

## ARR Protests Figures Regarding Shipping Cost

The Alaska Railroad has protested the use of "erroneous" figures which indicated the city would have saved \$4,857 on a shipment of pipe if it had been routed through the port of Anchorage.

A spokesman for the ARR said General Manager Donald Smith and Assistant Manager John Manley made the protest in a meeting this week with Mayor George H. Byer, City Manager Chet Hostetler, Port Director Henry Roloff and George Hutton, representative of Puget Sound-Alaska Van Lines which carried the pipe from San Francisco.

In a recommendation to the City Council, Roloff July 31 had claimed that the total freight bill for shipment of 824,024 pounds of the cast iron water pipe cost \$29,500 shipped via Puget Sound-Alaska Van Lines to the port of Seward and then by the Alaska Railroad to Anchorage.

By shipping the pipe via railroad to Seattle, thence by Northland Freight Lines barge to Anchorage, the total bill would have been \$24,642, Roloff maintained.

As a means of building up city port business, the Council then set a policy that bidders on city contracts ship materials through the city facility. A penalty equal to the amount of revenue lost to the port would be assessed if the shipper failed to comply.

THE ARR spokesman said the railroad officials "took exception to the facts as portrayed to the council by Roloff."

He said the charge for the pipe shipment was in "error." Roloff claimed the cargo was shipped via Puget Sound Alaska Van at a rate of \$3.58 per 100 pounds, the ARR said. "The rate should have been \$3.15 as listed in both the ocean carrier's and the ARR's schedules of rates," the spokesman said.

ROLOFF SAID he admitted at the meeting that inaccurate figures were inadvertently used. The \$29,500 amount was listed on the freight bill accompanying the shipment of pipe, Roloff explained.

The manufacturer of the pipe — U.S. Pipe and Foundry Co., of Union City, Calif. — received a rebate for the overcharge, Roloff said.

Despite the error, the port of Anchorage route still would have been cheaper by \$1,314, Roloff stated.

FURTHERMORE, Roloff said, he questioned whether the new \$3.15 rate was in effect when the shipment was received by Puget Sound Alaska Van.

The new schedule went into effect June 29, the date the shipment sailed for Seward, he maintained. Under Federal Maritime regulations, the rate in effect when a cargo is received by a carrier is legal.

"It is safe to assume that the shipment was received prior to the day of sailing — June 29," Roloff said. Thus, the former \$3.58 rate would still be in effect, he added.

ROLOFF SAID the city had tried to divert the shipment to the port and "there was strong competition to move this cargo, which means the rates were changed to control the shipment."

The ARR spokesman said its officials "raised the question of the propriety of anyone

attempting to route freight before it became theirs."

He said this referred to the city trying to have the cargo shipped via Northland Freight when the shipment was "freight on board" Anchorage. The choice of carrier was up to the shipper, he explained.

Both Hostetler and Roloff agreed that the new policy

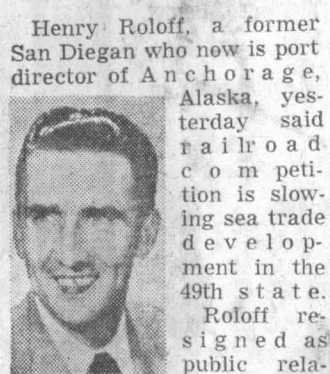
should not be enforced if the city would have to pay a penalty in higher rates "at least not over a few cents more."

Byer said he told the ARR officials that both the ARR and the city are in the freight business. He states, "as a competitor the city would try to get as much cargo across the city dock as possible, since it is our investment."

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### RAILS COMPETE

## Alaska Port Use Hit, Roloff Says



Roloff  
Henry Roloff, a former San Diegoan who now is port director of Anchorage, Alaska, yesterday said railroad competition is slowing sea trade development in the 49th state.

Roloff resigned as public relations director of the San Diego Harbor Department in March, 1960 after eight years of service to take the Alaska job.

He was interviewed yesterday while in the city to visit his father, Herman Roloff of 3478 Olive St. Anchorage dedicated an \$8.5 million port facility in July, Roloff said, but it is handling only a minimum amount of traffic due to the fact that most freight reaches the city by rail from Seward, 130 miles south.

### CONTROL PROPOSED

He said legislation has been proposed in Congress to place the railroads under control of the Interstate Commerce Commission to limit certain practices of the utility and bring more ships directly up Cook Inlet to Anchorage.

Elimination of trans-shipment would help to cut down the high cost of living in

Anchorage which is now 25 per cent higher than in Seattle, he said.

### NO U.S. COMPANY

Two foreign flag steamship companies make Anchorage a regular port of call but there is no U.S. company, except Alaska Steamship, that goes between the U.S. mainland and the northernmost state.

Roloff said a ship of the Lauritzen line brought a load of frozen meat from New Zealand directly to Anchorage and that the lowering of meat prices in stores was felt immediately.

## Freight Rate Cuts Rapped By 2 Firms

Transportation rate reductions and new rates proposed by the Northland Freight Lines between Seattle and Anchorage have been attacked by the Puget Sound-Alaska Van Lines and the Weaver Bros. trucking firm.

The case, now pending before the Federal Maritime Commission, involves Northland's request for downward tariff revisions on a number of commodities, including anti-freeze, conduit and pipe, salt, newsprint and lumber.

IN THE petition for rejection of the proposed new tariffs, Puget Sound-Alaska Van Lines and Weaver Bros. contended that Northland's proposals are of "cut-throat character" and that they constitute "unfair and destructive competition by a rank opportunist."

The petitioners characterized Northland as a "summer soldier and sunshine patriot" that operates only from April to mid-October, and that "does not pretend to serve the year-round needs of Alaska."

In its reply to the Federal Maritime Commission, Northland contended that it had launched a serious investigation into year-round service to the Port of Anchorage.

NORTHLAND also declared that the issue of competition was overstated in the petition filed by Puget Sound-Alaska Van Lines and Weaver Bros. The Northland reply said:

"... In reality, no basis exists for comparison of service. Northland operates direct between Seattle and Anchorage. Conversely, Puget Sound-Alaska Van Lines serves only the Port of Seward, and all traffic destined beyond that port must be trans-shipped by land carrier."

In effect, Northland asserted, the rates carried by the objectors "are in reality a composite of two rates, namely water carrier's and land carrier's."

NORTHLAND has been running frequent barges into the Port of Anchorage.

## Japan-to-Alaska Solons Report Trade Conference Activities

WASHINGTON (UPI)—The Trans-Pacific Freight Conference of Japan today suspended indefinitely a 30 per cent surcharge on cargo shipments to Alaska.

Senators E. L. Bartlett and Ernest Gruening, both D-Alaska, said they received word of the action in a cable from conference chairman D. P. Gillett in Tokyo.

THE CONFERENCE has been applying the 30 per cent surcharge for cargo destined to Alaska ports even though the mileage to Alaska from Japan are hundreds of miles shorter than to other Pacific Coast ports.

The surcharge was reduced to 20 per cent by a recent meeting of the conference after Bartlett and Gruening protested about the high rates.

Bartlett said he and Gruening had continued to press for an amendment to a House-passed bill relating to the dual rate system by which members of a steamship conference set lower rates for shippers who agree to ship exclusively on vessels of members of the conference.

THE SENATORS have threatened to filibuster the general bill unless the amendment were adopted. Their amendment would allow the governor of a state to file a protest with the Federal Maritime Board if he thought any conference rate was unfairly discriminatory. Such action would suspend the rate for 90 days while the FMB investigated.

"This is an important victory," Bartlett said. "With this terrific surcharge in existence, it would have been virtually impossible to establish a mutually profitable two-way trade between Alaska and Japan."

He said the fact that the conference members were first willing to reduce the surcharge by 10 per cent was proof enough that the surcharge was "artificially inspired and maintained."

## Pipe Order Draws Blast From Mayor

Carloads of pipe shipped to the city via Seward received a blast from Mayor George Byer yesterday.

He suggested the city demand that city purchases such as the pipe come over the city-owned Port of Anchorage dock.

"Delivery basis purchasing is required by policy," City Manager C. A. Hostetler offered in clarification. "We have no control over port usage when we contract for the lowest price," he added.

"I don't know," Councilman George Sharrock said brightly, "how we can conscientiously ask other shippers to use the port if the city doesn't."

Asked if the port director could establish a formula for figuring freight on purchases, Hostetler said the present system was adopted to avoid that kind of guess work.

"We can specify a carrier serving the Port of Anchorage on our contracts," Hostetler said, "but there will be an extra cost."

The cost exists because at present scheduled carriers serving the dock come only from Seattle. The load of pipe mentioned by Mayor Byer originated in San Francisco.

The council obviously disapproved of the thought of "extra costs" involved in using the city's \$3,500,000 facility. On a motion by Sharrock, seconded by Leonard, the council unanimously ordered the city manager and the port director to "come up with recommendations on the best way to handle (encourage) use of the city port."

## Japan Ship Docks Here

The Japanese motor ship Kazukawa Maru docked at the port of Anchorage last night and today is unloading 544 tons of well casing, pipe, building materials, canned oranges, rugs, radios and tape recorders, port officials reported.

About 220 tons of trucks and other construction equipment will be loaded on the Kazukawa for shipment to Okinawa, officials said. Shipper is International Constructors of Seattle, Anchorage and Fairbanks. The equipment is scheduled for airport construction at Naha, Okinawa, the port said.

The carrier will leave tomorrow to load pulp at Sitka and lumber at Wrangell before returning to the Far East, it was said.

Anchorage Daily Times  
Monday, Sept. 25, 1961

## Japanese Ship Here On Final Visit Of Year

The Japanese freighter "M. S. Kazukawa Maru" has arrived at the Port of Anchorage dock from various Japanese ports carrying a general cargo, mostly manufactured goods.

This is the third time, and probably the last time, this ship will call at Anchorage this year, according to port officials. The vessel is expected to resume regular runs to Anchorage following break-up next spring.

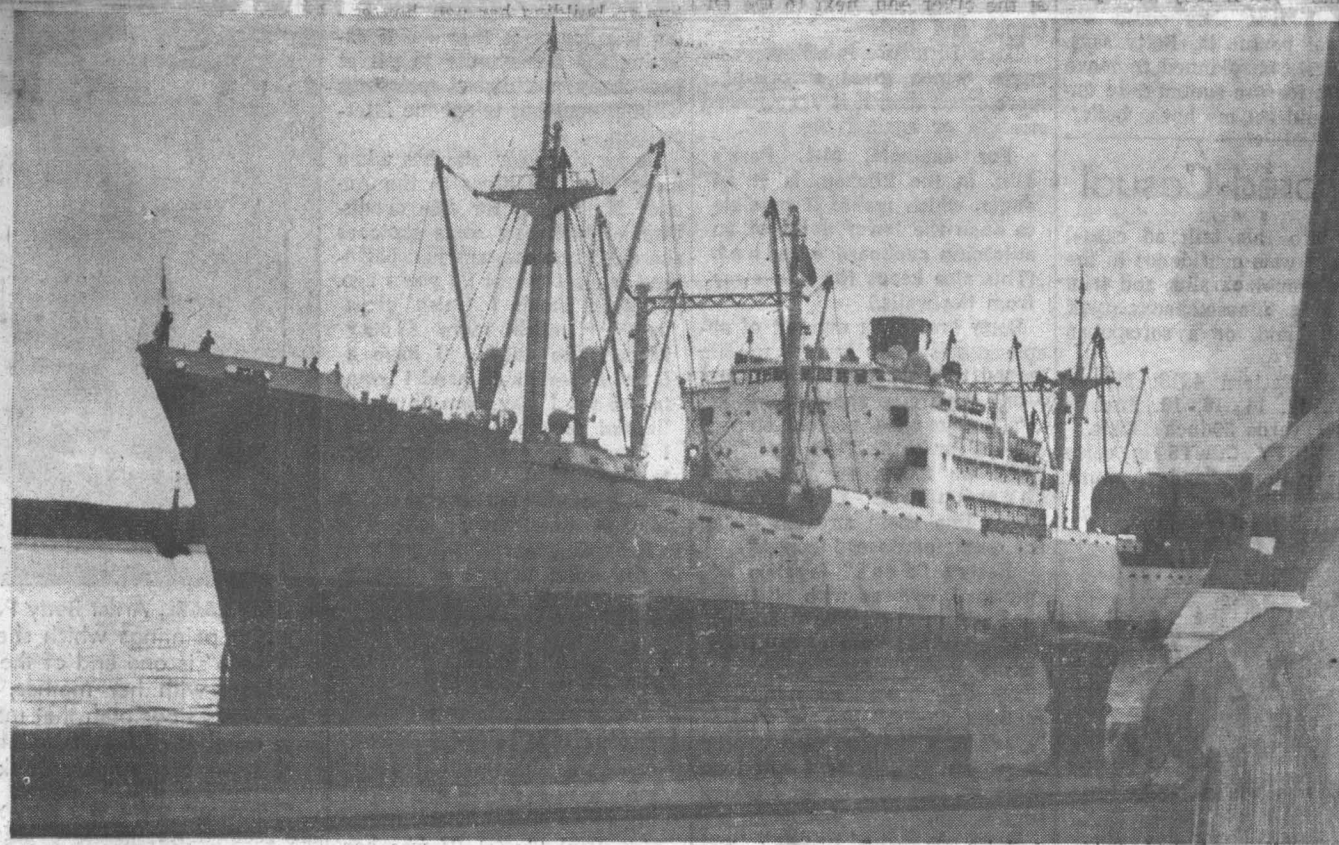
The ship is captained by 36-year-old T. Kihara. It is owned by the "K" Line of Kobe, Japan, and the local agent is the North Star Terminal Stevedoring Co.

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Anchorage Daily News, Friday, September 29, 1961

246 Third Ave. P.O.

## SHIP ARRIVAL NO. 101



### NOW HEAR THIS . . . . .

Men who have been to sea often hear a loud attention-getting "NOW HEAR THIS" blaring over the ship's loud speaker.

In the second report to the citizens of Anchorage, the Port wants everyone

### "TO HEAR THIS:"

One hundred and one — (That's right!) 101 vessels and barges have berthed at the Port of Anchorage terminal between April 1 and September 20 this year.

### "NOW HEAR THIS:"

Fifteen thousand eight hundred thirty-six tons (that reads: 15,836 tons) of cargo including everything from New Zealand beef to mandarin oranges and from diesel tractors to anti-freeze was delivered across the Port of Anchorage terminal during the past six months. During the next two and one-half months another 15,000 tons will be imported and exported from the Anchorage terminal.

### NOW HEAR THIS:

The new Port of Anchorage radio is on the air. Ship to shore radio station K8T-42, (repeating: K8T-42) is on the air providing radio service to all ships in Cook Inlet and the Gulf of Alaska. This is another modern service of the Port of Anchorage.

### NOW HEAR THIS:

Two steamship lines and two barge lines have added the Port of Anchorage as a regular Port of Call. These lines serve direct to Anchorage from Japan and the South Seas, and direct from Seattle, on regular and non-scheduled service. There will be more lines added next year.

REMEMBER — SHIP YOUR CARGO VIA THE PORT OF ANCHORAGE

THE ANCHORAGE PORT COMMISSION

City of Anchorage



LPR-5926

## Port Budget Is Decreased

31,000 Tons Of Cargo Basis For New Figure

A revised 1961 budget was presented to the Anchorage Port commissioners yesterday. The revision was downward and based on revenue from 31,000 tons of cargo being handled by the new port dock, instead of the 130,000 tons on which the original budget was based.

According to the revised budget, the port expects to make \$29,913 this year. Operating expenses were listed as \$198,873 and total revenue at \$224,786. Gross income per ton is figured at \$725.

According to Port Manager Henry Roloff, the port to date has handled approximately 13,000 tons of cargo, or one-tenth of the original estimate for 1961. Another 18,000 tons will have to cross over the dock by year's end to meet estimates of the revised budget.

However Roloff told the commissioners that this goal is in sight. He lists 13,500 tons for this month, including 9,000 tons of scrap metal, and 4,000 tons for October.

MARINE DIGEST - September 23, 1961, #4



## Well Stocked Barge Departs For Alaska

ASTORIA — Large bargeload of prefabricated houses was moored in Astoria's east end mooring basin over the weekend recently, waiting for favorable weather for crossing the Columbia River by the Foss 204, chartered by Pacific Western Lines, loaded with more than 36 units of the plus ten large house trailers, was on route to Alaska. Housing units are manufactured and loaded in Portland. Barge is towed by Patricia Foss.



## NEW ZEALAND BEEF MOVES ACROSS PORT DOCK

A crew of federal meat inspectors are shown checking more than 200 tons of frozen beef from New Zealand that arrived in Anchorage yesterday aboard the Danish ship Argentinean Reefer. The meat was unloaded and hauled into the Port of Anchorage terminal shed where it was inspected by the Department of Agriculture men, prior to being put on the market.

## FIRST DANISH VESSEL CALLS AT ANCHORAGE

The first Danish ship ever to call at Anchorage berthed yesterday. Thorlak is also making a cargo of frozen beef from New Zealand. She was the "M.S. Argentinean Reefer."

The vessel came to Alaska via Honolulu, which is also reported to be another first for Anchorage. It will return to New Zealand via Seattle, Vancouver, B.C., San Francisco, Los Angeles, and possibly Mexico.

Ship's officers report the only trouble on the long voyage from New Zealand occurred when the vessel was entering Cook Inlet. The ship was struck by high winds and heavy seas, and had a hard time getting the pilot aboard at Homer, it was reported.

First officer is Svend Thor-