage	
Petroleum	1,885
Dry Cargo	511
Dockage	
Petroleum	751
Dry Cargo	598
Standby	37
Freight handling	3,313
Grain storage	141
Sacking	250
Fumigation	75
Other services	122
Property and building rental	273
Other income	101
Total Operating Income	8,016
Operating Expenses	
Total Operating Expenses	5,492
Net Operating Income	2,569
Non-Operating Income	
Total Non-Operating Income	671
Non-Operating Expenses	
Total Non-Operating Expenses	54
Net Income Before Depreciation Expense	3,186
Depreciation Expense	705
Net Income	<u>\$2,481</u>

Balance Sheet

December 31, 1978

Assets:	1978
Current Assets	\$'000
Total	11,721
Fixed Assets	
Construction in progress	516
Plant, property, and equipment at cost or estimated historical cost	33,081
Less: Accumulated depreciation	(15,816)
Net Fixed Assets	17,781
Other Assets	
Total	42
Restricted Cash and Temporary Investments	
Total	1,464
Installment Sales Receivable	
Total	33,285
Total Assets	<u>\$64,294</u>
Liabilities and Retained Earnings	
Current Liabilities	
Total	2,441
Long-Term Liabilities	
Total Long-Term Liabilities	34,645
Total Liabilities	37,086
Retained Earnings	
Total	27,208
Total Liabilities and Retained Earnings	<u>\$64,294</u>

by Harbor planners predicts that millions of additional tons of cargo will be seeking entry or egress through the Port in the next five years as a result of Panama Canal diversions.

CAPITAL DEVELOPMENT PROGRAM

At the close of fiscal 1977-78, the Board of Harbor Commissioners adopted a far-reaching \$305 million, five-year capital construction program which includes the development of several new port facilities as well as the modernization and upgrading of many of the Port's present facilities. The ambitious program is considered necessary if the Port is to maintain its leadership standing among Pacific Coast harbors.

A total of \$40,517,199 has been earmarked for capital development projects that are expected to go contract during fiscal 1978-79. Among the budgeted projects is the construction of a new Harbor Department administration building, \$13,423,000; relocation of the Princess Louise floating restaurant, \$1,265,000; backland improvements east of the Seaside Container Terminal complex, \$2,312,000; development of 18 acres of new backland for the expansion of the Matson Container Terminal, \$1,878,000; major modifications of the Matson Terminal to provide for Matson's change of operation, \$3,594,000. The Department has also budgeted \$6.1 million to purchase new land as the first step in the development of new lumber handling facilities to allow the Department to relocate existing facilities to a more desirable location; total estimated project cost, \$12.7 million. The Department has also included \$500,000 for the design of a major recreational and marina complex; total project estimated cost, \$24.4 million.

Included in the long range program are funds totalling in excess of \$35 million for dredging and diking work in conjunction with the Army Corps of Engineers' Main Channel Dredging Project, which will increase the present depth of the Main Channel from -35 to -45 feet. Financing for the capital construction program is to be from Harbor operations, grants, loans and the issuing of revenue bonds of over \$115 million in the next five years.

Balance Sheets

June 30, 1978 and 1977

ASSETS:	<u>1978</u>	<u>1977</u>
	(in thousands)	
Current assets:		
Total current assets	\$ 59,652	\$ 39,684
Restricted assets—bond funds:		
Total restricted assets	8,020	8,034
Properties:		
Land	73,644	73,590
Wharves, sheds, facilities and equipment, less accumulated depreciation of \$63,932,572 in 1978 and \$59,612,715 in 1977..	109,958	104,673
Construction in progress	10,251	8,692
Total properties	193,854	186,956
Other assets:		
Total other assets	1,897	1,448
Total assets	<u>\$263,424</u>	<u>\$236,123</u>

LIABILITY AND EQUITY:

	<u>1978</u>	<u>1977</u>
	(in thousands)	
Current liabilities:		
Total current liabilities	\$ 8,927	\$ 6,813
Bonded debt—Harbor Revenue		

Bonds:	31,091	34,308
Less, Amount to be paid within one year	(2,225)	(2,140)
Total bonded debt	28,866	32,168
Due to the City of Los Angeles	2,376	3,126
Due to General Fund of the City		167
Other liabilities	525	667
Total liabilities	40,694	42,942
Surplus from contributions	43,535	39,724
Surplus from appraisal of land—1942	32,247	32,247
Retained earnings	146,946	121,208
Total surplus and retained earnings	222,729	193,181
Total liabilities and equity	<u>\$263,424</u>	<u>\$236,123</u>

Statements of Income and Retained Earnings

For the years ended June 30, 1978 and 1977

	<u>1978</u>	<u>1979</u>
	(in thousands)	
Gross revenues:		
Shipping services:		
Dockage	\$ 5,142	\$ 3,530
Wharfage	23,375	15,810
Storage	236	746
Demurrage	1,027	468
Pilotage	2,021	1,550
Assignment charges	776	618
Wharf and shed revenue	304	389
Cranes	706	381
Total shipping services	33,591	23,496
Rentals:		
Land	8,923	7,602
Buildings	305	206
Warehouses	1,162	1,083
Total rentals	10,391	8,892
Royalties, fees and operating:		
Total royalties, fees and operating	1,860	2,394
Total gross revenues	45,842	34,783
Operating and administrative expenses:		
Total operating and administrative expenses	17,329	15,960
Income from operations before depreciation	\$28,512	\$18,823
Less, Provision for depreciation	4,519	4,441
Income from operations	23,993	14,382
Other (expense) income, net	72	(541)
Income before interest	24,066	13,841
Interest income from fund investments:		
Total interest income from fund investments	3,099	1,783
Interest expense on bonds	27,166	15,624
Net income	1,427	1,493
Retained earnings, beginning of year	121,208	107,077
Retained earnings end, of year	<u>\$146,946</u>	<u>\$121,208</u>

Air Block Fenders Assure Perfect Berthing & Mooring



Developed by Yokohama Rubber, ABF's (Air Block Fenders) are epoch-making pneumatic rubber fenders featuring bolt installation on the quay wall.

The low reaction force of ABF's assure less stress to quay wall and vessel, inclined berthing can be enlarged, while contact pressure performance is outstanding.

ABF's are excellent against rolling, swaying, yawing and all other forceful movements of wind and waves.

This means maximum safety and shock-protection whether berthing or mooring—with no possibility of

damage to the ship hull or berthing structure.

Several years of severe testing in Japan under adverse conditions has proven the quality and performance of this important harbor equipment.

An additional advantage is that problems inherent in solid type fenders are solved by the new ABF design.

Yokohama Rubber's ABF's are the most advanced types available today. They enjoy wide use and give users complete satisfaction.



For further information, please contact your local agent of Yokohama Marine Products or write to;

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HOUSTON OFFICE: One Houston Center, Suite 1910 Houston, Texas 77002 U.S.A. Tel: 713-654-8123 Telex: 77-5472 YOKORUCO HOU

LONDON OFFICE: 3rd Floor Standbrook House, 2-5, Old Bond, Street London W1X3T.B, England. Tel: 01-499-7134/5 Telex: 885223 YOKOCO G

International maritime information: World port news:

IMCO invites nominations for candidates for IMCO Prize

**To: IMCO Members and Non-IMCO Members
United Nations and Specialized Agencies
Inter-Governmental Organizations and
Non-Governmental Organizations in Consultative
Status**
Subject: IMCO Prize

The Secretary-General has the honour to invite nominations for candidates for the IMCO Prize—the International Maritime Prize—for 1980.

The IMCO Prize was established by the Council of the Organization to be awarded each year to the person, organization or other entity adjudged by the Council to have made the most significant contribution to IMCO's work and objectives.

The Prize is to be awarded to individuals and non-governmental organizations or bodies; governments and inter-governmental organizations and entities are not eligible.

In accordance with the decision of the Council nominations for the Prize may be made only by:

- (i) Governments;
- (ii) organizations, bodies and programmes of the United Nations system;
- (iii) inter-governmental organizations with which IMCO has established co-operative agreements or arrangements; and
- (iv) non-governmental international organizations enjoying consultative status with IMCO.

The winner of the Prize will be presented with a suitable trophy approved by the Council. In addition, the winner will be invited to present a lecture or paper on a subject related to the objectives and work of IMCO at a ceremony to be held in London on or about 17 March 1981, in connexion with IMCO's World Maritime Day celebrations. This paper or lecture will subsequently be published by IMCO, if considered appropriate. For the purpose of presenting a lecture or paper the winner of the Award will be paid a stipend of US\$1,000 together with appropriate expenses in connexion with travel to and stay in London for the period required.

Although the Prize will, in principle, be awarded annually, the Council may decide not to make an award in any year if, in its opinion, no suitable candidate has been nominated in that year.

The Secretary-General would be most grateful if nominations of candidates to be considered for the Prize in 1980 would be sent to him as soon as possible and, in any case, not later than 30 June 1980. Nominations should indicate clearly the name and designation of the authority submitting the nomination and bear an appropriate mark of au-

thentication. A form of nomination is sampled below but Governments and organizations may submit nominations in other forms, provided that adequate information is given to enable the Council to assess the merits of the candidates concerned.

All nominations should be addressed to:

The Secretary-General
Inter-Governmental Maritime Consultative
Organization
101-104 Piccadilly
London W1V 0AE
England.

NOMINATION OF CANDIDATE FOR THE INTERNATIONAL MARITIME PRIZE, 1980

THE GOVERNMENT OF
(Name of country)

OR
THE
(Name of organization)

hereby nominates
.....
(Name and brief description of candidate)

for the International Maritime Prize, 1980.

The following statement is submitted in support of the candidature:

(To be continued on a separate sheet or sheets if required)
For and on behalf of the Government of or
..... (Name of organization)

Signed: Date

Name:

Designation:.....

.....

Official seal (where appropriate):

Measures to facilitate Maritime Transport Documents Procedures

Recommendation adopted by the Working Party on Facilitation of International Trade Procedures, United Nations Economic Commission for Europe

I. BACKGROUND

1. Compared with transport documents for road, rail and air, the document for sea carriage—the Bill of Lading—has the additional status of a negotiable document giving legal title to the goods. As a consequence, the Bill of Lading must be treated with particular care. Issued in a number of copies passed between many parties, the Bill of Lading is at the centre of a costly and slow procedure. Studies which the Working Party has carried out and a study undertaken by the International Chamber of Commerce have indicated the problem created by the speedier movement of goods, resulting from developments in transport technology and the continued use of the traditional negotiable transport document. The late arrival of the document at destination delays release of the goods and possibly incurs costs such as demurrage, and adds to port congestion. Such delays and costs could be avoided if documents were to be prepared at destination, using electronic data transmission means.
2. The fact that the characteristic of negotiability enables the document to convey rights with regard to the goods from holder to holder, necessitating its surrender at destination to secure delivery of the goods, makes the replacement of this type of document by electronic or other automatic methods of data transfer more complex. A simpler procedure has been requested by many shippers and, for some time, a non-negotiable document called Sea Waybill (or liner waybill, freight receipt, etc.) has been successfully used.
3. It is recognized that some shippers will continue to require a negotiable document for their particular needs, e.g. when using bank services for safe payment (although a Sea Way bill can be used also under a Documentary Credit) and, according to practice and law, shipowners are obliged to issue a Bill of Lading at the demand of shippers. As trade practices, to a certain extent, will remain unchanged for a long time, it is realized that the negotiable Bill of Lading is likely to remain in international trade as a document of title, but all parties concerned should endeavour to minimize its use.
4. In accordance with procedures developed when mail was an uncertain means of communication, the Bill of Lading is generally issued in two-three originals to be dispatched, one by one, by separate mail. However, experience shows that they are now almost always mailed together in one envelope instead of separately, as was the original practice. This waste of paper and effort has been criticized by many shippers, consignees and carriers, who stress that one original would suffice.
5. The practice of printing transport contract conditions on the back of the Bill of Lading forms has more and more become a hindrance for the mechanization of procedures. Completion of Bills of Lading in the shippers' automatic data processing (ADP) systems or by the use of

office machines operating by a copying process on white paper (e.g. electrostatic methods) is difficult or impossible because of the requirement to print on both sides of the paper. The increased use of these methods has given new emphasis to the old request for Bills of Lading on blank-back forms (forms without print on the reverse side).

6. Shippers and forwarding agents have encountered specific problems when considering the introduction of ADP systems. They cannot "printout" Bill of Lading forms, adapted for each shipping line and delivered as discrete forms (in loose sheets) on their line printers which have to be fed with continuous stationery. There are other office machines which are suitable for Bill of Lading production but their use is precluded by the particular features of the forms in current use. This problem could be solved also if a system of shipper-provided, blank-back, neutral forms were introduced.

7. Moreover, the number of Bill of Lading copies has shown a tendency to increase, particularly for trade with specific continents and countries. Usually, 10 to 40 copies (sometimes more) must be produced for each consignment, to be used by shippers or freight forwarders, shipowners and their agents, Customs, consulates, port and other authorities, etc. The direct costs of paper and printing and the even more important costs of preparing and processing documents have become substantial, and a reduction would be in the interests of all parties involved.

8. Although the layout of most sea-transport documents used in international trade today follows the internationally-aligned ICS Standard Bill of Lading, there is nevertheless a great variety of different Bill of Lading forms—for port-to-port shipments, for through shipments, for containers, for roll on/roll off, etc. These are examples of documents which may be offered by a single sea carrier, and it is easily understood why the volume of various forms, often several types from each shipping line, has become a storage and handling problem in the offices of shippers or shipping agents and freight forwarders. A first step to remedy this situation might be for each shipping line to agree on a "multi-service", single Bill of Lading form covering all services offered.

9. Another step towards reduction of the number of types of Bill of Lading might be through agreement by different shipping lines on a common printed form. The established practice of printing the contract conditions of individual shipping lines on the back of the forms has, so far, prevented this measure of rationalization. The technique of using a single clause printed on the forms, referring to standard conditions printed separately, offers the possibility of using one type of form for several applications. Several shipping lines would then have the possibility of printing their Bill of Lading forms jointly.

II. SCOPE

10. This Recommendation aims at the simplification, rationalization and harmonization of procedures and documents used to evidence the contract of carriage in maritime transport.

III. FIELD OF APPLICATION

11. This Recommendation applies to consignment-based documents evidencing contract or undertaking to carry goods by vessel, and to related procedures. It also applies to multimodal transport, as appropriate. It does not apply to charter parties but can be applied to Bills of Lading and similar documents established under charter parties.

IV. DEFINITIONS

12. The following definitions have been established for the purpose of this Recommendation.

Sea Waybill

Non-negotiable document which evidences a contract for the carriage of goods by sea and the taking over or loading of the goods by the carrier, and by which the carrier undertakes to deliver the goods to the consignee named in the document.

Bill of Lading

Document which evidences a contract of carriage and the taking over or loading of the goods by the carrier, and by which the carrier undertakes to deliver the goods against surrender of the document. A provision in the document that the goods are to be delivered to the order of a named person, or to order, or to bearer, constitutes such an undertaking. (Convention on the Carriage of Goods by Sea, Hamburg, March 1978).

Through Bill of Lading

Bill of Lading which evidences a contract of carriage from one place to another in separate stages of which at least one stage is sea transit, and by which the issuing carrier accepts responsibility for the carriage as set forth in the Through Bill of Lading.

Original Bill of Lading

Bill of Lading designated as original Bill of Lading.

V. RECOMMENDATIONS

Non-negotiable Sea Waybill to substitute negotiable Bill of Lading

13. All interested parties, i.e. exporters, importers, carriers, banks and insurers and the relevant national authorities and international organizations, should endeavour to minimize the use of negotiable transport documents and encourage the use of the alternative simpler sea waybill or other non-negotiable transport document which does not have to be surrendered at destination to secure delivery of the goods.

14. A Sea Waybill is a document by which the transport operator declares to the shipper or his agent that the goods have been received for shipment. It is a non-negotiable document, which means that it need not be presented at the port of destination as a condition for receiving the goods. Without waiting for the document to arrive, the goods will be released by the shipowner or his agent to the consignee named in the Sea Waybill against the receipted notice of arrival, or by proving the identity of the consignee. The procedure is simple, and especially advisable when the seller and the buyer are well established trading partners. The Sea Waybill can be used under a Documentary Credit, however it cannot be issued "to order". Trans-

port terms and conditions are identical with those of the negotiable Bill of Lading. Paper size and format of the Sea Waybill should correspond to the ICS Standard Bill of Lading 1972, which is based on the United Nations Layout Key for Trade Documents.

Single Original Negotiable Bill of Lading

15. To the extent that negotiable Bills of Lading continue to be required, e.g. in the case of documentary credits, only one original should be requested and issued. If a single original negotiable Bill of Lading is lost, similar procedures should apply as in the event of loss of any other document of title.

Blank-back forms

16. Forms for Sea Waybills and Bills of Lading should not carry contract clauses or any other print on the reverse side of the form. The required reference to applicable terms and conditions should be made in a special clause on the obverse side of the form; these terms and conditions should be made available separately. Common blank-back Sea Waybills and Bills of Lading are in all respects equal to traditional types of documents with clauses on the back. The following is a suggested wording of such a special clause, which could, if required, include a specific reference to the applicable Convention:

"The terms of the transport operator's/carrier's standard conditions of carriage (including those relating to pre-carriage and on-carriage) and tariff applicable on the date of taking charge of the goods for transportation are incorporated herein as well as any international convention or national law which is compulsorily applicable to the contract evidenced in this document.

A copy of the transport operator's/carrier's standard conditions of carriage applicable hereto may be inspected or will be supplied on request at the office of the transport operator/carrier or their principal agents."

17. This clause is to be preceded by the usual reference to whether the goods specified have been received for shipment or received on board etc, and should be followed by a statement that the transport document has been issued as one original if not otherwise stated.

18. Carriers and their agents should ensure that up-to-date versions of their terms and conditions of carriage are made available to all interested parties.

19. Documentary Credits should not stipulate that blank-back documents are unacceptable.

Shipper-provided forms

20. Shippers should be entitled to provide forms for Sea Waybills and Bills of Lading in a neutral presentation, i.e. without pre-printed indication of the name of the carrier, provided that the name of the actual carrier (and—if required—his principal place of business) is entered in connexion with the completion of the document, in the place and in the manner suggested by the ICS in its Recommendations for Standard Bills of Lading (1972).

Multi-service forms

21. Where neutral forms cannot be used, shipping lines should provide, to the extent possible, multiservice forms covering all services offered. These forms should contain only a general reference to the standard conditions of

carriage applicable; such conditions and any other clauses, etc. should be printed separately and be made available to interested parties.

Limitation of number of copies

22. All parties involved in international maritime transport, including shipping lines, shippers, agents, consignees, Customs and ports and other authorities, should limit their requests for copies of Bills of Lading and other maritime transport documents to those which are required absolutely.

Oil pollution compensation limit increases

The amount of compensation payable for damage caused by oil pollution incidents at sea has been increased to about £38.5 million by the second session of the Assembly of the International Oil Pollution Compensation Fund.

Under the Civil Liability Convention, adopted by IMCO in 1969, shipowners can be held liable up to about £9 million. The Fund was established by a Convention which was adopted by IMCO in 1971 and came into force last year. It enables payment of further compensation which is beyond the shipowners' liability and is made up of contributions from companies which receive more than 150,000 tons of oil per year. The total compensation payable under the two Conventions was originally equivalent to about £19 million, with approximately £10 million coming from the Fund itself, after the limit of compensation payable under the Civil Liability Convention had been reached.

The increase in compensation payable from the Fund became effective from 21 April.

The Assembly considered the whole question of compensation and adopted a Resolution which requests IMCO to consider the desirability of revising the 1969 and 1971 Conventions in particular looking into the adequacy of the limits laid down by the two Conventions and the feasibility of changing them.

The Resolution also requests IMCO to look at problems caused by the limits applicable under the 1969 Convention to smaller tankers and the system of relieving the shipowner under Article 2, paragraph 1(b) of the 1971 Convention.

Lumber exports through Nanaimo Port increase

For the first six months of this year, shipments of lumber through the Port of Nanaimo were at a record level, but total exports through the port were slightly down compared with the same period last year.

"Our total exports are down because of labour problems in the forest industry in general and the lumber and pulp mills in particular" says Bob Chase, manager of marketing and public relations.

For the first six months of the year the port shipped 394,000 metric tonnes of lumber, an increase of more than 14,000 tonnes over the same period in 1978.

"Markets for lumber and pulp are buoyant" says Bob Chase, "particularly in the United States. We expect a considerable improvement in tonnage in the last six months of the year, in particular the last quarter when, traditionally, the mills are moving high inventories.

Saint John Port Manager heads Canadian ports group

Saint John port manager Gordon Moulard is the new president of the Canadian Port and Harbour Association. Mr. Moulard, who was elected during the association's annual meeting held recently in Quebec City, P.Q., succeeds Henri Allard, manager of the Port of Quebec.

First vice-president is Donald Rawlins of Nanaimo, British Columbia, while Ian Brown of Toronto, Ontario is second vice-president.

World Trade Center nears complete occupancy

Since its opening in December 1970, the World Trade Center in Lower Manhattan has served the diverse needs of the international business community. Bringing together the varied services of government agencies and business involved in the processing and marketing of world trade, the trade center has been highly successful in all areas of operation.

This success is reflected in the response of international business executives seeking rental space within the center. Of the 9.7 million square feet of rentable office space in the World Trade Center, 95 percent has already been leased and/or committed.

More than 900 firms and organizations from 60 countries presently hold leases on World Trade Center space, making the center the largest international business community in the United States. Among the tenants are exporters, importers, freight forwarders, Customhouse brokers, international banks, transportation companies and government and private trade development agencies.

Assessment rate for dockworker benefits to continue unchanged at NY-NJ harbor

The NYSA-ILA Contract Board recently reported that favorable cargo trends at the Port of New York and New Jersey will enable it to hold the line on assessments for longshoremen benefits despite another scheduled rise in contract costs that is expected to impact other North Atlantic ports.

The action continues the assessment of cargo at \$5.85 per ton that has remained unchanged for nearly three years and is used to fund all contract benefits for some 10,000 union dockworkers here. The assessment covers the costs of pensions, welfare, medical services, holidays and vacations among others. A small part of the assessment also covers guaranteed annual income.

Board co-chairmen Thomas W. Gleason and James J. Dickman said the projected flow of cargo tonnage through New York-New Jersey marine terminals will generate sufficient revenues to maintain all benefits and services and absorb the contract increases scheduled on October 1.

"We are very pleased by the level of trade and the ability of the port to limit assessment costs, which are critical in attracting cargoes," they said. In addition, they pointed out that use of assessments based on cargo tonnage has enabled New York area harbor interests to keep the \$5.85 rate fixed since it was set in December 1976.

Mr. Gleason and Mr. Dickman noted that the current

assessment will continue at least through the end of the year and future levels determined following review by the joint board.

The assessment on tonnage is paid by the employers and it is the prime method of financing the cost of union benefit programs negotiated in the labor agreement. However, most general cargo pays the tonnage assessment only and does not pay a manhour charge.

International interest for A.P.E.C. training program in Antwerp

For the third consecutive time in less than one year, A.P.E.C. (Antwerp Port Engineering & Consulting) has organized a long term training programme in port management and harbour organization in cooperation with the General Management of the Port of Antwerp Authority, the University and the Port of Antwerp Promotion Association.

The course, which is just finished, has been organized for the first time for English speaking participants. Originating from 3 continents (Latin America, Africa and Asia) the 29 participants represented the port authorities of the following 17 countries: Mexico, Guatemala, Costa Rica, Panama, Cuba, Cameroon, Sudan, Tanzania, Zambia, Lebanon, Abu Dhabi, Kuwait, Pakistan, Bangla Desh, Thailand, Malaysia and Indonesia.

As with former training programmes, this course was composed of lectures as well as of practical training; and guest-speakers, professors of the Antwerp University and of the Superior Nautical College, high functionaries of the Port Authority and of different national organizations,

managers who attended to the participants during their stay in Belgium, all contributed to a succesful training programme.

A.P.E.C., which was founded by the common initiative of both public authorities and private organizations from the port sector with the aim of conveying to the developing countries the vast know how available in the port of Antwerp, already enjoys a good reputation with the port authorities of some 25 countries of the third world. Moreover an increasing interest is shown by Latin American and Asian countries besides the immediately acquired interest of the African countries.

Since October last A.P.E.C. already organized 3 long term and 3 short term professional training courses for some hundred highly qualified functionaries and port-officers from developing countries.

Container traffic rising by 10%: Antwerp

From data provided by the General Management of the Port, it is clear that also container traffic in the port of Antwerp continued to show an increase during the first four months of 1979.

In all some 126,133 containers were handled in Antwerp during the January/April period of this year; 10,228 more than during the same period of 1978 (+10%), empty containers not being taken into account.

Due to this result containerized general cargo rose to 2,017,505 tons for the first four months of this year, meaning a 7.9% increase.



Paris is a sea port

Turntable of the navigable waterways of France, Paris is directly linked with the channel by a modern waterway.

Sea going vessels of up to 2000 d.w.t cargo capacity are able to navigate the Seine up to Paris, and 200,000 tons per year are transported to and from the U.K., Ireland, Germany, Scandinavia and Spain, without transshipment, therefore without risk of damage or pilferage and at a lower price of transport. The Port of Paris Authority is also able to offer wharves and port complexes for the reception, transit, storage or shipment of goods.



PORT AUTONOME DE PARIS
2, quai de Grenelle
75732 PARIS Cedex 15

Tél. : 578.61.92 - Telex : 204487 Poronom Paris

Incoming containerized general cargo increased by 11.5% while outgoing increased by 5.4%.

NPC statistics reveal an improving trend

Traffic statistics for British ports, published recently by the National Ports Council, reveal a further recovery from the serious fall in traffic produced in 1974/75 by the world economic recession. In 1978 foreign and coastwise traffic through the ports of Great Britain totalled 353.2 million tonnes. Only in the peak years of 1973 and 1974 has this annual total been exceeded.

Although the growth in petroleum traffic accounted for the major part of the traffic growth, there was also an increase of 3.7 million tonnes in non fuel traffic compared with the 1977 total. Within the 1978 total of 125.6 million tonnes of non-fuel traffic imports fell by 0.7 million tonnes but exports rose by 2.8 million tonnes and there was an increase of 1.7 million tonnes in coastwise movements.

Fuel traffic in 1978 totalled 227.6 million tonnes, of which 212.1 million tonnes was petroleum and 15.5 million tonnes coal and other fuels. To complete the picture in relation to fuel traffic, a further 14.8 million tonnes should be added. Strictly this is neither foreign nor coastwise traffic, as it was brought by tanker to British ports from North Sea oil installations.

During the year there was a further growth in Container & Roll-on traffic. This reached a record level of 39.3 million tonnes (35.5 million tonnes in 1977). Of this nearly

62 per cent (24.2 million tonnes) was carried on roll-on services.

Brostrom expansion at Tilbury: Port of London Authority

PLA Managing Director, John Black, welcomed the announcement by Brostrom Cargo UK Limited of their plans for expansion of their Tilbury Docks terminal in a new long term agreement with PLA.

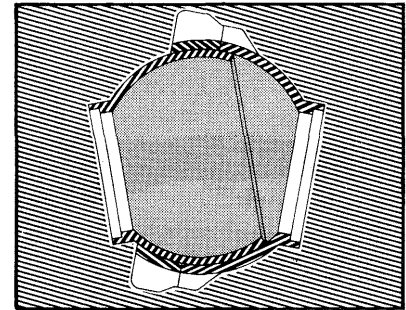
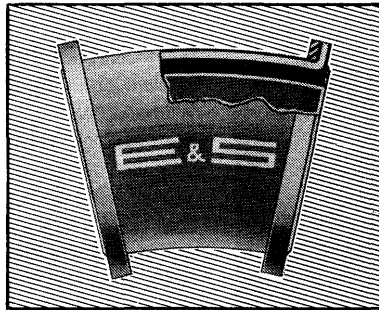
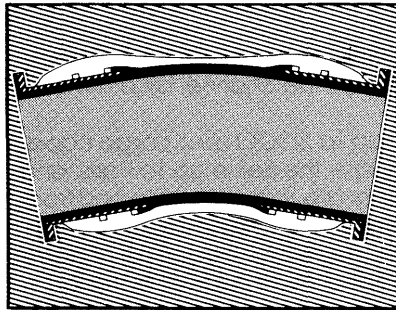
Brostrom Cargo UK Limited have signed a contract with PLA extending their existing Tilbury Terminal by four acres to total 20 acres. Three additional berths will bring the terminal total to five. Engineering works are imminent to provide paved areas for container stacks and hard standing for 12 metre trailers.

Three major lines—Swedish Lloyd, Scanel and Swedish Orient Lines—which regularly use the Brostrom Tilbury Terminal produce an annual throughput approaching 500,000 tons.

Mr. Black said: "This demonstration of customer confidence is particularly welcome at a time when we are working with the trades unions to improve port service to customers. It underlines our ability to adapt port facilities to modern requirements and gain new business.

I am specially pleased to see a long standing and valued customer like Brostrom extending their facilities and glad to participate in their plans for anticipated trade growth".

Consider the alternatives...



...and then buy **E & S FLEXIBLE HOSE**

We have produced an excellent catalogue/handbook if you require further information.



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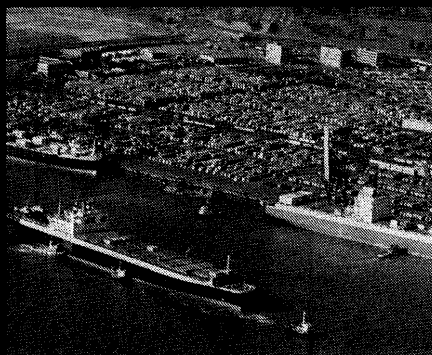
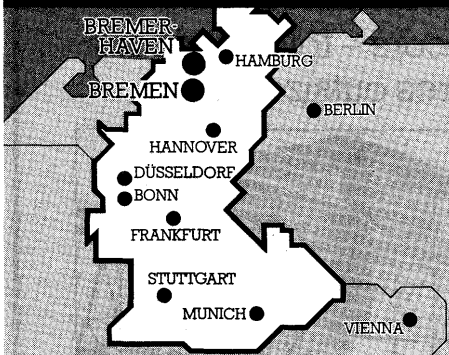
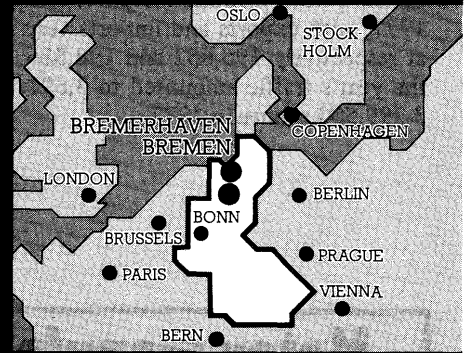
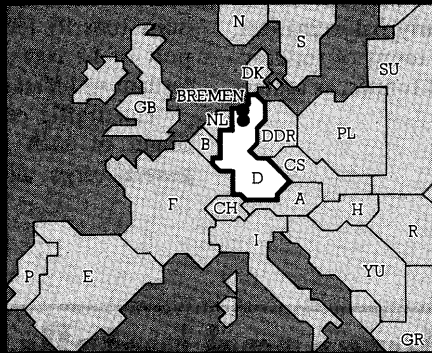
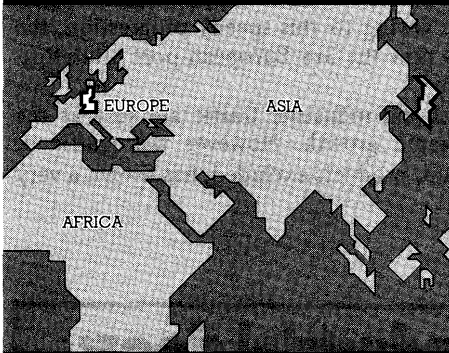
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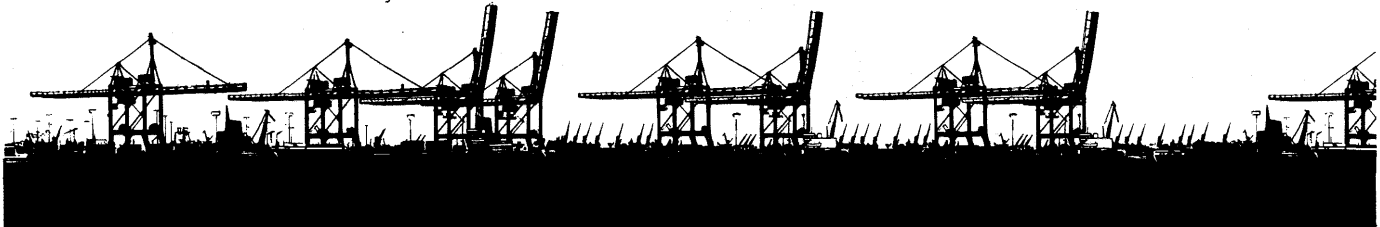


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New computer for BTDB

The British Transport Docks Board is re-equipping and enhancing its West London Computer Centre at Southall with a new ICL 2960 computer.

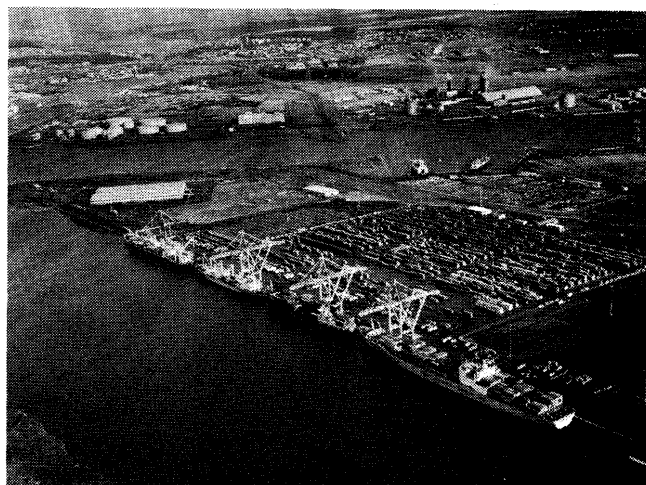
The new machine will provide computing services for BTDB's London headquarters and the majority of the Board's 19 ports.

During the past year the Board has also installed Redifon data entry/transmission equipment at Cardiff, Hull and Southampton, and Mohawk Data Sciences data transmission equipment at Fleetwood and Garston. Linked by telephone line to similar equipment at the Computer Centre, this gives the ports rapid access to the computer for processing and local print-out facilities.

Container traffic in 1978: Le Havre

The final figures for 1978 showed that Le Havre has leading container port in France and the fifth most important in Europe. During the year 395,248 TEU containers passed through the port, compared with 367,714 in 1977, with exports and imports very nearly balancing out, at respectively 196,662 and 198,586. In terms of tonnage, the year's traffic amounted to 3,691,163 tonnes, as against 3,299,500 tonnes in 1977.

Le Havre photo news



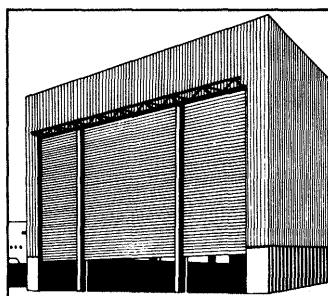
Just after the 2nd World War, the global traffic of Le Havre was a meagre 10 millions tons; in 1960 it became 20 millions tons, then 40 millions in 1968, to reach 76.7 millions tons in 1978. Owing to this speedy progression, the port of Le Havre is now the 3rd European port after Rotterdam and Marseille.

The traffic of oil and industrial traffic are sure at the origin of such a rapid growth. However the traffic of general cargo, all bulk products excluded, has shown a very

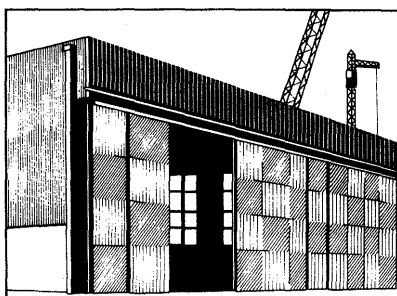
Matex manufactures and installs industrial doors

rolling doors – sliding doors – overhead doors – folding doors

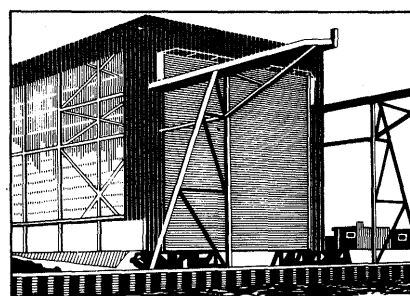
Matex also manufactures outside doors:



rolling door 27,3 meters wide and 17 meters high, on the premises of B.V. Scheepswerf- & Machinefabriek de Merwede, in Hardinxveld-Giessendam.



sliding door 40 meters wide and 10 meters high, at Nieuwe Noordnederlandse Scheepswerven in Groningen.



rolling door 18 meters wide and 18 meters high with small doors above the rail for gantry installation, without gale strut, at Scheepswerf Jac, den Breejen & Zn, Hardinxveld-Giessendam.

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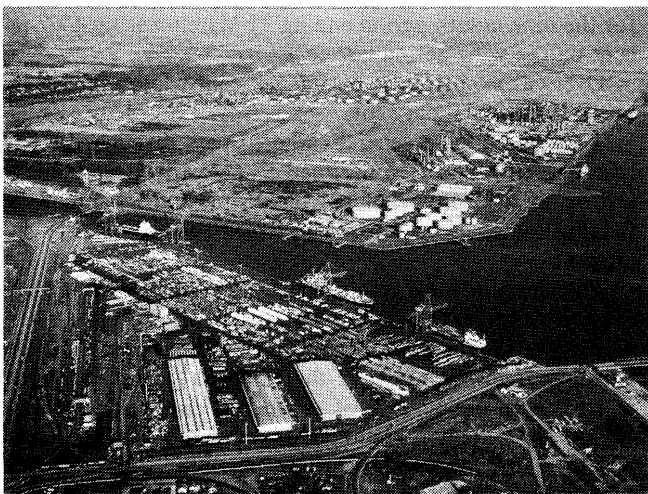
big increase during those last years.

One of the main reasons for such a quick development lies in the fact that Le Havre started very early to adapt the Port to the new technics of packaging and transportation, and he made huge investments in up-to-date equipments.

Now, with 3 terminals specialized in containers traffic, Le Havre is one of the leading European Ports. The position of Le Havre for the traffic of containers did not stop improving and during the last 5 years it has registered a 3 folds increase.

The share of the traffic of containers was 20% in 1971 and 54% in 1978, for general cargo, excluding the all bulks traffic.

In 1978, 395.000 boxes were handled in Le Havre which is by far the leading French Port for containers.



The port of Le Havre has also an industrial area of 10.000 hectares (25.000 acres) where are located several enterprises which give a contribution to the traffic increase by importing raw materials and exporting their finished products. This industrial area is connected to the port by the lock François 1^{er} the largest lock in the world and the ships passing through can berth directly at the factory gate.

Due to the important volume of traffic generated by the port activity, a great number of jobs have been created but it has to be stressed that the role of the port is no more limited to the narrow frame of receiving, loading, unloading and repairing ships. The Port of Le Havre is also playing an important role at local, regional and national level.

At the local level, Le Havre, through activities directly or indirectly generated by the port, absorbs 50% of the total local employment.

At the regional level, it may be said that all the big industries established in High-Normandy use the Port services and facilities.

At the national level, the supply of thousands enterprises depends on the good functioning of the port and thanks to a long tradition everybody in Le Havre is fully aware of this heavy responsibility: the healthy social atmosphere existing in Le Havre is a guarantee of the continuation for this vital chain of regular supply and service of quality.

World's dry cargo to hike by 500 million tons by 1985

Expert computations indicate that the world's dry-cargo traffic will increase by some 500 million tons by 1985. The Bremen-ports' proportion of international mercantile trade remains fairly constant at 1 percent. This means some 5 million tons more by 1985. The container traffic, with an annual increase of around 10% will thereby lie well above the increase of dry-cargo traffic generally. The Bremen/Bremerhaven port-group reacted to this world-wide development with investments going into the milliards—with the happy result that the Bremen ports today play a prominent role in European-port competitiveness.

The Bremerhaven container-terminal registered, last year, 2,084 containerships and 327,000 containers lifting 4.5 million tons of cargo. 80 shipping companies specialising in container-transportation run into the Bremen ports—some 3,000 times a year. Result: the terminal which was extended at the end of August 1979, to 2.5 kilometres of quayside, and 1 million sq.-metres of storage area—today already one of the largest—will be increased again by 1983, in a 4th construction stage, to 3.2 km quayside and 2 million sq.m storage area. With DM 640 millions of current, 1979-1983, investment the Bremerhaven container-terminal, also for the 1980's, has ensured that extremely short lay-times and, as expressed by the West-German Finance Minister Hans Matthöffer: "it keeps mercantile transportation to the fore of progress".

Morocco host to UNCTAD port seminar

The Government of Morocco acted the host during the last week of September and the first week of October to a seminar on port development and port planning conducted with the assistance of the United Nations Conference on Trade and Development (UNCTAD).

The immediate objective of this seminar was to provide guidance to port planners in their intricate task of formulating port development policies and preparing realistic programmes for extension and improvement of individual ports. The long-range purpose is to allow port planners in developing countries to cooperate on equal terms with international lending institutions.

Both the immediate and long-term objectives as reflected in the seminar programme, includes lectures, panel discussions, case-studies and practical applications related to the following subjects: traffic forecasting, investment appraisal, port capacity and contingency planning, civil engineering aspects, area planning and land use, manpower planning and terminal planning and operation.

The seminar was conducted in English and French by five members of the Ports Section of the UNCTAD secretariat.

The cost of this seminar was met from funds placed at the disposal of the UNCTAD secretariat by the Governments of Denmark, the Netherlands and Norway.

ADB extends \$7 million loan for Suva Port project

The Asian Development Bank recently approved a \$7 million loan from its ordinary capital resources for the Suva Port Project in Fiji.

As the main port of Fiji, Suva handles the largest volume of cargo and a diverse range of imports and exports. It also serves as a trans-shipment port for other South Pacific countries. Inter-island shipping, cruise liners, and non-cargo ships—such as research, fishing, survey, naval and government vessels—obtain bunker supplies, fresh water and stores while in port.

An earlier Bank-financed feasibility study revealed extensive structural damage requiring urgent repair and rehabilitation of the Port facilities. The study identified the need for upgrading and improving facilities at Suva Port and recommended a plan which would accommodate the forecast number of ships and cargo traffic up to the year 2000.

The Project, based on the study and with the Ports Authority of Fiji as Executing Agency, will cover the following:

- * Rehabilitation and upgrading of facilities at King's, Walu Bay and Princes Wharves;
- * Paving of the Port area together with ancillary works;
- * Construction of a multi-purpose administration building and maintenance workshop;
- * Procurement of cargo handling equipment including transtainer, forklift trucks, tow tractors and trailer units; and
- * Provision of consultancy services for the preparation of detailed designs and tender documents and for construction supervision.

The Bank loan, which will finance the foreign exchange cost of the Project, will have a term of 20 years, including a grace period of four years, and an interest rate of 7.6 per cent per annum.

New sheds improve Doha Port storage

Five air-conditioned transit sheds, each 126 meters long and 45 meters wide, have been constructed at Doha Port, Qatar, greatly improving the port's storage capacity and cargo handling capability.

The five warehouses are part of an expansion of the port that began in 1977 and included adding five more berths to the port's original four. The sheds, situated on a total paved area of 150,000 square meters, are the first structures to be built on the new jetty.

Trade shows recovery; a good year for Port of Brisbane

Trade through the Port of Brisbane in 1978/79 staged a solid recovery in spite of marginal fall-offs in a few traditional areas of commerce.

The total result was 8,741,000 tonnes—4.4% higher than the 8,369,000 tonnes of 1977/78, but still short of the record figure of 8,862,000 tonnes established in 1976/77.

One of the disappointing aspects of the year's trading was the depressed throughput of oil products.

The port's largest oil refinery, Ampol, at Lytton—undertook an extensive expansion programme which, coupled with industrial problems, meant that the refinery was far below its productive capacity for seven months of the year.

As a consequence, oil imports were down 7% (from 4,315,000 tonnes to 4,043 tonnes) and oil product exports fell 2% (from 1,039,000 tonnes to 1,020,000 tonnes).

The brighter side of the trade picture was the remarkable export surge in grains and a substantial increase in meat

exports—this last emphasising the port's position as the most important meat export centre in Australia.

Grain exports established a record of 1,283,000 tonnes, which is 10,000 tonnes better than the previous best, registered in 1976/77.

The current figure is 89% higher than the previous year's exports and estimates from the industry are that 1,100,000 tonnes of exportable grain and oil seeds will carry over into 1979/80.

This is a tremendous start to the new year and reflects the favourable growing conditions for both wheat and barley during the past 12 months.

Container traffic up in first 9 months: Melbourne

Total container traffic through the Port of Melbourne for the nine month period ending 31 March was up 17.7 per cent on the same period last year.

Overseas exports rose by 3.6 per cent while overseas imports dropped 2.5 per cent.

Total tonnage of general cargo to pass through the Port rose by 6%. Bulk cargo declined 15 per cent, largely due to a drop in the volume of petroleum products handled, reflecting the changing pattern in world fuel availability and usage.

The drop in bulk cargo tonnages handled was partially offset by exports of briquettes and chart to Japan.

Results for the period under review showed an increase in some trade sectors over the previous year. Most noteworthy was an increase of seven per cent in total cargo carried in containers. Other rises were reported in coastal general cargo imports, up four per cent, while coastal general cargo exports were equal to the level achieved in 1977-'78.

Kelang to assist training personnel of other Malaysian ports

"Port Kelang is now ready to implement the government policy to train personnel for other Malaysian ports".

LPK Director-General Encik Harun Din, said this during the certificate presentation and closing ceremony to 20 participants from various Malaysian ports who attended a 2-week long training course in "Port Operations and Administration", June last at the Authority's Development Room.

Encik Harun Din pointed out that though Port Kelang is the biggest port in Malaysia today, it acquired this position by a painful process of trial and error, and the new up and coming ports in the country can therefore learn, share and benefit from this experience.

The participants, drawn from ports of Penang, Johore (Pasir Gudang), Kuantan and East Malaysia ports, received instruction in the many theoretical and practical aspects of running a port terminal, pricing, labour management, productivity measurement, equipment maintenance, navigational safety, security, fireprevention, documentation others.

The First Banker



Early in man's history, he learned to specialise. A man that did his best work with a hammer became a carpenter. The one that grew the biggest vegetables became a farmer. And goods and services were traded.

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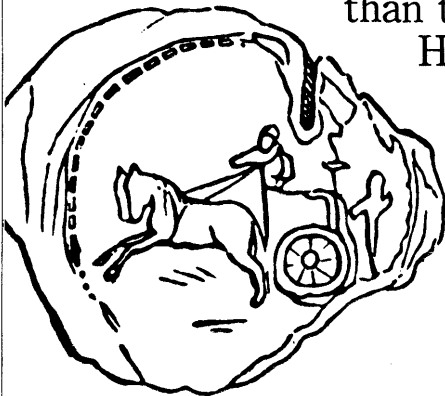
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