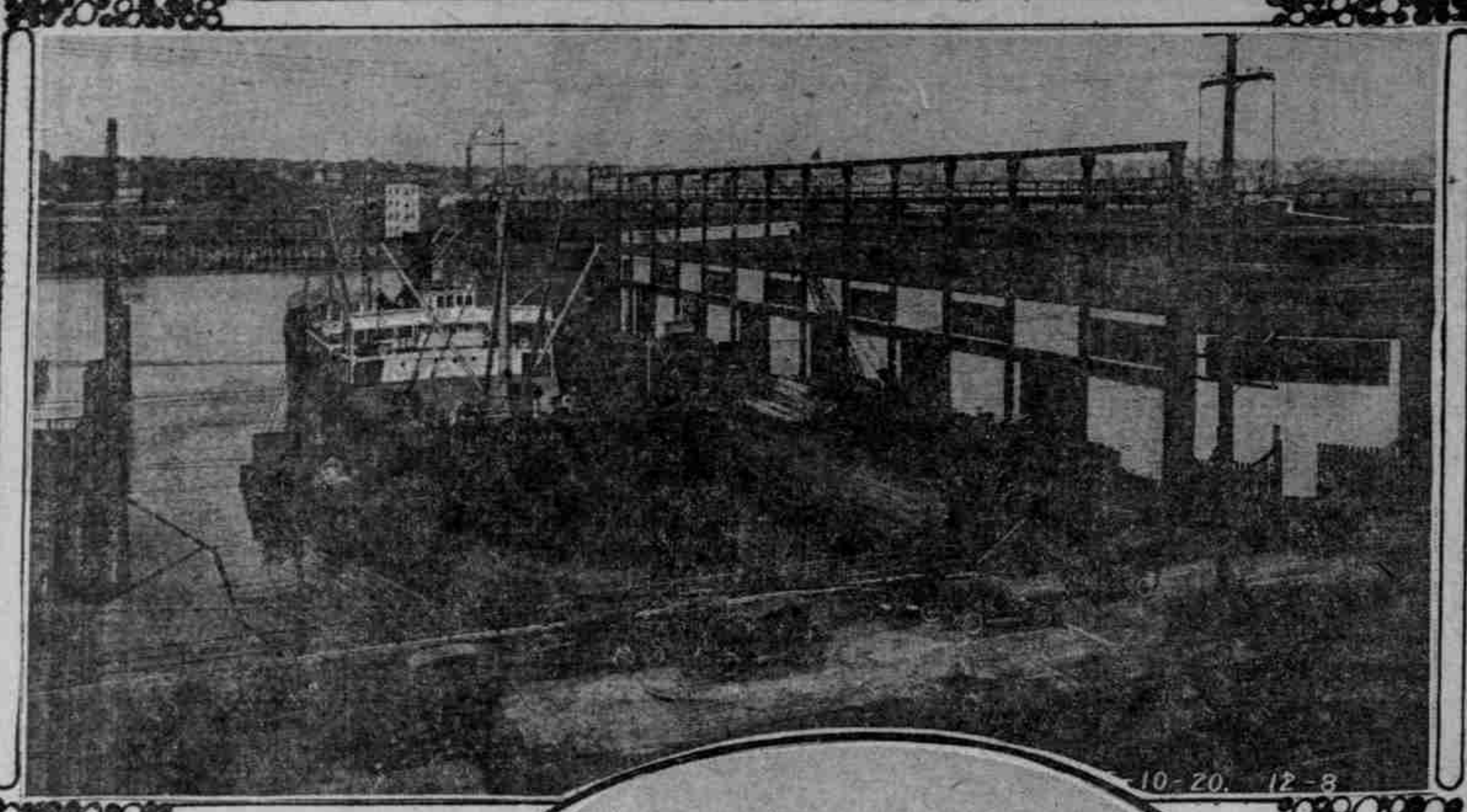
FOURTEEN STEAMSHIP LINES SERVE PORT OF PORTLAND

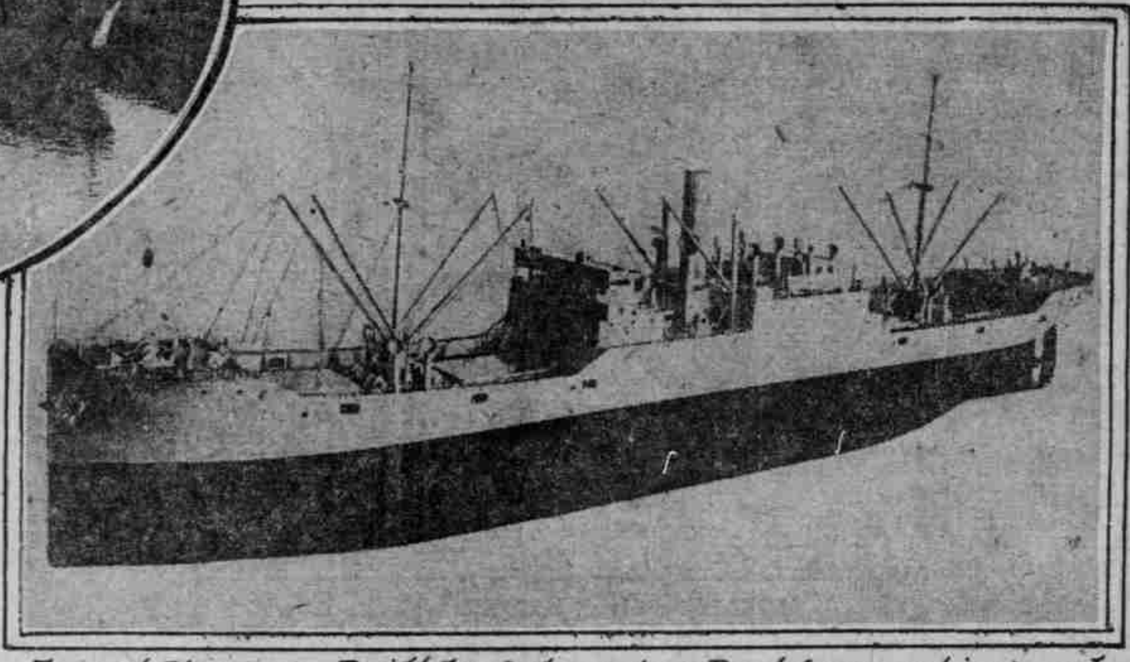
Eleven New Trans-Ocean or Intercoastal Lines Enter Field in 1920, Operating Directly From Portland or Including This City as Port of Call—More Ships Are Coming in 1921



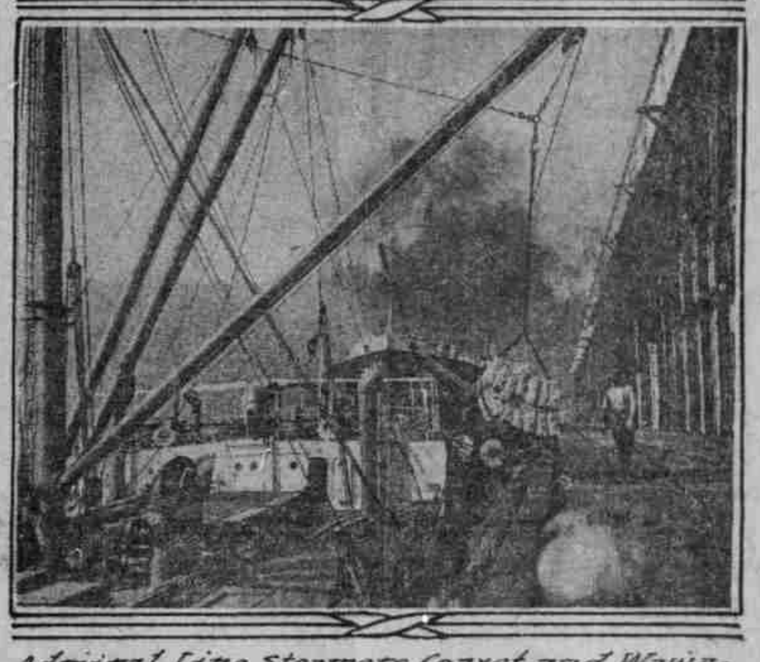
Loading Steamer West Katan, North China Line, at Terminal No. 1

Isthmian Line Steamer Steelmaker Working Cargo by Use of Electric Tractor, Terminal No. 1. Photo A. G. Prentiss

Four Steamers of Admiral Line, Trans-Pacific Fleet in Slip at Terminal No. 4.



Type of Steamers Built by Submarine Boat Corporation and Operating in Trans-Marine Corporation's Intercoastal Service.



Admiral Line Steamers Coaxet and Wawalona Loading at Terminal No. 4.

By Fred M. White.

IN NO way is the growth and expansion of Portland's water-borne commerce in the past year more clearly reflected than in the establishment of new steamship lines operating directly from this port, or including Portland as a port of call. Where a year ago only three steamship lines served Portland with regular sailings to off-shore ports, 14 such lines now include this city regularly in their itineraries.

At the dawn of 1920, the Admiral line, with a fleet of four shipping board freighters, was maintaining monthly sailings to Yokohama, Kobe, Shanghai, Hongkong and Manila, the European-Pacific line, also using government-owned vessels, was taking parcel shipments to ports of Europe, principally England, and the Societe Generale de Transports Maritimes a Vapeur was loading a steamer here about every three months for Marseilles and Genoa. For the rest of Portland's overseas commerce, new emergency fleet steamers allocated to the food administration were carrying flour to New York for orders, occasional tramp steamers were taking full cargoes of lumber to China and Japan and occasional sailing vessels were carrying lumber cargoes to Australia and South Africa.

Then the Columbia-Pacific Shipping company, organized and directed by local men and backed principally by Portland money, was reorganized, enlarged its scope, increased its capitalization and embarked upon a career as a real steamship company. With five steamers permanently assigned by the shipping board, this company started pioneering in the north China territory, a rich field, commercially, with which Portland had no steamship connections. Operating directly from Portland to Yokohama and Kobe, Shanghai, Tsingtao, Tientsin, Taku Bar and Darien, the new north China line did a thriving business from the start. Recently the line has been commissioned to carry mail.

This was the open season for new steamship lines and operating companies were being organized overnight, only to be disorganized as quickly. A poor day for the marine reporters was one which did not bring forth a new steamship line, or at least the assurance of such a line. Out of this chaos, however, appeared several lines backed by real capital, headed by real shipping men and operating real steamships.

Pre-War Service Resumed.

Steamship communication between Portland and the Atlantic coast, which was entirely cut off during the war by the diversion to transport service of the American-Hawaiian fleet, was first resumed by the European-Pacific line, which routed its vessels by way of New York on the return trip from Europe. This line, however, as at present, carried coast-to-coast freight on the westbound trip only.

The first direct intercoastal service was established by the Isthmian line, operating with a fleet of steamers ranging from 10,000 to 12,000 tons deadweight capacity. These vessels are owned by the United States Steel Products company and operated by Norton, Lilly & Co.

Alternate sailings from Portland to New York and the United Kingdom were provided by this line, all of the vessels of that fleet bringing steel and general freight from New York to Portland on the westward trip.

The North Atlantic & Western Steamship company followed with an exclusive intercoastal line, operating from Philadelphia and Boston on the Atlantic side and San Pedro, San Francisco, Portland and Puget sound on the Pacific. Five 8800-ton steel vessels were placed in this service and a sailing from Portland every three weeks was scheduled and is being maintained.

Intercoastal Lines Enter.

The Luckenbach Steamhip company, which had been operating a freight service between San Francisco and Baltimore, extended this service to Portland in September with the steamer Eastern Soldier, which was followed in October by the steamer Lavada.

Four more intercoastal lines, giving a total of eight, entered the field in the latter part of the year and had their first vessels on their way to Portland as this article was written. The steamer Hawaiian, coming from New York, started the service of the United American lines, operating with the familiar American-Hawaiian fleet in a resumption of the American-Hawaiian service. The steamer West Apaum, from Baltimore, inaugurated the service of the Atlantic-Gulf & Pacific line, backed by Baltimore capital and plying between Baltimore and Philadelphia and three ports of the Pacific. Though not all vessels of this line will call at Portland, those which come only as far as San Francisco will trans-ship their Portland freight there into coastwise vessels of the Parr-McCormick line and the through rate from point of shipment to destination will apply on all shipments.

The Pacific, Caribbean & Gulf line is a coast-to-coast service in that it connects ports of the Pacific with those of the Gulf of Mexico, though not including Atlantic ports. The first vessel of this line to come to Portland was the steamer Eldorado, bringing freight from New Orleans.

The steamer Surichco, sailing from Port Newark, N. J., in November, started the coast-to-coast service of the Trans-Marine corporation, a steamship operating subsidiary of the Submarine Boat corporation. This company, which owns extensive terminal facilities on the Atlantic side as well as a fleet of 32 steamships of 3500 tons deadweight capacity each, is establishing a regular fortnightly service which is expected to aid materially in the solution of the problem of distribution of northwestern lumber on the Atlantic coast.

Portland Supplies Freight.

The movement of freight between Portland and Europe has caused two new steamship lines within the past year to include this city in their itineraries, and, be it known, Portland is supplying a goodly portion of the freight carried by these steamers. The first to come was the Isthmian line, mentioned above. Then followed the Holland-America line, which placed its first vessel—the steamer Kinderdyk—here in October for a large shipment of wheat and flour. The steamer Moerdyk followed in November.

The Holland-America service is a particularly valuable addition to Portland's steamship connections, for all the vessels of this fleet are equipped with large refrigerated compartments suitable for the transportation of fresh apples and other foodstuffs direct to the European markets. The Holland-America line operates under the Dutch flag and is one of the two foreign lines serving Portland. It is represented in this port by the Oregon-Pacific company.

Between Portland and the west coast of South America two lines operate. In this service, the Toyo Kisen Kaisha, with a sailing every 60 days, is important chiefly in providing passenger accommodations, while the General Steamship corporation, with freighters sailing monthly or oftener, takes care of an enormous amount of business.

Besides its service to the South American west coast, the Toyo Kisen Kaisha, one of the big Japanese companies, extended its trans-Pacific service to Portland, giving this port its third line to Japan and China. The steamers of this fleet are the only off-shore passenger boats operating out of Portland. A monthly service has been promised by the T. K. K., with palatial passenger steamers alternating with freighters. At the time of writing, one of these passenger liners and one of the freighters had appeared in Portland. The Oregon-Pacific company is local agent for this line as well as the Holland-America.

Small Shipper Interested.

Thus Portland's commerce has been extended to the corners of the earth. And as the facilities for moving the freight are increased, so does the volume of the traffic increase in direct ratio. Portland was a port, of a kind, when all the exports moved in cargo lots, when sailing vessels under the flags of all nations flocked to the Columbia river for the annual grain movement and Japanese steamers were chartered by the half dozen to carry lumber to the orient. But with the inauguration of regular steamship lines, with bookings open to all and vessels calling on definite schedules, the small shipper has become interested.

Importers and exporters of smaller caliber, who could not afford to charter a ship for a full load, and thus bring her to Portland, can arrange a shipment of 100 tons or less of general freight or a thousand feet of lumber. Thus, as experts long ago predicted, the liners are getting the business. Small shipments of foodstuffs, ties, shingles, berries, canned milk and what not are being gathered from all the vast territory tributary to the Columbia river gateway and are moving to the markets of the world.

Much of this commerce is still in its formative stage. The ocean traffic of the world, thrown into upheaval by the war, has not yet settled into its new routine, but the process is taking place rapidly. The demand of war-torn Europe for supplies, which immediately following the withdrawal of the armies occupied most of the tonnage owned by the shipping board, has been appeased to the extent of taking the sharp edge off Europe's appetite.

European Trade Stabilized.

In place of the crying need for foodstuffs, machinery, wearing apparel and raw materials has come the steady demand for the things of peace, which Europe normally draws from America, and as Europe regains her footing the things which America naturally imports from Europe beginning to come back this way. Probably the commerce with Europe is as nearly stabilized as any of the ocean trades in which Portland bears a part.

The demand of the orient for American products, which followed the withdrawal for several years of practically all tonnage operating in the trans-Pacific trade, has been glutted, a sharp attack of commercial indigestion has followed, and now the orient is slowly coming back to its normal consumption. Several vessels of the fleet operating between Portland and the far east have been withdrawn for other trades, but sufficient freight is offering both inward and outward to pay the expenses of the remaining vessels, and the effects of the Japanese panic are expected to be largely overcome by next March.

The coast-to-coast business has jumped in the past year to proportions never approached before by Portland. Part of this increase is undoubtedly due to the increase in rail freight rates, but more is due to the establishment of regular steamship lines, with agents hustling for business both here and on the Atlantic side.

All Vessels Busy.

In this field, the Isthmian, North Atlantic & Western, Luckenbach, Atlantic, Gulf & Pacific, United American lines and Trans-Marine are operating in direct shuttle, and the European Pacific line carries freight to Portland westbound. The trade is generally considered to be overcrowded and it is conceded that some of the lines may drop out, but freight enough is offering in both directions at present to keep all vessels on schedule. As more business heads discover the advantages of shipping by water it is possible that the movement may be increased rather than decreased. It is said that one Portland department store brings enough material from New York alone to keep one line of steamships busy.

The trade with the west coast of South America is not new business for Portland. The west coast has for many years taken lumber from the Columbia river. Exports to that territory classed under the all-inclusive term "general cargo" have increased enormously, however, in the past year under the influence of regular steamship service. While many full cargoes of lumber are moving to the west coast, wheat, flour, furniture, clothing, candles and complete knock-down houses are now also occupying space in the vessels operating in this service.

Although ten new steamship lines have come to Portland in the past year, indicating a commercial development dreamed of before the war only by visionaries, the end of this development is not yet.

New Lines Promised.

Indications are strong that at least three more new lines will enter Portland before many months. One of these, known as the Pacific-Argentine-Brazil line, operated by Swayne & Hoyt of San Francisco, has offered to include Portland in the routing of its vessels as soon as sufficient business is developed here to make it worth while, and the business is said to be developing. This line girdles South America, touching at ports only on the east coast. Leaving the north Pacific ports and San Francisco, the boats proceed directly southward without stop through the straits of Magellan, then up the east coast of South America, making the principal ports, and return through the Panama canal.

Another new line definitely in prospect is the service of the General Steamship corporation to Australia and New Zealand. This company, which is already serving Portland with a line to the west coast of South America, has, like Swayne & Hoyt, promised to send its vessels here as soon as freight offerings justify such extension.

As the Oregon country is in a strategic position, by virtue of the character of its products, to trade with the distant Scandinavian peninsula, it is expected by importers and exporters and commercial attaches that one or the other of two lines now operating between other ports of the Pacific coast and Scandinavia will soon be routing its vessels by way of Portland.

Where a year ago shippers on one hand and ship operators on the other were sparring back and forth, the shippers saying, "Give us the ships and we will give you the cargo," and the operators replying, "Give us the cargo and we will give you the ships," somehow the two have got together. Now the operator is saying, "Here is the ship. Where is the cargo?" And the shipper replies, "Here it is."

INCREASE IN RAIL RATES DIVERTS BUSINESS TO WATER ROUTES

Effect of Rise on Portland's Commerce Two-Fold—Coast-to-Coast Ships Gain Traffic, but Cargoes Which Had Been Moving by Rail for Shipment to Orient Are Sent by the All-Water Route—Initial Costs Considered

By Frank Ira White.

DURING the period of the world war the service of ocean shipping lines was demoralized. Pacific ports were deprived of vessels on regular runs, sailing under the American flag, whenever the ships were needed for other purposes by the government, and coastwise lines operating between ports of the Atlantic and Pacific coast became a memory. Ports that were served by lines under foreign flags retained the service generally, and in some instances the movement was greatly stimulated by essential commodities that were imported and exported as a share of the movement of the war years.

The American railroads all but collapsed under the effect of restrictive legislation and divided control of their operations, coupled with persistent unfriendly criticism and class antagonism for nearly 20 years, that was brought to realization when the demands of the emergency traffic movement compelled the government to take control. The railroad companies could not legally co-ordinate their equipment, introduce economies made possible by co-operation, the things the United States railroad administration was obliged to do to handle the business of the war.

Then came the increased cost of everything that entered into the building, equipment, maintenance and operation of the railroads, necessitating first increase of 25 per cent in freight rates, followed last August with another increase approximating 33 1-3 per cent advance in freight rates and 20 per cent in passenger fares.

Portland Effect Two-fold.

The direct effect of these railroad rate increases upon Portland's commerce was two-fold. In the first place, a great volume of business that had been moving between the Atlantic and Pacific coasts by rail was diverted to the water route. In the second place, traffic that had been moving from the industrial centers of the east across the continent to the Pacific coast for shipment to the orient was diverted to the less expensive all-water route and thus passed by Portland entirely, moving by the short rail haul to Atlantic ports and thence directly by steamer around through the Panama canal to its trans-Pacific destinations.

This latter diversion was due directly to the fact that export rail rates, which had been so fixed that all ports could compete on equal footing for the foreign commerce of the country, were increased along with other rail rates, and the differential thus raised against Pacific ports proved an effectual barrier to all but the highest classes of freight, small shipments of which continued to follow the transcontinental route because of the quicker transit, in spite of the higher transportation cost.

Costs increased also in the operation of ships, but rates on water-borne traffic advanced because of shortage of bottoms rather than on account of higher operating costs. There came a stretch of years in which shipowners reaped unheard of revenues for voyages, matched only in the legendary tales of the wealth brought back from India or the far places of the seven seas to which the clippers of yesteryear sailed from the trade ports of the world. So great was the need of the people of foreign lands for commodities that fabulous prices were paid willingly to have cargo carried. The world in the second decade of the 20th century is so linked by the ties of commerce that a condition of interdependence exists which cannot be denied.

U. S. Recovers Lost Art.

But the United States, once a great maritime nation that had almost abandoned the sea, under the stimulus of war recovered the lost art of building ships. From shipyards of Portland and other Pacific coast ports craft built of the tough timber of the fir forests glided down ways to prove efficient carriers on the deep. Ships of steel were shaped in many yards also, and finally, when the armistice was signed on that November day of 1918, new keels were being dipped into the brine at a surprising rate along the Pacific coast, the Atlantic seaboard and the Gulf coast. Even so, it was many months before the accumulated traffic of the world began to be reflected in a plentiful supply of bottoms to meet the increasing clamor of shippers.

During this early period of reconstruction the railroads had passed through the throes of a succession of readjustments, culminating in the transportation act of congress by which the lines were returned to the corporations under broadened control given to the interstate commerce commission and a guarantee of a return on the valuation of the property. To yield this return the rate increase of August 26 last previously referred to, was made.

Recognition of the necessity of employing water routes, both coastwise and of inland waterways, to perform the transport service of the nation was a striking feature of the orders of the interstate commerce commission. The use of the lake routes to relieve the railroads of the congestion occurring at Chicago and in the Great Lakes district was recommended for the grain crop of the current season. Wherever canals or rivers afford the means, the supplementing of rail lines by boats is being resorted to. Self-propelled barges are being used extensively on the Mississippi between St. Louis and New Orleans, on the Black Warrior river and on the Tom Bigbee.

River Steamboat Returning.

The river steamboat is coming back as a factor in traffic of the great inland waterways, and though it may be of a different type than the "packet" of early days, it will none the less be the symbol of commerce economically and efficiently handled. The Ohio river, on the bosom of which has moved enormous tonnage of traffic over short hauls, is again being revived for the through movement of traffic to the Mississippi and in the view of authorities familiar with that traffic bids fair to supplement the railroads in a large measure in the dispatch of freight to and from the heart of the Pittsburg district.

In the opinion of well-informed traffic men the American railroads will not resist development of inland waterways as has been the custom for the past 25 years. Instead the directors may even be found encouraging such development of the water traffic as may be made to supplement their facilities in providing transportation for the heavily increasing tonnage of commodities that the present lines would have difficulty in handling. But the inland waterway traffic will be necessarily of slow growth because the proper class of boats must be provided, landings re-established or newly equipped, as the decline of the traffic was marked by abandonment of river landings. Even where docks or levees still exist in some sections of the country, the access to them has been cut off by railroad tracks or buildings that were located to replace the accommodation of earlier days.

The pertinent fact that has been demonstrated recently is that transcontinental movement of many commodities can be economically diverted from railroads to water lines, especially of that portion originating in territory adjacent to either seaboard and destined to ports of the other side of the continent. In the interest of maintaining a balanced traffic the railroads may find it essential to establish westbound through transcontinental rates lower than at present, and for the continuance of trade relationships there may be readjustment of lumber tarriffs from the Pacific coast. There will, in the opinion of shipping men, still remain a wide differential between rail and ship rates that will give to steamers the bulk of the traffic between coastal points.

Traffic Increase Expected.

Elements enter into the extent of this diversion that cannot now be gauged. Should congress grant free tolls for movement of coastwise traffic, the advantage of much more favorable tariffs would accrue to increased ocean shipping between the Atlantic and Pacific seaboard. Vessels of the United States shipping board now engaged in this traffic are carrying satisfactory cargoes and the number of lines that have been established is the best evidence of the belief that it will grow in volume and prove profitable.

In the opinion of managers of shipping companies, the brief depression of the readjustment era will be followed, probably in the present year, by an upward tendency in industry that will stimulate internal development that has been retarded for six years. Short-haul traffic from seaboard ports will afford heavy traffic for the railroads, with a correspondingly greater movement to inland territory not reached by water routes. Notwithstanding the belief that shipping, both off-shore and domestic, is due to experience the greatest growth in all history, it is not the view of shipping men that it will be accompanied by any radical effect upon railroads, except that for a long while the systems will be confronted with the constant danger of congestion, due to their inability to add to equipment and power rapidly enough to meet requirements.

But by the same token managers of ocean lines hold that the railroads may not be expected to handle for the transcontinental shipment commodities that do not require speedy dispatch.

Transversely, it is pointed out that the country has been going through a period in which initial costs have not been given the careful consideration that prevailed in normal times before the war. Business men have been prone to discount the importance of effecting savings in traffic costs, assuming that the consumer would pay the price, whatever it might be. This era is past, say the close students of conditions and the careful calculator will again become the successful man in trade, which will have its effect upon the railroads and the ships.