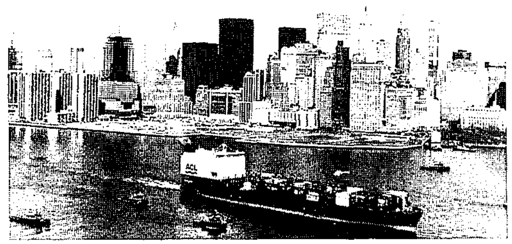
NEW YORK: A CHANGING 'CITY OF SHIPS'

New York Harbor, 4 A.M., Wednesday, March 4, 1987.

While most of the metropolitan area's 17.5 million residents slept, crews were busy on many of the 39 ships shown on our map of the Port of New York (which encompasses parts of New Jersey—and Albany, N.Y.). Of these ships, whose particulars are listed on the back of the map, seven were arriving, steaming in or approaching the Ambrose Channel; captains try to pick up pilots at Ambrose Light before dawn, so that their ships can berth before 8 A.M., when longshoremen start work. The cold months are the most active; gas, shipped by pipeline, has won much of the heating-fuel market, but oil tanker traffic is still heavy, although gasoline was the dominant cargo on this day.

The port remains the nation's biggest in terms of cargo value ($49.9 billion in 1986); it also claims to lead in cargo weight (close to 55 million tons), although Los Angeles–Long Beach and Houston are close. But 40 years ago, half the nation's foreign trade passed through New York; now 10 percent does. During 1947, 10,806 ships called; this year, 6,000 will. And while ships are now larger, they are less visible. Transatlantic liners no longer loom proudly over the docks on Manhattan's West Side. The old slips and yards on the Hudson's New Jersey



shore are being razed for offices and apartments. The harbor's center of activity has moved to the 2,100-acre Port Newark–Elizabeth complex in New Jersey. Begun during the 1960s, and now the world's largest container terminal, it handles 70 percent of the port's cargo.

One casualty has been the longshoreman. In 1960, the port had 32,000 dockworkers; today the International Longshoreman's Association (ILA) has 6,500 men on its rolls, and at any given time only 4,500 actually work for their pay ($17 an hour). Under a deal struck in 1964 to win ILA acceptance of containers, those who are not working are paid anyway, at an annual cost to shippers of nearly $70 million.

The first European to visit the area, Italian explorer Giovanni da Verrazano, anchored near the Narrows in 1524. When the city was the U.S. capital (1789–90), President George Washington angled in the harbor for fish called "spots." Alexander Hamilton wrote the first *Federalist* paper aboard a Hudson River sloop. As early as 1820, the metropolis, with 150,000 people, was America's largest. In an 1865 poem, Walt Whitman called it a "City of Ships." Irish-born William Grace, New York's first immigrant mayor (1881–86), was a shipowner. Playwright Eugene O'Neill shipped out as a seaman from New York; boxers James J. Braddock and Gene Tunney worked on the docks.

But if New Yorkers were once "men fixed in ocean reveries," as Herman Melville, a customs inspector in Manhattan, observed in *Moby Dick* (1851), that seems less true now. The port is number one in ***import*** traffic, but export traffic, partly due to the decline of manufacturing in the U.S. Northeast, is a fading enterprise. One sign of that is the stacks of emptied containers that pile up around the port. More than 1,000,000 boxes are brought to New York annually. To avoid sending many of them on still empty, shippers use them to send scrap metal, rags, and such to Taiwan and other countries for recycling. Today, New York's top-volume export item is, of all things, wastepaper.


N
NEW JERSEY
Newark
Passaic River
Hackensack River
Union City
Hoboken
Jersey City
Hudson River
MANHATTAN
(ALBANY)
Potomac
Potomac Trader
Western Trias
D. Fortunee
THE BRONX
East River
LAGUARDIA AIRPORT
QUEENS
East R.
Balao
Peggy Dow
NEW YORK
World Trade Ctr.
Governors Is.
Statue of Liberty
Twin Drill
General A. F. Cebesoy
RED HOOK
Pytheus
Sirius
General Vargas
Neptune Garnet
Dart Britain
Ascanius
Asian Express
Rio Esmeraldas
PORT NEWARK
Bonde
Export Patriot
Ocean Wind
Newark Bay
PORT ELIZABETH
Atlantic Saga
Bayonne
Elizabeth
OMI Champion
Delaware Trader
Stolt Jade
Kill van Kull
Nicopolis
Nora Maersk
STAPLETON
BROOKLYN
Jamaica Bay
Exxon San Francisco
Paula Maersk
Verrazano-Narrows Bridge
STATEN ISLAND
Cielo di Salerno
Robert E. Lee
Coney Island
I.T.B. Baltimore
Arthur Kill
Rockaway Pt.
Lower New York Bay
AMBROSE CHANNEL
Perth Amboy
Golden Crown
Spirit of Liberty
SANDY HOOK CHANNEL
George C
Hilco Sprinter
CCNI Austral
Ambrose Light
Sandy Hook Light
Sandy Hook
Pt. Comfort
Borinquen
World Prodigy
Exxon Boston
Ming Moon
NEW JERSEY
0 1 2 3 4 5
nautical miles
Atlantic Highlands

A GUIDE TO THE SHIPS

The ships shown on our chart of New York Harbor—officially, the Port of New York & New Jersey—are listed here according to their approximate location at 4 A.M. on March 4, 1987. Not shown are U.S. Navy warships and auxiliaries, and idled private cargo ships in lay-up (11 in all, at Hudson River piers and at Brooklyn docks).

HARBOR APPROACHES
(Lower New York Bay/Ambrose Light vicinity)

Inbound (shown schematically):

Robert E. Lee (flag: U.S.). LASH barge carrier, 40,921 tons. Waterman-Isthmian Line. Arriving from New Orleans to load barges containing machinery, manufactured goods, and chemicals for delivery to Pakistan, India, Jordan, the Sudan, and Bangladesh.

George C (Greece). General cargo, 15,050 tons. Constellation Navigation line. From Izmir, Turkey, and other Mediterranean ports. Delivering 27 containers—apple juice concentrate, cotton cloth, chick peas, dried apricots—at Port Elizabeth. Next stops: Morehead City, N.C., and Richmond, Va., to unload 4,000 tons of tobacco from Turkey, Yugoslavia, and Lebanon.

Hilco Sprinter (Norway). Refrigerator ship, 12,475 tons. Ecuadorian Line. From Puerto Bolívar to unload 204,305 boxes (43 lbs. each) of bananas at Port Newark.

CCNI Austral (West Germany). Containership, 7,780 tons. Compañía Chilena de Navegación Interoceanica. From Santiago, via other South American ports, to discharge and load containers in Albany.

Borinquen (U.S.). Containership, 16,977 tons. Navieras de Puerto Rico liner. From San Juan, Puerto Rico, to discharge and load containers at Port Elizabeth. Next stops: Miami, San Juan.

World Prodigy (Greece). Tanker, 30,200 tons. Owned by Stavros Niarchos. From Immingham, England, with 240,085 bbls. of unleaded gasoline.

Ming Moon (Taiwan). Containership, 31,000 tons. Yang Ming Line. From Taiwan, Hong Kong, and ports in South Korea and Japan, via Los Angeles, Houston, and Savannah. Next stops: Wilmington (Del.), Baltimore.

Outbound (shown schematically):

Exxon Boston (U.S.). Tanker, 172,800 tons. Departing with fuel oil loaded at Marcus Hook, Pa., and at Exxon terminal in New Jersey for Wilmington, N.C.

Spirit of Liberty (U.S.). Tanker, 38,200 tons. Returning to a U.S. Gulf of Mexico port, having delivered 283,955 bbls. of unleaded gasoline at Citgo terminal, Linden, N.J.

PERTH AMBOY TO ELIZABETH, N.J.
(Arthur Kill oil terminal area)

Golden Crown (Greece). Bulk carrier, 21,700 tons. At Outerbridge Terminal, Perth Amboy, N.J., delivering salt from Chile.

I.T.B. Baltimore (U.S.). Tug/barge tanker, 47,247 tons. At Hess terminal, Port Reading, N.J., delivering gasoline, diesel fuel, and jet fuel.

Cielo di Salerno (Italy). Tanker, 29,400 tons. At GATX terminal, Carteret, N.J., delivering 217,186 bbls. of unleaded gasoline from Santos, Brazil.

Paula Maersk (Denmark). Tanker, 47,000 tons. At Northville Industries terminal, Lindenhurst, N.J., delivering 330,696 bbls. of leaded and unleaded gasoline from Amsterdam.

Exxon San Francisco (U.S.). Tanker, 75,600 tons. At Exxon terminal, Bayway, N.J., delivering some 500,000 bbls. of Alaskan crude from Chiriquí Grande, a port on Panama's Caribbean coast. The oil had been brought from Valdez, Alaska, to Panama's Pacific coast by other tankers too large to use the Panama Canal, and moved to Chiriquí Grande by pipeline.

PORT NEWARK/PORT ELIZABETH

Atlantic Saga (Sweden). Roll-on/Roll-off–containership, 16,005 tons. Atlantic Container Lines. Last port: Bremerhaven. Delivering excavators, farm tractors, and a 42-ton crawler used in mining.

Export Patriot (U.S.). Containership, 16,345 tons. Farrell Lines. From Mediterranean ports with assorted goods—Egyptian cotton, flax, and basil; Israeli wines, spirits, chemicals, and steel plate; Turkish glassware and clothing; Greek olives, olive oil, dried fruit, wine, and paint; Italian clothing, plastics, furniture, shoes, and food products; Spanish olives, vegetables, wine, and furniture. Next stops: Baltimore, Norfolk, Charleston.

Bonde (Singapore). Bulk carrier, 37,519 tons. Service between New York and Turkey.

Ocean Wind (Greece). Bulk carrier, 36,700 tons. Westwind Shipping Corporation. Service between New York and Venezuela.

Asian Express (Liberia). Car carrier, 30,744 tons. Manager: Orient Overseas Management & Finance Ltd., Hong Kong. Delivering Nissan autos from Yokohama.

Ascanius (Liberia). Bulk carrier, 37,600 tons. Steel products from Antwerp.

Rio Esmeraldas (Ecuador). Refrigerator ship, 9,300 tons. Ecuadorian Line. Delivering some 150,000 boxes of bananas and plantains from Puerto Bolívar and Guayaquil, Ecuador.

BAYONNE

Delaware Trader (U.S.). Tanker, 50,057 tons. At Belcher Oil Company terminal delivering 40,000 tons of heating oil from Houston.

OMI Champion (U.S.). Tanker, 37,900 tons. At I.M.T.T. terminal loading 225,000 bbls. of heating oil for Providence, R.I, and Boston.

Stolt Jade (Liberia). Chemical tanker, 38,000 tons. Stolt Tankers International. Delivering diisobutylene, fatty alcohol, food-grade phosphoric acid, methyo ethyo ketone, and diisopropyo ether at Powell Duffryn Terminals Inc.

Neptune Garnet (Singapore). Containership, 43,403 tons. Neptune Orient Lines. At Global Terminal discharging and loading containers. Round-the-world liner sailing east from Singapore, Hong Kong, and ports in Taiwan, South Korea, and Japan, to Long Beach, Calif., Charleston, Norfolk, New York, and Halifax. Ship returns to Singapore via Suez Canal.

Dart Britain (Britain). Containership, 18,643 tons. Dart Containerline. At Global Terminal, delivering some of 1,160 containers (assorted cargo) loaded in Britain, Belgium, West Germany, and France. Last port: Le Havre. Other U.S. stops: Baltimore, Norfolk, Charleston.

Research: Joyce McIlroy, The Maritime Association of the Port of New York/New Jersey

STATEN ISLAND
(Stapleton quarantine anchorage)

Nora Maersk (Denmark). Tanker, 68,800 tons. Heating oil from Argentina for Castle Coal & Oil Company, Astoria, Queens.

Nicopolis (Liberia). Tanker, 60,525 tons. Bound for a Port Reading oil terminal.

RED HOOK/BROOKLYN

Pytheus (Greece). Cement carrier, 41,400 tons. Anchored at Bay Ridge Flats, south of Governors Island; from Le Havre to deliver bulk dry cement to American International Cement Corporation plant.

General Vargas (Philippines). Bulk carrier, 11,900 tons. At Bay Ridge Flats; from La Romana, Dominican Republic, to deliver 6,000 tons of raw sugar for refineries in Brooklyn (Amstar, the Domino brand distributor) and Yonkers (Refined Sugars Inc., which sells to supermarket chains and other customers).

Sirius (West Germany). General cargo (tonnage unavailable). Arrived from St. John, New Brunswick, Canada. At Red Hook loading containers for Buenos Aires.

General A. F. Cebesoy (Turkey). General cargo, 12,477 tons. Turkish Cargo Line. At Red Hook; carrying various goods from Turkish ports to U.S. East Coast cities.

Twin Drill (Panama; U.S.–owned). Dive-support ship, 453 tons. International Underwater Contractors, Inc. Twin-hulled base for commercial/scientific submarine and diving operations; recently employed for work on cooling-water discharge system at Long Island nuclear power plant. At Red Hook awaiting next job.

EAST RIVER

Peggy Dow (Netherlands). Refrigerator ship, 10,572 tons. Unloading bananas from Guayaquil, Ecuador, and La Ceiba, Honduras.

Balao (Liberia, Norwegian-owned.) Bulk carrier, 26,700 tons. At National Concrete plant, delivering 21,422 tons of cement from Alicante and Valencia, Spain. Next stop: New Orleans, to load grain for Belfast, Northern Ireland.

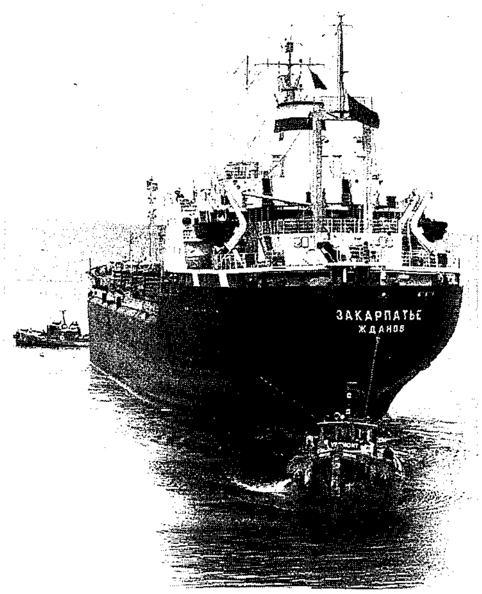
ALBANY, N.Y.
(124 nautical miles, or 142.5 statute miles, up Hudson River from southern tip of Manhattan; ships are shown schematically.)

Potomac (Belgium). Refrigerator ship, 9,852 tons. Delivering 176,583 boxes of bananas loaded in Turbo, Colombia, and Puerto Limón, Costa Rica.

Potomac Trader (U.S.). Tanker, 50,100 tons. Delivering 306,377 bbls. of fuel oil from St. Rose, La., to Albany's Glen Mont Power Station. Next port: Pajaritos, Mexico, to load crude for the U.S. Strategic Petroleum Reserve.

Western Trias (Greece). Bulk carrier (tonnage unavailable). Delivering "clinkers," a cement byproduct, from Mexico.

D. Fortunee (Cyprus). Bulk carrier, 37,609 tons. Loading Midwestern grain brought to Albany by land (truck or train). Destination: Portugal.



The bulker Zakarpat *at Duluth in 1973, after the Nixon administration opened 40 U.S. ports to Soviet merchantmen. Since 1981, such visits have required prior clearance, a rule meant to show U.S. pique over repression in Poland. Soviet ships still arrive to pick up what Lenin called "the currency of currencies" (grain) and to compete for other U.S. trade.*

counterparts, Soviet officials view a merchant marine and shipbuilding base as vital to national well-being, and their policies are formulated accordingly. For example, East Bloc shippers, like some of their Western counterparts, are encouraged to form closed "conferences" (associations of shippers) on trading routes, for the purpose of excluding competitors, setting rates, coordinating schedules, and reserving sizable amounts of East Bloc trade for East Bloc ships.*

Maritime matters have faded from U.S. public consciousness. The earliest U.S. newspapers were devoted to shipping and trade; now only one daily, the *Journal of Commerce*, covers the field in detail. A 1986 strike by East Coast and Gulf Coast dockworkers, the first such walkout in 15 years, got modest coverage in the mainstream press. Yet shipping, if not the U.S. industry itself, remains vital to the U.S. economy. Directly or indirectly, some five million nonfarm workers depend on foreign trade for their livelihood; 80 percent of new manufacturing jobs created today are linked to exports. The products of one of three acres planted by American farmers are sent abroad. Most of such vital commodities as bauxite, nickel, zinc, tin, cobalt, manganese, and chromium come from overseas. Does it matter what flags fly on the ships that move all this?

*Besides subsidies in various forms, foreign shippers benefit from the freedom to form rate- and schedule-setting conferences. U.S. antitrust laws going back to 1916 allowed American participation in such conferences, but that freedom has been weakened by court decisions. By law, U.S. shippers may not merge, consolidate, or pool their efforts, as their foreign competitors can and often do.

That is difficult to say. The cost to the U.S. economy of reliance on foreign-flag shipping—in terms of lost jobs and tax revenues—defies accurate calculation. But the gains, in terms of reduced transporation costs, are probably as great or greater than those losses. Though President Ronald Reagan took office promising to renew the merchant marine, an administration "working group" has produced no results. Indeed, apparently in a spirit of ending the "throwing of good money after bad," the administration has requested no construction subsidy funds since 1981. It has also prepared legislation that would allow subsidized U.S.–flag operators to use foreign-built ships in foreign trade, and end the tax penalty that such shipowners must pay for repair work in overseas yards.

Various congressmen have been pressing plans to aid the industry. Two bills, sponsored by Representatives Walter B. Jones (D.-N.C.) and Mario Biaggi (D.-N.Y.), would have the government spend $850 million to build new vessels for charter—a measure that would give temporary respite to perhaps six to eight hard-pressed major yards. Others have urged laws requiring U.S.–flag carriage of imported Japanese autos, and the negotiation of cargo-sharing agreements with trading partners that would put more U.S.–flag ships to work. But even if the United States were to make the merchant marine a truly favored industry, as most other countries do, there is no guarantee that its fundamental problem of high costs can be solved. World seaborne trade has increased by about 32 percent since 1970, but the amount of shipping chasing all that cargo has expanded by more than 100 percent.

Adam Smith's Attitude

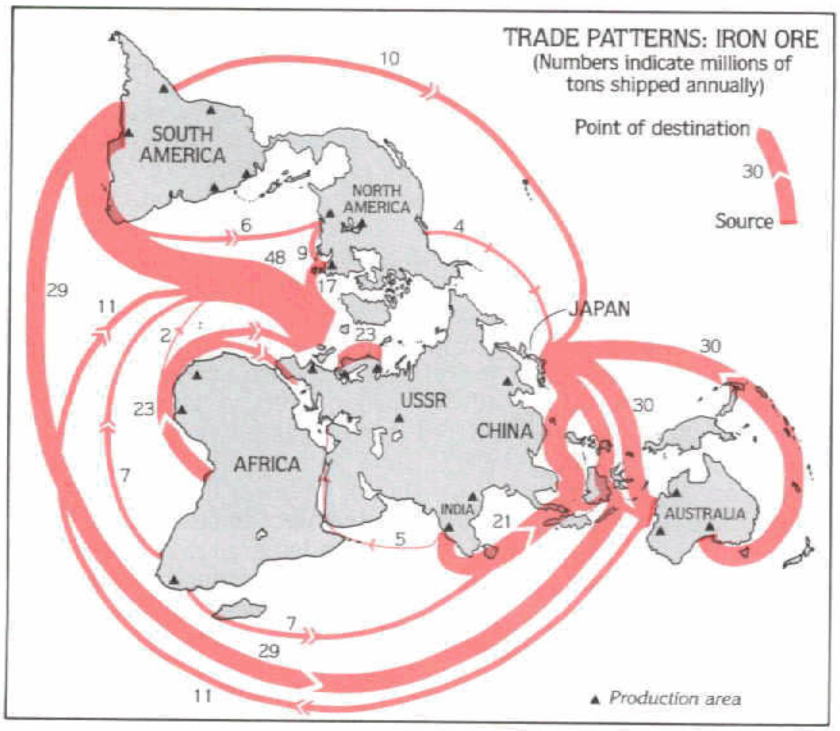
In military terms, the need for a sizable U.S.–flag merchant marine is less ambiguous. When a U.S. Army mechanized division is moved overseas, it requires 100,000 tons of "sealift" to make the move and 1,000 tons of cargo per day to sustain itself. A conflict in the Indian Ocean on the scale of the Korean or Vietnam wars would require support from at least 350 cargo ships. By the Navy's reckoning, about 300 U.S. government- and civilian-owned ships are available for military support duty on short notice. But the Navy also counts on being able to employ other ships whose actual availability is rather questionable—such as 364 U.S.–owned flag-of-convenience ships, whose nominal countries of ownership have agreements with the United States to hand over the vessels in time of national emergency, and 400 NATO-ally vessels.

Tellingly, the Navy has begun buying or chartering more ships on its own, among them large, fast container and LASH ships converted to Ro/Ro vessels. No one has a firm answer to another question: If 75 percent or more of the U.S.–owned commercial fleet is supporting a war effort overseas, how will oil and other essential supplies be brought to America?

The great rise in international trade began about 1870, when the coupling of steam power with screw propellers pushed the cost of ocean transport down—a move toward efficiency that has continued. Indeed, some economists, among them Walter Isard, have argued that innovations in sea (and, later, air) transport have been *the* major stimulus to world trade. Ironically, it was around this time, the late 19th century, that the U.S. merchant marine first became the high-cost industry that it remains today.

But the merchant marine's ills, and the flickering federal interest in addressing them, reflect a larger phenomenon: Since the opening of the West, Americans as a whole have had scant interest in foreign trade.

Scalded by the "beggar thy neighbor" high-tariff policies that spread and deepened the Depression worldwide, since World War II the goal of "free trade" has been warmly embraced by policymakers



The leading dry *bulk cargo in world trade, ahead of coal and grain, is iron ore. Its volume reflects steelmakers' needs. (Top importers: Japan and West Germany.) Oil, however, accounts for nearly half of* all *cargo tonnage.*

in the United States and elsewhere. Indeed, the tariff reductions that have resulted from such initiatives as the Kennedy Round negotiations of the 1960s have led to a marked expansion in commerce among nations. But, oddly, for all the official U.S. interest in trade, Americans themselves have long seemed to view markets abroad with something of the offhandedness of the great Scottish classical economist Adam Smith (1723–90), who dismissed foreign trade as "a vent for surplus."

To be sure, Americans remained successful in overseas markets far into the 20th century. Economist Sir Geoffrey Crowther was moved to remark in 1957, when the U.S. balance of payments was still well in the black: "There are so many American goods that the world wants, whatever they cost." But the competition of innovative, lower-cost suppliers elsewhere took its toll. In 1971, for the first time since the 1890s, Americans imported more goods than they sold abroad, inaugurating today's large trade deficits. Nonetheless, the nation still refuses to get excited about competing for overseas markets, as witness the pressure in Congress for protectionist measures, and the fact that the United States has yet to implement the metric system, as other trading nations (even the British) have.

The United States' very size, otherwise economically advantageous, may be a disincentive. In general, the larger a country, the less it depends on others, either as markets or as sources of goods and raw materials. Thus, imports and exports account for only eight percent of the United States' gross national product, and even less for the Soviet Union. The figures are much higher for smaller nations: the Netherlands, 89 percent; South Korea, 63; Denmark, 54; Sweden, 52; West Germany, 46; Britain, 38; Japan, 37; Australia, 24.

The modest importance of trade to the United States today is a dramatic change from the situation 200 years ago, when the nation was small and essentially spread out along one coast. Back then, historian Richard C. Parnell has noted, even in farming-minded Connecticut "men were convinced that the state's wealth lay bound up in" shipping. During a single two-day period in 1787, for example, in just one Connecticut city, New Haven, no fewer than 10 ships set sail to take horses and other items to the West Indies.

Today, few Americans see the sea trades as much more than a "stepchild," as Admiral Land said—in a way, the nation's first smokestack industry to fall behind in the competitive world arena.