

Approve Unloading Dynamite At Port

An emergency amendment to the city code by the City Council yesterday was to allow barge-to-dock unloading of 214 tons of dynamite at the Port of Anchorage today.

Meeting in special session, seven members of the council unanimously repealed a precautionary provision of the code which provided explosives must be unloaded 25 tons at a time from a vessel anchored in the "stream" out in Cook Inlet. The 25-ton loads in Cook Inlet would be lighter than the 214 tons of dynamite to be unloaded at the dock, the ordinance provided.

Discussion centered around whether port insurance of \$4 million would remain in force if the code was changed. Consensus was that unloading the cargo at the dock was no more dangerous than by 25-ton loads.

At the meeting with the council were City Attorney Richard Gantz, insurance agent Ed Dimock, Alaska Freight Lines officials, a U.S. Coast Guard representative, the City Port Commission and Port Director Henry Roloff.

The emergency action allows Alaska Freight Line to tie up at the city dock and load the dynamite, bound for local dealers, Railbelt mines, and a state road construction project near Cordova. Peter Rude, an official of the transport company, The barge was due to dock at about 2 p.m.

THE ROAD project is at a standstill, Rude said, due to lack of explosives. A plane has been standing by here since the barge arrived Monday to transport the dynamite to the site, he explained.

The change in the code was brought by the freight line due to danger of lighting the cargo in small craft through floe ice, Rude said.

Gantz told the council ordinarily it is interpreted that

an insurance policy includes provision of a city code in force at the time the policy is written.

TO CHANGE the code for a special case might be judged as intent to defraud, Gantz indicated.

"I cannot guarantee payment of the policy if the thing were to blow up," Gantz declared.

Dimock, agent for the port insurer, countered that he "would not be here unless that policy would pay off" in case of accident.

HE POINTED out that Alaska Freight had increased its liability insurance from \$500,000 to \$2 million for the operation, and that North Star Terminal and Stevedore Co. carried \$1.5 million in insurance. The two policies about equalled the port's, Dimock pointed out.

Questioned by the council, B. R. Hutchens, explosives loading supervisor for the 17th Coast Guard District, agreed

that "214 tons cannot do too much more damage than 25 tons," the dock being that close to other land installations.

The district commander had temporarily waived Coast Guard regulations limiting explosive handling to lighter 25-ton loads, Rude said. The regulation was based on the city's ordinance, he added.

PORT COMMISSION chairman Harold Strandberg and Roloff explained the port was willing to handle the dynamite.

More docks have been blown up by fertilizer than by dynamite, Strandberg asserted.

The cargo, from Bangor, Wash., will bring the port's

Milton II Is Being Towed Back To Port

Ice conditions in Cook Inlet have apparently proved too much for the Alaska Freight Lines icebreaker Milton II, a converted Navy rocket ship recently put into commission. The vessel, with a tow, was reported off Fire Island this morning, escorted by the Coast Guard icebreaker Storis.

The Storis is not reported to be having any exceptional difficulties, but the Milton has been in continuous trouble since Tuesday. The Milton is reported to have a barge tied alongside, further inhibiting its icebreaking capacities.

The barge is alongside because of a towing winch that broke Tuesday. Reports from Juneau Coast Guard headquarters today said both vessels were proceeding about two knots against the heavy ice floes.

The Milton is also reported

to have sustained ice damage to its propeller guard.

IN ADDITION the Milton was reported to have had radio trouble Tuesday and Wednesday and couldn't transmit its location to the Storis, which had to search for the civilian icebreaker.

The Milton was reported to have been found early yesterday near the Forelands, with its bow stuck on an ice cake.

The Coast Guard, which said currents off Fire Island forced both ships into Turnagain Arm last night, did not give an estimated arrival time at Anchorage.

Yesterday they said they expected to be in last night. There has been no notice of how much cargo is on the barge, but they normally carry about 500 tons of cargo.

It has been hoped by Alaska Freight Lines that they could supply Anchorage with at least one barge a week all winter by using the Milton II. There has been no comment on future plans for the new icebreaker, nor an estimate of the damage it has sustained.

Yule Chow Ice-Bound

Among the cargo being brought into Anchorage on the Alaska Freight Lines barge that has been trapped in Cook Inlet ice are the Christmas meals for all the U.S. Army troops in Alaska.

Army officials said today the barge was supposed to be in Anchorage Monday with the turkeys and other traditional holiday fares. However, a C124 aircraft is flying replacement food in from Seattle, and is due at Anchorage this evening.

The Freight Lines barge was being towed by the icebreaker Milton II, but has been taken over by the Coast Guard icebreaker Storis which was sent from Kodiak. The Milton and the barge were trapped by heavy ice near the Forelands on Tuesday.

Shell Oil Plans Tank Farm At Port

Approval of a port of Anchorage plat for a 50-acre industrial subdivision may result in submittal of a contract for the first private development on port land for City Council approval Tuesday.

The plat was approved by the city planning commission last night.

The contract, for 50-year lease of eight acres of the subdivision land, is being negotiated with Shell Oil Co., the port said. The firm plans a \$1.4 million, 329,000 barrel tank farm. Construction would start next spring.

The commission also will recommend to the council a priority of Department of Public Works Projects next year.

The 1962 and deferred priorities for streets and storm sewers total \$2,025,000 in construction, for which \$57,742 in funds are on hand.

Total sanitary sewer construction for which priorities were set would cost \$835,770, of which \$263,253 is on hand.

PRIORITIES for water utility construction total \$354,000 of which \$161,535 is available.

The recommendations will be submitted to the council for consideration.

The commission also decided to seek a meeting with the state Division of Highways to discuss alternate routes for the state's proposed \$30 million Anchorage freeway plan. The session is tentatively set for noon Monday in the Club 25.

A PROPOSAL by businessman George Marsh for zoning revision to allow higher density of apartment area to land space was referred to the planning department for study.

Approval was given for publication of the city's planning consultant's \$550 million 20-year capital improvements program for 1961 as part of the 1962 annual plan. A map of the plan also was approved for printing. Publication is expected Dec. 20.

Surcharge Eliminated

Anchorage Declared
Open Port By Group

A major step in negotiations to improve trade relations between Alaska and Japan has been taken by the Trans-Pacific Conference in Tokyo by declaring Anchorage an "open port," it was announced today by port authorities.

At the same time the "discriminatory" surcharge has been eliminated or reduced and minimum unloading limits erased.

The surcharge on heavy cargo has been completely eliminated. This includes cement, food, steel, pipe and fertilizer from Japan. The surcharge has been 30 per cent in the past. The bulk of the shipments from Japan to Anchorage have been heavy cargo in the past.

On sundry items which are measured by volume the surcharge is being reduced from 30 to 10 per cent.

"THE IMPACT of removing these restrictions will mean Alaskans can enjoy the same prices on major Japanese items as people living on the Pacific Coast," said George Grimes, president of Trans World Alaska Corp. He speculated that retail prices would drop on numerous goods from Japan.

Port Director Henry Roloff said that the minimum weight restriction, requiring at least 1,000 tons of cargo be unloaded by each Japanese ship at Anchorage, has been lifted. This invites Japanese ships to serve Anchorage anytime they have a payload aboard, he said.

Other ports in Alaska, however, must observe a minimum 500-ton limit, Roloff noted.

ALASKAN exports should follow the pattern established by the Trans-Pacific Conference, Grimes said, since the

Pacific Westbound Conference is comprised of most of the same 26 shipping companies. The surcharge has been fought vigorously by Alaskans, especially when Japanese ships with cargo marked for Anchorage unloaded in Seattle to avoid paying. Sen. Ernest Gruening, D-Alaska, brought the problem before a Senate subcommittee last July, calling it discriminatory and intolerable.

In August, the Trans-Pacific Conference reduced the surcharge from 30 to 20 per cent, and then temporarily suspended it. However, Japanese shippers continued to levy the surcharge on Alaskan ports.

Grimes called the surcharge arbitrary, and said it was not understood why the surcharge was levied in the first place. The original reason given by the conference was the higher costs of stevedoring, wharfage and handling in Alaska. He noted, however, that the rates in Anchorage are about equal to other West Coast ports.

Cutter Will Break Ice

Two Alaska Freight Lines tugs, the Michael and the Patrick, are due to be escorted through Cook Inlet ice from the Forelands to Anchorage Friday by the Coast Guard cutter, Sedge, from Cordova, Henry Roloff, port of Anchorage director, said today.

The Sedge is not equipped as an ice breaker, but is expected the vessel will be able to clear a path through the ice for the tugs, each towing a barge. The Sedge is about 100 feet shorter than the 230 foot Storis, the Coast Guard icebreaker that recently left Cook Inlet.

Roloff said the request for Coast Guard assistance came from Alaska Freight Lines officials to his office as part of the new Coast Guard program of designating the port of Anchorage its agent for Cook Inlet. "Two hours from the time of the request an approval for the Sedge to move to Anchorage was secured from Coast Guard headquarters in Juneau," Roloff said.

Storis To Aid Barges

Plan Beach Landing
In Area Near Tyonek

JUNEAU (AP) — The Coast Guard cutter Storis has arrived at Anchor Point to help two power barges make their way through the ice of Cook Inlet to a beach landing area near Tyonek, the Coast Guard said today.

The two barges, the Chilkoat and the Pacific, are loaded with heavy oil drilling equipment for the Superior Oil Co. They have been in the inlet for about six weeks. The barges requested aid, informing the Coast Guard that both were experiencing rudder trouble due to heavy ice. They said, however, that they would have repairs made by the time the Storis arrived.

When the Storis reached Anchor Point at 2 a.m., however, the barges still had not effected repairs.

Headquarters of the 17th Coast Guard District said the Storis would break a path for the barges to Tyonek and then return to her home base at Kodiak.

Port Budget Is Announced

Operations Based On
85,000 Cargo Tons

Port of Anchorage officials have informed the City Council that next year's port budget will be based on income from an expected 85,000 tons of cargo across the port dock.

It is expected that this will bring in a gross profit of \$428,930, it was said. Officials say they expect this figure because the port will be operating all year, beginning Jan. 1, and also because of normal growth in Anchorage port business.

This year's revised budget was figured for 31,000 tons. A net profit of more than \$30,000 is expected from this, it has been said.

Originally it was expected the port would move 130,000 tons, beginning from the time the new dock was put in operation April 14. This figure was revised downward in September.

HOWEVER, THE port did extra business late in the year and a total of 37,400 tons has been moved to date. This is from approximately 200 vessels, including ships, tugs and barges, that have used the new dock.

Higher tonnages for next year are expected to come from Northland Freight Lines, which will use the port dock. The line has already made plans to step up its service to Anchorage, port officials said.

Increases in Japanese shipping, military shipping and movement of oil drilling equipment are also all expected to play a major part in the proposed 85,000 tons of cargo for 1962, it was said today.

IN ADDITION it has been speculated that the Coast Guard will provide an icebreaker, stationed in Cook Inlet, next winter. At present the Storis, the Coast Guard ship working the inlet is based in Kodiak, and only makes intermittent trips to Anchorage.



ICEBREAKERS BUCKING ICECAKES IN INLET

The Coast Guard icebreaker Storis in the lead, is shown escorting the Alaska Freight Lines icebreaker Milton II up Cook Inlet to Anchorage. In this picture taken yesterday near Fire Island, the Milton II is towing its barge, which it picked up last weekend near the Forelands. The icebreaker was reported to have towed the barge tied alongside at one time among the 800 tons of cargo on the barge was 15 tons of Christmas food for military personnel in Alaska. (U.S. Army Photo)

WATER FREIGHT RATES SAID DISCRIMINATORY

JUNEAU (AP) — The Trans-Pacific Freight Conference (TPFC) of Japan has filed tariffs with the Federal Maritime Commission which still discriminates against Alaska, Sen. E. L. Bartlett, D-Alaska, said today.

In a wire from Washington, Bartlett noted the conference said in August the practice of charging rates for Alaska 30 per cent over those charged for other Pacific coast states would be postponed indefinitely.

In new tariffs filed with the commission, however, the TPFC has pegged general rates for Alaska 10 per cent above those charged elsewhere on the Pacific coast.

Anchorage was placed on a par with Pacific local rates on some items, including cement, fertilizer, iron and steel, pipes and wire. BARTLETT said Gov. Wil-

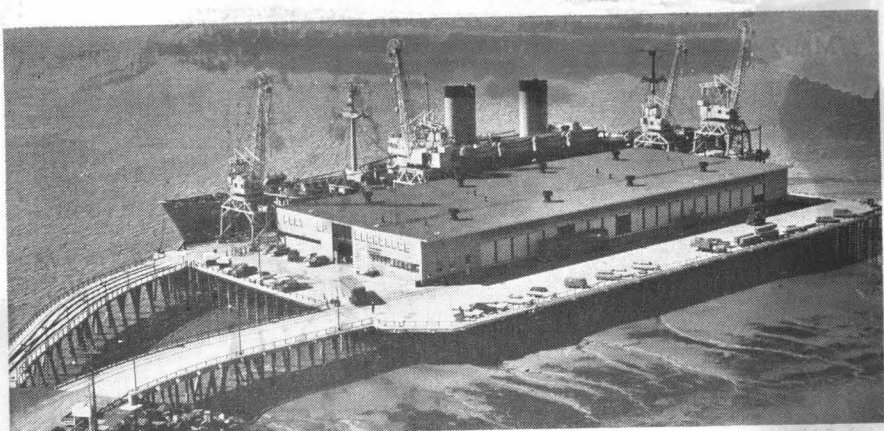
Icebreakers Now In Port

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its bow on a large ice cake and the Storis had to pull it off stern first, it was said. Then using the Storis as an escort, the two icebreakers bucked tides and ice from Thursday morning until yesterday afternoon to reach port. At one time they were reported making only two knots, and tidal action had forced them several miles up Turnagain Arm, off Fire Island.

AT ANOTHER time the vessels were said to have lost ten miles due to the tide.

Both the icebreakers and the barge were berthed at the port of Anchorage where local stevedores unloaded the



Icebreakers Sought For Port of Anchorage

ANCHORAGE — There has been considerable action lately in making Anchorage a useful port the year round, by using ice breaking vessels during the cold part of the year. Pictured here is Anchorage's port, Alaska's newest and most modern seaport, an \$8.2 million installation. The terminal took more than three years to build and is equipped with four modern level lifting gantry cranes of high lift capacity. The development of the port represents the first major seaport development in Alaska in more than 20 years. The ship pictured at dockside is the USS General Mann, a Navy transport which was the first major ship to use the new facility. As announced in last week's Marine Digest, Alaska Freight Lines has announced plans to provide icebreaker service to Anchorage during the winter months.

NEW ICEBREAKER DUE IN COOK INLET TODAY

The Alaska Freight Lines icebreaker, Milton II, is due in Anchorage today, it was reported by company officials. The vessel, a converted Navy rocket ship is arriving from Seattle, and will be here to keep Cook Inlet open for the rest of the winter.

The ship, 207 feet long, is rated at 3600 horsepower, by the propellers, according to Peter Rude of Alaska Freight Lines. It is also specially reinforced to cope with ice, he said.

Two tugs belonging to the company are now en route to Seattle after leaving barges in

Cook Inlet, Rude said. The Michael, which brought two barges up from the Forelands left this morning. Rude said the Patrick, which did not come above the Forelands, left for Seattle last night.

Rude denied reports that the Patrick had engine trouble in the inlet. It was reported yesterday that this was the reason the second tug did not come to Anchorage. The Michael was used on both trips above the Forelands to allow the Patrick to return to Seattle earlier, Rude said.

The tugs were escorted by the Coast Guard buoy tender Sedge from Cordova. The Sedge was reported to have had difficulty in the inlet and at one point began to drift into Turnagain Arm, while trying to get to Anchorage.

However, Rude said there has been no serious trouble in the winter operations in the inlet, and with the new icebreaker, there should be none at all.

Tonnage Up At City Port

Port of Anchorage officials today said the new \$8 million dock has handled 36,400 tons of cargo since it was opened last spring. This puts them 5,000 tons ahead of the proposed 31,000 tons used as a budget figure for this year.

Originally it was hoped the port would handle 130,000 tons this year, but the figure and budget were revised downward in September. The extra tonnage, with more expected, will give the port a profit above the budget figures, port officials said.

Gross income to the port is figured at \$725 per ton handled. At the 31,000 ton figure the port commissioners figured on a \$25,913 profit this year.

Dropped Decimal Changed Figures On Port Funds

A dropped decimal point in yesterday's Anchorage Daily Times story regarding the port of Anchorage tended to make the port the most successful business in this area.

A figure of \$725 per ton as gross earnings for the port should have read \$7.25. So instead of realizing more than \$22 million on the 31,000 ton budget figure for this year, the port will have to settle for a lesser amount. However, today port officials stated they are now figuring on a profit of about \$35,000 for the first year's operation.