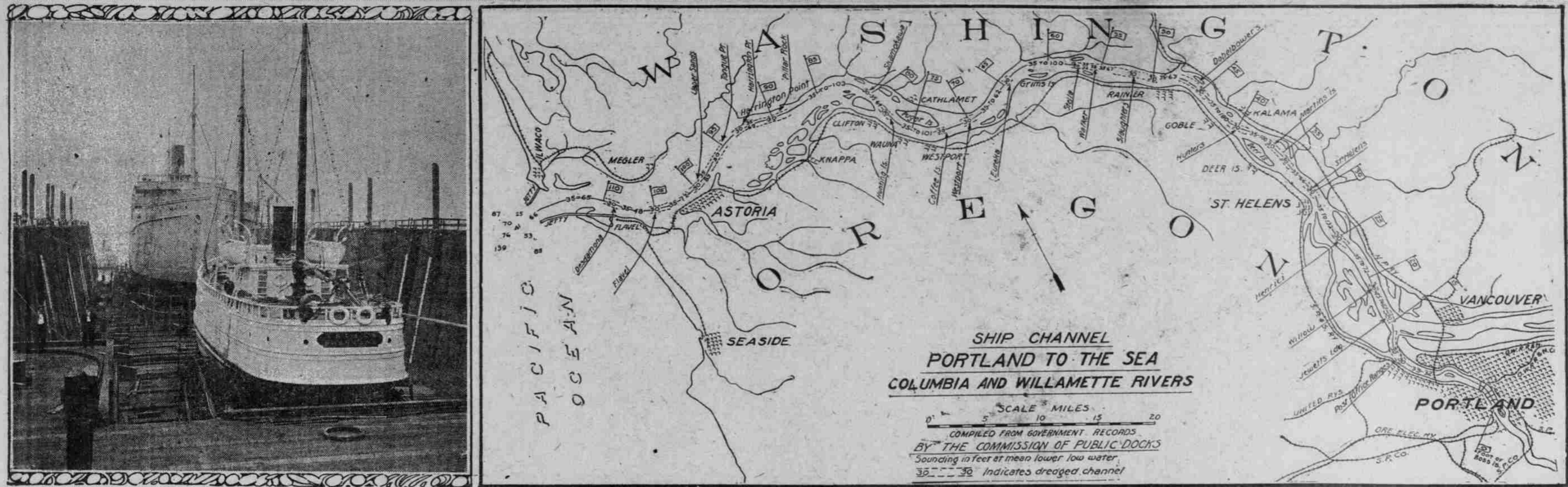


# PORT OF PORTLAND ACTIVITIES EXTEND TO DEVELOPMENT OF SHIPPING LINES

## Commission Has Authority to Invest \$15,000,000 in Ocean and Inland Systems and \$3,000,000 as Bonuses—Community-Owned Company With Numerous Stockholders Is Urged as Means to Solve Problems



Vessels on Port Drydock

**By M. H. Houser, Chairman Port of Portland Commission.**

**T**HE functions and activities of the Port of Portland Commission in the past have been confined more particularly to the physical accommodation of shipping—the matter of towage and providing a water way for Portland shipping, working in conjunction with the United States engineers. As a result of this joint effort the channel between Portland and the sea has certainly been improved tenfold, having been increased from a depth in many places of 12 feet to a depth of 28 to 30 feet and the bar at the mouth of the Columbia river from 19 to 42 feet, or a depth that is equal and superior to the foremost and leading harbors of the world.

On the completion of the north jetty, with the assistance of the dredge "Chinook," there was an unusual improvement to the bar and the conditions there are continually growing better. It would seem with the wonderful improvements made that the work and activities of the commission in that direction were practically finished. This no doubt would be true were it not for the fact that the size and draft of the world's ships have increased to a considerable extent in the meantime. Therefore today, the entire commission is of one mind, namely, that the channel between Portland and the sea should be materially increased in both depth and width to accommodate the larger ships in the world's commerce.



Dredge Willamette at North Portland Harbor

Portland Built Steel Steamer in Harbor

Photo Ang-Tus Studio

We have all read Colonel Slattery's remarks on his report to the board of United States engineers, recommending a 30-foot channel, 500 feet in width. This is a step in the right direction, but should by no means be final. It is the aim and ambition of the entire commission that when the 300-foot channel is obtained, we must continue to work for the 35-foot channel for at least a width of 100 feet, as we feel that with a 35-foot channel, regardless of the usual shoaling due to the spring freshets, we will at all times have at least 32 to 33 feet, and we feel that with the assurance of this depth we can always accommodate steamers drawing 30 to 31.8 feet and thus accommodate practically all shipping of the world's commerce with a very few if any exceptions.

**Commission Will Aid.**

To assist in bringing about these conditions it is the aim of the commission to improve the Willamette on its own account from Portland to its confluence with the Columbia, along similar lines and then, if need be, it is prepared to assist and cooperate with the United States engineers on the Columbia.

In addition to the river improvement work mentioned, the port is

having ample water depth for eight months of the year and in the days of the "tramp," present conditions served well enough, but as the commission forecasts the future shipping, it is going to go more and more toward established lines and it is needless to say that the channel and harbor conditions must be uniformly good for the entire 12 months in order to accommodate this class of shipping.

During the past years the port inaugurated a plan of co-operation with the United States engineers, which is now in operation—of massing both the government and the port's dredges when necessary promptly to reduce shoals. The combined capacities of these plants is really enormous, being about 90,000 cubic yards in an ordinary working day. To state this in another way, this fleet of dredges is able to remove a shoal of five feet—300 feet wide and 1700 feet long—in a single day, or nearly two miles per week.

If we can readily be seen and understood that a 300-foot channel of 30-foot depth at the time of dredging seems reasonable, practical and well founded, for, on following the channel map from Portland to the sea, it is apparent that three-fourths of the distance of the channel already has a depth of 33 feet and over, leaving only one-fourth of the distance requiring substantial improvement.

In addition to the river improvement work mentioned, the port is

continuing the towage service between Portland and the sea, carrying of pilots to and from vessels outside of the river entrance and this work will be continued and added to as the requirements call for it.

I have also operated a 10,000-ton dry-dock at Portland for the past 15 years. The vessels requiring dry-dock facilities have been promptly taken care of. During the past year there has been some congestion, due to a large number of new vessels that were constructed in the Portland yards before delivery. This work for the time being is practically finished, thus making facilities ample for present needs. The construction of another drydock by the dock commission will undoubtedly take care of future drydock needs for some time to come.

**New Era at Hand.**

We have come to what might be termed a new era in port work. The Port of Portland and the city, through the dock commission, have expended millions in equipment and the creation of shipping facilities. Notwithstanding the work done and the money expended, we are confronted with almost an entire absence of shipping. On the completion of ships which have been constructed on the Willamette and Columbia rivers, they have been forwarded with cargoes to the Atlantic and distant seas; and,

with the exception of four or five, which have been allocated on a rather indifferent oriental service, it will be some time at least before they are again seen in our harbor.

Therefore, it becomes necessary and imperative that the citizens of Portland meet this situation in the same spirit as they met our government's call in the war and liberty loan, as the needs of our local shipping conditions are almost, if not quite, as serious as those of our country at the time we entered the war, and unless we, ourselves, or someone, makes use of the facilities already created and which have cost millions, the money will have been expended in vain. If not dissipated, it would seem folly to continue these expenditures unless something is done to make use of them, for if we depend entirely upon others, we will have to await such time as ships again are seeking the cargo. In the meantime we will continue to lose our prestige by the diversion of shipments to and through other ports which will be doubly hard to regain.

Legislation during the past two years has authorized the Port of Portland to undertake large activities in building up of our shipping. The Port of Portland is authorized, if need be, to invest \$15,000,000 in ocean and inland water lines. It has also been authorized to expend up to \$3,000,000 in bonuses and guarantees of certain kinds to encourage and assist in the establishment and maintenance of shipping lines. Al-

ready \$1,000,000 has been voted for this purpose.

A well organized and equipped steamship line, adequately financed, could be successful here as well as elsewhere. Conditions for progress and activity in this line have been the owner at something like \$108 per ton dead weight. This by no means could or should be taken as a market value of ships; but, at the same time, it points out clearly a possibility, if not a probability.

**Allocation Is Solution.**

Therefore for the present emergency, as stated, and until the policies and world values of shipping are reasonably established, and on a more stable basis, with the formation of a local company, as stated, (say having, thousands of shareholders representing the entire community) we should be in position to go to the shipping board for a proper and reasonable allocation of ships, either by chartering outright on dead weight, or allocation for operation as is now being done, with enough ships to establish and maintain a reasonable service to various parts of the world on which we could demonstrate beyond a reasonable degree of success and fair returns.

Development in this particular line has been considerably interfered with on account of the shipping board's rate on our wheat and flour products, reflecting the \$2.10 guar-

anteed price, which is based on a \$5 freight rate from here to the Atlantic. This condition will soon terminate during the coming May or June. It then becomes necessary for the forwarding of our various products, including wheat, flour, lumber, fruits, etc., that there should be established in the meantime ample shipping facilities.

Unless these are provided, we will have to depend on railroad service across the continent that almost completely broke down during '18 and '19 when called upon to move this unusual amount of freight, resulting in almost complete stagnation of the lumber and other industries and, in many instances, reducing the price of wheat to the grower from 19 to 15 cents per bushel on account of this congestion. This same ratio undoubtedly held good in all farm products and manufactured articles.

Therefore, the matter of maintaining ample shipping facilities in as vital to the grain, fruit and livestock grower, as it is to the manufacturer and merchant. In fact, in one way or another, transportation stagnation will paralyze to some degree the industries of the entire northwest.

**Extreme Care Necessary.**

As pointed out, extreme care must be exercised to avoid the purchase of an undue amount of ships until we have some assurance as to just what is a fair and staple price. I wish further to point out the danger of guaranteeing and bonuses to various foreign lines that are asking and exacting high freight rates.

The world's commerce for the preceding 20 years before the commencement of the great war had increased by leaps and bounds, largely on account of the cheaper and more reasonable freight rates. Therefore if the Port of Portland should commit itself to a policy of guaranteeing bonuses to the various lines that are asking or exacting unreasonable freight rates, we would only be lending our resources towards perpetuating a condition that will sooner or later stifle the world's commerce, as it is beyond economic conception how we can again continue and increase the world's commerce at four and five times the pre-war freight rates.

Today, at least, many of these problems are beyond the layman. In the meantime, as stated before, to meet the emergency and the necessity for ships, something must be done. The commission feels that with the creation of a local organization, having the support of the entire community, by using due precaution in its activities, under an experienced operator, it can consistently commit itself to the early or pioneering stages, a bonus or guarantee to the stockholders of an amount that would preclude the possibility of any financial loss. With this co-operation there should be no hesitancy in subscribing the amount needed towards solving our shipping problems.

# PORTLAND'S FOREIGN TRADE GROWS BY LEAPS AND BOUNDS DURING YEAR 1919

## Figures Given Out by Chamber of Commerce Department Discloses Rapid Development and Prediction Made Is That by Next June City's Export Business Will Have Reached Total of From \$60,000,000 to \$75,000,000

**F**OREIGN trade is to a struggling port what blood transfusion is to the invalid. Under ordinary circumstances the port might loiter along in commercial convalescence for an indefinite period, ere the needs of the world actually forced its acceptance of an export business. But given foreign trade as an immediate tonic and the port perks up with alacrity.

From the end of 1914 until the opening of 1919, through conditions brought about by the war, the foreign trade business of Portland, both export and import, dropped to a minimum that was represented by zero. How the port has regained its feet, and is doing a larger export business than ever, with still wider fields ahead, is the narrative of E. N. Weinbaum, foreign trade secretary of the Portland Chamber of Commerce.

At the close of the present fiscal year, in June, 1920, Secretary Weinbaum confidently predicts that Portland's export business will have reached the healthy total of \$60,000,000 to \$75,000,000, possibly more. And this is the leap that the port's foreign trade has taken since the war dogs raged to grumble.

Indicative of the perilous situation in which Portland's foreign trade prospects were placed during

the war, are the figures of the port's foreign trade exports for the years embracing the period of world conflict. For the fiscal year ending June 30, 1915, the exports of the local port were \$20,406,296. By June 30, 1918, they had fallen to \$10,534,291. During the ensuing year they dropped even more alarmingly, and in June, 1919, reached the low water mark of \$4,190,625.

**Reaction Sets In.**

The upward reaction then set in, and at the end of the 1918 fiscal year foreign exports had recovered to \$10,205,445. In June, 1919, the report of exports aggregated by Portland firms was \$20,513,518—and the cond to command health was fairly blazed across the sea lanes. The export business of the present fiscal year, predicts Secretary Weinbaum, will practically double that of the past.

"At the end of 1914 until the beginning of this year," said Mr. Weinbaum, in review, "our foreign trade had fallen off to such an extent that we were ashamed of it. At the opening of the war we had been negotiating with big steamship lines, but the contracts were cancelled, these details without consummation, and during the war period Portland was a port without shipping. Save for the lumber and wheat that we exported to

the allies, foreign trade was dead as the proverbial door nail, and we have the trade now fairly established and flourishing—to banish the ghost of overproduction by broadening the market. Invading other fields with our canned goods, our fruits, lumber, wool, dairy products, salmon and manufactured articles we not only insure a fair and profitable price to the producer, but we maintain industries at a working strength that would be impossible under mere domestic trade relations.

**Exchange Mutually Beneficial.**

"In return for this foreign trade we receive the goods of the world—groceries and products that are needed here during the opposite seasons—that in the seasons when our crops are not growing, when our products have

fallen off and when the antipodes, the orient, South America or Australia are producing what we need.

"In our files, from abattoir to zinc dust, and from Abyssinia to Jugoslavia, we have lists of all foreign manufacturers and local, and of all the trade markets in co-operation with the province of the federal bureau of the Chamber of Commerce to place prospective importers or exporters in touch with these markets as they appear.

"When we discover a market we notify our manufacturers who are concerned in the product needed, and place them in touch with the foreign purchaser. Our office is a co-operative branch of the federal bureau of foreign and domestic commerce, and we render to our members the identical service that this important bureau renders in Washington.

"Through close attention and co-operation our foreign trade has grown since the war to such an extent that our percentage of gain exceeds that of any other Pacific coast port—and the industries that contribute to it do not yet exceed them in tonnage or aggregate value, but the records show that we are growing at a more lusty pace.

"Over 100 Portland firms are now engaged in the export and import trade from the Port of Portland. We have every reason conservatively to estimate that the growth of this trade has brought about an increase of at least 50 per cent in the number of employees engaged by these firms and the industries that contribute to them, while it has assured steady and profitable prices to the original producer of the raw material.

**Portland Ships Used.**

"At present the greater part of our foreign trade is taken care of in transit by tramp steamer service, the vessels being chartered by individual Portland firms. These ships, laden with Portland and northwestern products, raw and manufactured, reach every port in the world—from the far east to the near east.

"In return for established service we have the Columbia-Pacific Shipping company, which dispatches vessels regularly to the United Kingdom and

most modern port facilities—as we have—that we have no port congestion, nor would have even if we took rank as one of the first ports of the world; and that we can guarantee dispatch in transshipment by reason of the fact that we are the terminus of transcontinental rail lines.

**Trade Representatives Aid.**

"Another factor in the building up of the port is the sending of trade representatives to foreign countries by local exporters and importers. Several of our larger firms already have taken this step with excellent results, and more should follow their lead.

With trade representatives in the orient, in Europe, and in South and Central America, local exporters and manufacturers could be placed immediately in touch with markets and, through the use of the cable, could give prompt service.

"And when these markets are found again and again, when a just proportion of the trade of the world turns to Portland, then foreign steamship lines will begin to see the advantage of establishing regular service to this port and will so establish them. Portland harbor will hold a score of ships where it holds one today, a score or more. There is no limit to the possibilities and the future of Portland, if the eastern importers ask why Portland should be given preference over San Francisco or Seattle, tell them that we have the

STEAMSHIP LINES WHICH HANDLE PORTLAND'S FOREIGN TRADE.

Destination.	Line.	Dock.
Kobe.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Yokohama.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Manila.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Manila.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Shanghai.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Hongkong.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Singapore.	Pacific Steamship Co.	St. Johns (Portland) Terminal
Marseilles.	Societe Generale de Trans.	Fifteenth-St. (Portland) Terminal
Genoa.	Sports Maritimees Vapeur.	Fifteenth-St. (Portland) Terminal
West Indies, Sports Maritimees Vapeur.	Fifteenth-St. (Portland) Terminal	
London.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Liverpool.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Bordeaux.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Havre.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Antwerp.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Amsterdam.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Rotterdam.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Copenhagen.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Gothenburg.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal
Christiania.	Williams, Dimond & Co.	Fifteenth-St. (Portland) Terminal