

Freight business will eclipse fishing, tourism, Tillion says

Fishing and tourism will continue as important elements in the local economy, but freight is the future, Clem Tillion said in a speech here Monday.

He advised caution when using the present to predict the future; vision is necessary as well.

Tourism and fishing are both viable industries, Mr. Tillion told the Chamber of Commerce. But in the search for tourists, don't sacrifice quality of life for year around residents, he advised. And, he said, don't cripple successful fishermen by catering to the needs of those who can't make the fishery pay.

"Pay attention to what the highliners say," Mr. Tillion said, "the ones who aren't whining."

Low interest loans and other subsidies make it harder for the successful fishermen, while making it easier for those who don't have the know-how or the good fortune, he said. "The public has to eat it in the end," Mr. Tillion said.

In similar manner, he said tourism has an important place in the local economy, but should not be allowed to supplant the contributions and rob the pleasures from full time residents. "Your full time residents are worth a lot," he said.

Mr. Tillion suggested targeting tourist promotion at visitors who fly here, rather than drive here. That's where the money is, he said.

"Those are the people who come to Homer for an aesthetic tour, then hit the Homer Spit, with 500 campers and overflowing dumpsters."

Mr. Tillion touched on a number of familiar themes



Clem Tillion

during his speech, including the fact that he is not running for governor. He said he is backing George Sullivan for the job, "because I know what he can do."

The former president of the state legislature, trade negotiator, and world fisheries emissary of the Hammond administration, said Gov. Bill Sheffield "never meant to be a bad governor. He just doesn't know how to be a good one."

Mr. Sheffield had limited government experience before his election in 1982 and had never even sat on a city council, Mr. Tillion observed. "He just bought himself the governorship as a sort of retirement present."

Homer is not a prime location for a freight depot, Mr. Tillion said, but it could function as one. It needs a dock capable of handling a "line ship" such as those owned by Sealand or American President Lines.

Barge traffic, for all its recent increase, is not the key to a clean and healthy freight industry, he said, urging people not to settle for a barge dock. "Foss and Northland love you, but the people are being skewered."

He used bottom fish as a familiar example. If the pro-

cessed product must be trucked to Anchorage to be loaded on ship or plane for market, the cost would make it unattractive to unload fish in Homer at all. But, if Homer had a dock suited to ocean freighters, those ships could stop here on their way to or from Anchorage. By deducting the trucking costs, it would be feasible to off load and process bottomfish here, he said.

That day, Mr. Tillion said, will spell the end of the barge business. "Tugs and tows can't compete with a line ship," he said.

By his analysis, line ship service to Homer could replace all the freight now shipped to Anchorage and trucked to the Central and Southern Kenai Peninsula. That trucking adds 45-48 percent to the cost of shipping goods from the Lower 48, he said.

With that in mind, Mr. Tillion advised the city to reserve its new 30-acre port staging area for freight. "You'll need every square inch of that and more," he said.

By contrast, he predicted that Seward's port will never be more than a terminal for coal or grain. And for that matter, he said it would make more economic sense to process Alaska grain in state, rather than for export. The product: alcohol, in beverage form or for medicinal purposes.

The area fishing industry is a long ways from dead, but is being threatened by laissez faire capitalism, said Mr. Tillion. Open entry in the fisheries spurs over harvesting, he said, predicting that fate for black cod stocks.

The Japanese system works better, he said, and might serve as a kind of

model for a share quota limit in the halibut fishery. The Japanese spread their U.S. waters fishing allocation among several firms, he said. Each knows what their share will be, and can harvest by whatever schedule best suits the market.

With open entry halibut fishing, he said, the market is swamped by the few open-

ings, fresh fish is scarce most of the year, and the cost of storing fish drops the price paid to fishermen and raises the price paid by consumers.



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Terje Sorensen, relief captain, poses Thursday on the aft deck of the 619-foot luxury liner Sagafjord.

Welcome to port, captain

Luxury liner pulls into Anchorage on first of seven trips

By HAL BERNTON
Daily News business reporter

One of the world's most luxurious cruise ships — the 619-foot long Sagafjord — pulled into the Port of Anchorage on Thursday for a brief, end-of-the-line stop on a 10-day cruise up the Inside Passage from Vancouver, B.C.

The ship was welcomed on its inaugural visit to Anchorage by the local visitors bureau's chorus line of dancing critters and Mayor Tony Knowles, who hosted a brief on-board reception.

As 500 passengers, most of whom are returning home via jet, departed from the ship, crew members treated Anchorage visitors to a series of tours through a spacious ballroom, elegant dining room and on-deck health spa.

But the ship's captain was absent from the festivities. Magnar Berntzen was flown from Valdez to an Anchorage hospital Sunday after suffering severe nose bleeds, crew members said.

Standing in for Berntzen was the ship's second in command, Terje Sorensen, who dressed in an immaculate white uniform and white shoes blemished by only the faintest of scuffs.

Sorensen, a Norwegian who began his maritime career 23

years ago as a deckhand in the merchant marine, said six more round-trip cruises are planned from Vancouver to Anchorage aboard the Sagafjord during the next five months.

In years past, several cruise lines occasionally have stopped in Anchorage but never on a regular basis, said Tom Brennan, a spokesman for the Anchorage Convention and Visitor Center.

The ship's passengers are expected to lend a boost to gift shops and restaurants, especially those downtown.

Sorensen said the Sagafjord is one of two ships honored by Fieldings Worldwide Guide to Cruises with a five-star-plus rating.

During the fall, winter and early spring, the boat normally embarks on round-the-world, South American and West Indies cruises, he said.

For the past five seasons, the Sagafjord has offered round-trip summer cruises between Vancouver and Valdez.

This year Cunard Lines, the New York-based company that owns the Sagafjord, decided to extend the trip north to Anchorage.

But it wasn't Anchorage's lure

as a major Alaska tourist attraction that prompted the ship to cruise farther north this season, Sorensen said. Rather, it was a change in Cunard's marketing strategies.

This year the Sagafjord is breaking its North Pacific tour into two segments, one north to Alaska and another south to Vancouver.

To break the tour into two parts, the north-bound tour needed to end at a port like Anchorage, with an airport that handles flights from international airlines, Sorensen said.

The Cunard was scheduled to depart Anchorage on Thursday evening with about 450 new passengers and 50 holdovers, Sorensen said.

Among those leaving were Paul and Maribel Stambaugh, who first boarded the vessel 33 days ago in Fort Lauderdale, Fla.

Maribel said the skies were rather bleak during the first five days out of Vancouver and then cleared to reveal "breathtaking scenery."

The cost of the 10-day Vancouver-to-Anchorage cruise was not listed in the company's brochure. However, the cost of a similar 14-day cruise ranged between \$4,020 and \$11,490, depending on the suite booked.