

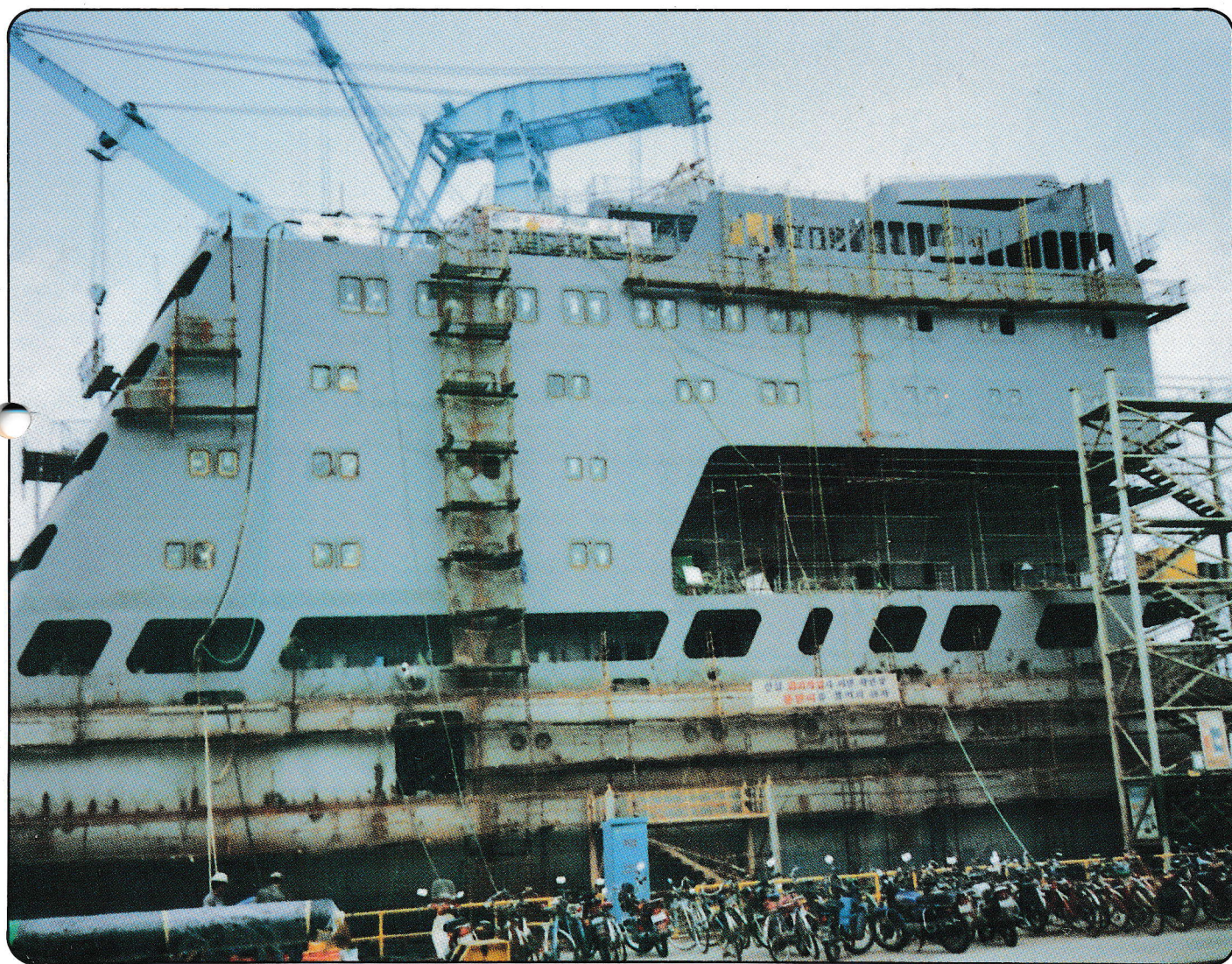
on line

with ivaran

No. 3/87

Publisher: Ivaran Lines

Editor: Olav G. Henriksen



Work on AMERICANA, IVARAN'S new cruise liner, has been progressing according to plan. The above picture reflects a stage in the building process, a complex, exacting job which in the end will lead to a beautiful, spotless ship.



South America deserves the best

Development in South American countries during the last four decades since World War II has been tremendous. We shall in the following confine our comments to the nations of the East Coast of South America, i.e. Brazil, Uruguay and Argentina. The reason for this grouping lies in the fact that they to a large extent are served by common groups of ocean carriers in all major trades.

From being basically exporters of raw materials and agricultural products, these countries, and in particular Brazil, have turned into industrialized nations. This transition has been rather rapid. Since their desire to "do it yourself" has been strong, financial burdens have become overwhelming. But signs of an upward trend have once more become apparent, indicating that the efforts to bridge the gap will eventually succeed.

For Brazil, Uruguay and Argentina exports are more than ever of vital importance as a means to economic recovery and further growth. Successful exports have to rely heavily on *efficient, frequent* shipping services. Also, *freight rates* have to be *lowest possible* so as to enable exporters to compete with good results for foreign markets.

As a result of the experiences gained during World War II when shipping services were infrequent and inadequate, the South American nations right after the war decided to give preference to the building up of national flag Merchant Marines with the intended goal to aid the export drives and ensure adequate imports at all times.

After about twenty years of costly efforts to build up the national fleets, results were still not good. Efficiency

was low, services not dependable and amount of cargo carried utterly inadequate. The national lines argued that given sufficient cargo, all would be well in a hurry. Governments intervened and cargo reservation schemes went into force for all government controlled cargo. In addition Conference cargo pools would create stability and adequate cargo shares of all commercial cargo. Conference freight rates would thus be possible to keep sufficiently high to make the national lines economically viable. It all sounded simple and straight forward.

Another twenty years have now gone by. Alas, the national lines are still losing money heavily even if freight rates have remained high and cargo plentiful. What was it that went wrong?

One major factor had been overlooked or possibly discarded as being irrelevant: *Competition*. International shipping is a global industry, tough and complicated, where only the fittest are able to survive. Technical innovation, adapted to individual trades, is vital to survival. In South American liner trades competition was killed by cargo preference regulations and rigid cargo pools.

With competition all but eliminated, the lines involved, and in particular the national lines, did not feel the need for technical innovation. While in other major liner trades containerisation and roll on, roll off systems were developed and tuned to individual needs, the national lines kept on building old fashioned, multi purpose ships which gradually became so expensive to operate that freight rates had to be set artificially high to sustain such inefficient, wasteful ocean transport systems.

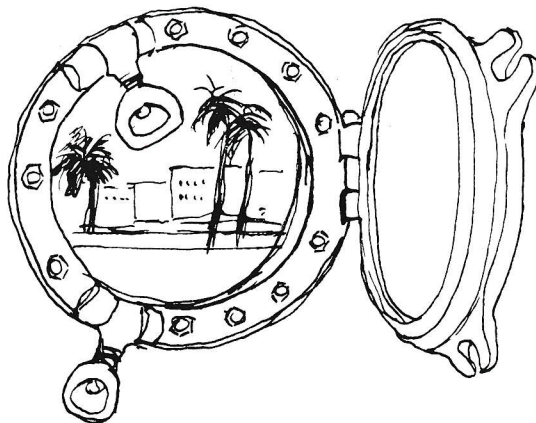
As a consequence exporters and importers suffered under too high freight rates and inadequate services. The vital foreign trade was hurt by such handicaps. In addition, the national lines kept losing money heavily despite high freight rates and full cargoes. They became a drain on the national economy instead of being constructive and profitable factors as intended.

Thus, cargo restrictions and artificial means to assist aspiring national lines became instead economic "crutches". Such "crutches" might have been useful and not overly damaging if they had been applied for only a short while. But for any length of time those "crutches" became a handicap in the development of the national lines into fully fledged, competitive and technologically advanced, efficient liner operators on the international scene.

Brazil, Argentina and Uruguay deserve better than having to rely on the services of technologically handicapped, crutch-dependent lines. In order to overcome the economic crisis these countries are plagued with, they need the *best* of liner services. If the best should also happen to be flying the national flag, so much the better, particularly if those services were reasonably profitable. But it must be realized that the skills of the best ones have to be developed under real life conditions.

Simple solutions belong in the world of dreamers.

news



along the line

Brazilian exports and imports

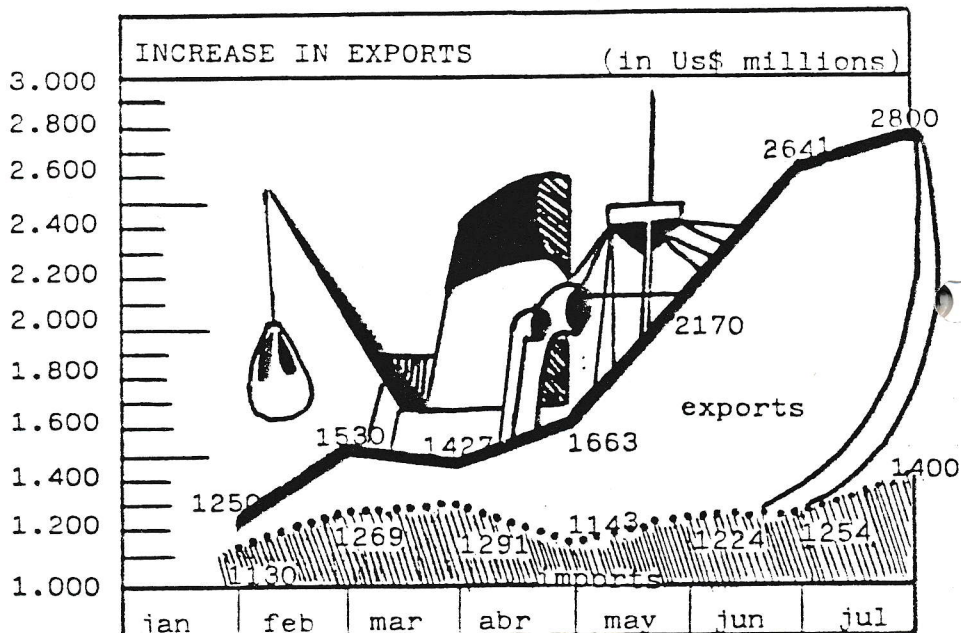
GOOD NEWS are back on the Brazilian Foreign trade sector.

Banco do Brazil preliminary figures for July put exports at US \$2842 million and imports at 1425 million, leaving a positive trade surplus for the month of 1417 million.

The graph reproduced gives the trade picture that far for 1987.

The trend of the last few months in expected to continue for the balance of 1987.

SEATRADE WEEK had early July an article which aptly describes the situation. We take the liberty to make use of it:



source: Cacex

Brazilian trades

Markedly stronger Brazilian trade performance, reviving after last year's disastrous slump, is channelling more freight revenues into Brazilian owner-operators' pockets and dampening their protests against Sunaman Resolution 8.364, which three years ago opened the Inter-American and Brazil-Europe-Brazil trades to non-Conference lines.

The Banco do Brasil last week announced a May trade surplus of \$946 m. That compares with a weak \$1.2 m for the first four months of the year and moves Brazil back toward the \$1 bn-a-month surpluses enjoyed between mid-1983 and mid-1986. At the latter date, the country all but abandoned exports in favor of at domestic market temporarily heated by the Government's ill-fated Cruzado plan to halt inflation and stabilize economic growth. Trade authorities now say that increasing exports will also allow them to lift some import restraints, assuring better freights in both north and southbound traffic.

Issued in August 1984, resolution 8.364 cancelled three previous edicts

which reserved Brazil's share of BEB and IAC traffic exclusively to Conference-associated carriers. Other Brazilian Conferences have never been affected by such protection.

Representative groups such as the AABLC deepsea shipowner-operator's association and individual carriers protested that outside participation in the two trades increased significantly following its announcement, in some cases threatening the existence of Brazilian-owned carriers. Last August, the association charged, outsiders commanded 23% of Brazil's US and Canadian-bound freight and 26% of that destined for Europe. Outsider tonnage shares that month were 41% and 42% respectively.

The resolution supposedly had a much heavier impact on Brazilian-owned ships than on outsiders, contributing to the local industry's current financial crisis. Tightly squeezed Brazilian operators did not order a single new vessel. Nevertheless, attacks on the controversial resolution had begun to subside, at least from some quarters, even be-

fore the recent trade upswing.

According to Sunamam figures, outsider participation in the two trades – even in seriously impacted areas – increased until last August, after which the Conferences began to recover. The protested participation levels were peak figures and confined to specific cargo categories.

Plummeting Brazilian exports last year admittedly squeezed both Conference associates and outsiders, making increased competition that much more critical. (BEB freight receipts plunged from \$20 m in July to \$11.8m in October; those for the IAC dropped from \$25.4m in August to \$16.9m in October, when outsiders took 19% and 12% respectively.)

However, Conference statistics indicate the Conference associates primarily lost neo-bulk cargoes like paper and steel, chemical and mineral products, which are difficult to handle and have low fob values. Conference participation in more lucrative liner cargoes actually increased in both 1985 and 1986. According to more than one analyst,

major exporters visibly opted for the regular service and reliability of Conferences.

Meanwhile, backers of freer access and greater competition insist that 8.364 had its benefits. Conference carriers have reduced freights during the past two years an average 20%–25% (attributed by some more to fluctuating fob values than to the dated resolution). BEB Conference associates also organized a joint container service to assure more frequent service.

From VEJA Magazine of August 5 an article titled DE VELAS INF-LADAS has been freely translated:

Brazilian Exports soar thanks to favourable Exchange Rate

When the positive trade balance in July reached the second highest value ever in Brazil, a powerful production machine was still not mowing at full speed after the poor results of the National foreign trade during the Cruzado Plan. What is the basis for this fantastic positive result of US\$ 1.4 billion (exports: US\$ 2,64 billions; imports: US\$ 1,25 billions) just five months after the trade balance had been negative? More than the government measures, there is the struggle of a great number of companies, the revenue of which is not only measured in cruzados but also in Usdollars, Deutsch marks and so on . . .

The U.S. car of the year, the Ford Thunderbird, a sports car which can do 250 Km/h, is equipped with disk brakes manufactured in Brazil. Also refrigerators manufactured in China have motors made in Brazil. Among the cars sold in Italy, a Brazilian one is ranked ninth. 12 percent of Americans wear Brazilian shoes. Some goods that even well informed

Brazilian people do not know, are produced only for export purposes. For instance Brazilian engines are part of the German and Italian brand-new car. Tractors are sold to Indonesia as if they were produced in the United States although they are manufactured here, in São Bernardo do Campo, near São Paulo.

The well known Singer scissors are of German brand, but the steel and forgery are national. The steel is supplied by Acesita, near Belo Horizonte, and the scissors are manufactured by Zivi-Hercules of Rio Grande do Sul.

Stable regulations

The business men who split their time between their office and the airports do not consider anymore the exports of their products as a marginal component of their business. For example, COFAP, the most important manufacturer of shock absorbers and engine blocks, is exporting this year US\$ 45 million, or US\$ 80 million if the value of COFAP components contained in Brazilian exported cars is included. The main point is that there is an absolute lack of permanent guidelines for the Brazilian Foreign Trade, which reflects on the contracts concluded with foreign importers. At one time the Brazilian government decides to stimulate exports in order to pay imports, building up the foreign exchange reserves. At another point however, the government left the businessmen to their own fate, as it happened during the cruzado plan.

Moreover, from time to time, the Government and the ruling party are worried about the validity of exports for the economic growth. But, for example, is there a recessive picture for one company like "Varga Freios", autoparts manufacturer in Limeira, São Paulo?

Their exports account for 20% of

their total income (US\$ 100 million) in 1987. They will sell this year 190.000 units of disk brakes which equip the Ford Thunderbird. This total should reach 500.000 units within two years if the Thunder bird sales continue growing. Therefore, if we take into consideration the other foreign markets and the domestic market, the company will have to expand and seek contracts also with other people, thus triggering a process of economic growth.

What is the basis of this business? The guarantee of a competitive price which mainly depends on the rate of exchange/inflation rate parity and the safety against arbitrary change of regulations due to political pressures. Presently Varga Freios has been invited by Chrysler and is developing new drum brakes for the substitution of Le Baron and Reliant. No doubt time has strengthened a favourable opinion about the national equipment and, overall, the supply safety and competitive prices, thus resulting in this intimate commercial relationship.

"The businessmen, the government and the Brazilian people must understand that exports are a permanent business which benefits the whole society".

Embraco (Joinville, Santa Catarina) manufactures almost all the compressors for refrigerators and freezers made in Brazil: with clients in 40 countries who consume half the yearly production of 5 million compressors, thus generating a revenue of US\$ 60 million, Embraco people have succeeded in increasing their production by 10% since last year with basically only one importer, China. It has been a hard struggle in a market occupied by the aggressive Japanese companies. Presently, Embraco is filling an order of 500.000 compressors for this market which will need to import more than 3 million compressors until 1990.

Of course, reasonable prices from both sides will maintain the contracts, besides the guarantee of delivery within the stipulated time limits and the negotiated volumes.

Waiting File:

Further to the rate of exchange gap – which still exists, according to some exporters, despite the daily Cruzado minidevaluations while the prices are frozen – the main problem is the lack of raw materials or components. As the chief individual exporter in the country, Fiat is claiming to face both these difficulties. On the one hand, the exchange gap is making settlements with suppliers difficult, on the other hand the shortage of autoparts obliged Fiat to reprogram its production line. Therefore the sales of Duna could have reached a bigger volume than the 100.000 units that are expected this year. Even so, the Brazilian car is the ninth ranked in Italy. "He who wants to buy a Duna has a waiting time of three months".

However, there is always an answer when someone starts to export and makes up his mind to continue in spite of the often repeated difficulties due to the rate of exchange gap. The most common solution has been the full exercise of creativity, which has been specially used in their operations by the executives of Intex, the Trading Company of one of the most important group of textile industries, Artex.

"Well sell exactly what the consumer of the surveyed market wants to buy", according to a high executive. Intex people managed to increase their exports of towels, sheets, T-shirts and bathing suits when they managed to become free from strong competitors: China and Pakistan.

That is why on the Artex production lines in Blumenau, Santa Catarina, beside textiles produced according to the taste of Brazilian customers, we can find bath towels intensively dyed with contrasting designs. Such a style is required for articles which are exported to USA and European Countries. So far, this strategy has been good for the company which expects to end this year with an export income of USD 35 millions. Mr. David Brooks, the ex-

port manager of Ford Tractors in São Bernardo do Campo, does not care about the conventional liturgy of export when he smells a good contract, which means just price and immediate payment. He had no doubt in authorizing the loading of six tractors to El Salvador in March, although he did not know the receiver of the original documents of this export. He tried to find out but the communications had been interrupted due to an earthquake in that country!

Without a good price, nobody, however creative he is, succeeds in beating the competition in a market where even the governments of communist countries dispute hardly the export business.

Sterile discussions about the gains of foreign trade do not count very much! The gains are well known: in 1984, through foreign trade, our country managed to rise from the recession which began in 1981.

Therefore, the quicker exports are back to normal, the less painful the economic adjustment will be after the toying with the Trade balance in 1986.

Floating Exhibit aboard Ivaran's "Santa Fe" a great success

Possibly for the first time in the country, shippers of Brazilian manufactures from São Paulo shipped samples and advertising material destined to a floating exhibition on board the M.V. "SANTA FE", to be accomplished in form of owners promotion (Ivarnan Lines) during her schedule at Caribbean ports of Bridgetown (Barbados), San Juan (Puerto Rico) and Sto. Domingo (Dominican Republic).

According to Ivaran agents, Transatlantic Carriers, the promotion – totally supported by Ivaran, with no charge to shippers – aimed at a promotion of Brazilian products, for the purpose of increasing Brazilian exports to the Caribbean area. Then, for this exhibition, importers and new potential buyers were invited.

Following companies showed up with advertising material and samples: Alumínio Fulgor, Basf Brasileira SA, Cerâmica Porto



Ferreira, Fortuna, Lorenzetti, Estrela, Cia Melhoramentos, Frisa SA, Eucatex, Comabra Cia de Alimentos do Brasil SA, Lápis Johann Faber SA, Ind. Porcelana Pozzani, Termolar SA, Relógios Kienzle. Cerâmica Chiarelli, Cerâmica Weiss, Van Leer Embalagens, Fame SA, Ford Automóveis, Primicia, Linhas Marte, Semer SA, Persianas Columbia SA, Norton, Fama Ferragens SA and In-victa Máquinas para Madeira Ltda.

In order to solemnize the event and exchange the views between vessel's officials and agents, representatives of above companies were invited for a dinner cocktail party on board of M.V. "Santa Fé", when they were received by Master John Eikeland, as well as Directors and Managers of Transatlantic Carriers.

Agents at Caribbean ports, after call of M.V. "Santa Fé" at their ports, comment:

- Robert Thom (Shipping & Travel) Ltd - Bridgetown

"Exhibition on board at Bridgetown on 29th of June evoked much interest and approximately 30 importers attended /David Harding".

- Antilles Shipping Corp. - San Juan

"Exhibition held aboard "Santa Fé" on July 2nd was a tremendous success. Approximately 45 guests representing 20 companies visited exhibit.

Inquiries for products exhibited were plentiful and while most companies will make direct contact with manufacturers in Brazil there will be some cases where we will follow up with inquiries on behalf of potential importers/J. Forsyth".

- Maritima Dominicana SA - Santo Domingo

"Exhibition on board M.V. "Santa Fé" was very successful despite bad weather. Approximately 45 guests attended. Although some expected more exhibits and more company brochures, all were grateful of Ivaran Lines intention to promote Brazil and Dominican Republic trade. All companies that are manufacturers'

representatives and their companies had exhibitions on board were very pleased that we had them and their clients invited.

Those companies without local representatives have good probability of being contacted by interested parties. Ivaran Lines will surely benefit from the gesture/G. Travares. From these comments we feel that efforts of everyone wasn't in vain and we sincerely hope that exporters from Brazil and importers at the Carib start making more and profitable deals.

In the picture we see a glance of cocktail party held on board and offered to Brazilian exhibitors.

Santos projecting submerged Tunnel

The Brazilian Minister of Transportation recently announced a project for the construction of an underwater tunnel. It will connect the two banks of the Port of Santos, which is the largest port in South America. The construction will be effected within three years and the costs are estimated at US\$ 100 million.

The project will be financed by the private sector which expects to obtain a profit in the long run by charging a toll from users of the tunnel. The project will reduce the distance between the two banks by approximately 30 miles (50 kilometers), which will, of course, save exporters both time and money.

Uruguayan Granite Exports

Three monumental and prestigious buildings in the U.S.A. and Paraguay are being totally refaced with choice granite manufactured in Uruguay.

Unfortunately, this is not well known to the public, due to a lack of information, and maybe the fact that there are buildings around the world using our granite doesn't arise

much interest. But besides the flattering news and commercial interest the subject may call for we believe it has a greater and unforeseen importance.

It is Mr. C. Iarloli, principal executive of Marmolerias Unidas who put the theme up to it's highest point with arguments based on interesting facts. "We are an industrial enterprise which processes granite and marble with an added value, with Uruguayan labour. This type of art, plus the quality of our products, enables us to reach the major markets of the world. We don't sell the granite as blocks or in a rough state." When we marketed our products to foreign countries, "Iarloli tells us - we went through very hard experiences which we were able to overcome, even though very hard commercial and financial efforts were needed.

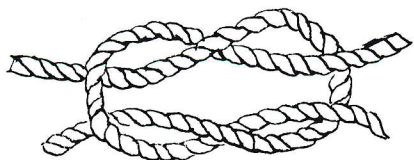
It was then when we won the Banco Central de Paraguay's bid to reface the building in Asuncion. It was a 4 million dollar work, and the first time Uruguay was selling elaborated granite. It was an amazing industrial and commercial experience for us as it opened new doors to international markets by giving us better knowledge and abilities to negotiate jobs of this magnitude abroad.

Mr. C. Iarloli tells us that his enterprise was started 50 years ago with the merger of six known marble factories. After we had gained this identity, we concentrated the construction of a proper building, leaving behind other stages that were undoubtedly necessary too. In 1981 - our interviewee tells us - we understood that in order to reach international markets, we had to base our production on industrial equipment which would make us competitive. In that way we now have a diamond-like disk of 2.5 meters diameter, which will cut any material with preciseness and quality. We don't regret what one could call a giant industrial development or modernization through types of technology common only to developed countries.

To the contrary, it enabled us, later on, to win the Paraguayan bid and two more in the United States.

A months ago we completed the refacing of the Comerica Bank, the exterior frontage of a huge banking building in Detroit. In this construction, working together with two well known American construction enterprises, we ended up with installing finished materials for a value of US\$ 1 300 000. We refaced with laminated and polished granite four towers of the bank, including the swimmingpool. The black granite came from Flores, Uruguay, and the rest was greenish-black granite.

Michigan's Library. - The third international job we are carrying out with Uruguayan granite is the National Library Building of Michigan. We just started delivering the materials, as it was only last month that the first 5 containers were shipped in two shipments, one of them of 3 containers on the mv. HOLSTENSAILOR of IVARAN LINES, carrying granite slabs of about 3 cm thickness each. In this particular work, Mr. Iarlori tells us, our clients decided to do without price quotes or quality references, and assigned us the job for they trusted in our work. This job was awarded to us in January this year and also includes the National Museum of Michigan. That's why our industrial plants are working for full, with many specialized workers. Nevertheless, we don't stop with these international successes. To the contrary, we are making major efforts to clear the way for tasks in the U.S., and we are confident we will gain added export opportunities. On the other hand, we would like to have in our country even more factories with which we could cooperate in order to fulfill the continuously increasing demand for work in the United States.



Tea, Tung Oil and Yerba Mate

The life of people connected with Shipping Agencies is seldom dull and dreary, nor is it confined merely to port areas.

Cargo to be exported usually originates from all parts of a country. Thus, in Argentina, containers loaded with merchandise for foreign markets have often travelled vast distances before being shifted to ocean going ships at Buenos Aires. Exporters are regularly visited by representatives of IVARAN Lines, Agencia Maritima Robinson.

Recently, Messrs. Andrew Robinson and Ricardo Bruto travelled to Misiones, the extreme northeastern province of Argentina, located about 1100 km. from Buenos Aires. Misiones extends as a wedge between Brazil and Paraguay. Important products of that region are Tea, yerba maté (a South American type of tea) and tung oil (a wood oil used in varnishes etc.)

In Misiones they visited Casa Fuertes, whose director, Mr. Vicente Marinaro, invited them to visit tea plantations in Oberá, about 100 km. north of the state capital Posadas.

While in the area, they also visited Cooperativa Agricola Ltda. de Oberá, growers and shippers of yerba maté. Here Messrs. Armando Rodriguez and Ramon Bonngau showed them around.

In turn they visited Cooperativa Agricola Ltda. de Picada Libertad in the town of Allen, where they were received by Messrs. Herbin Nagel, President, and Helmud Markward, Ass. Mgr. That company exports both tung oil and tea.

How is the tea transformed from green leaves into the tea we are buying in the stores all over the world?

The process starts with the tea harvest which is done in Argentina commencing in October through May every year, with a frequency of tea leaves cutting of approximately two or three times per months, depending on weather conditions.

Once the tea is reaped, it is taken in cloth wrappers to the factory where it is weighed and unloaded in the withering section. This process is carried out in special machines where cool or warm air (depending on the outside temperature) is put through the leaves. This lasts about 5/6 hours.

When the process of withering is over, it is transported mechanically to the "curling" section which works with a group of machines called "rotorvane"; this machine breaks, smashes and curls the leaves, so that they throw off juices and enzymes which result in fermentation of the green leaves.

The fermentation is reached through automatic machines which are regulated according to the outside temperature in order to get the exact fermentation of the product, adjusting speed and thickness of the leaves, and also regulating the quantity of air injected through turbines and fans, thus obtaining an even fermentation avoiding the increase of temperature during the process that could seriously affect its quality.

Automatic fermentation machines deposit the tea leaves on conveyor belts that takes them into furnaces or driers; consist of metallic bands where the tea leaves are discharged one on top of the other in two steps, and by means of warm air the tea is dried, getting the features we know.

Once this process is over, tea is sent to the "classification" section, where metallic screens are employed to typify it according to the international commercial classification.

Finally the product is packed in wooden boxes, aluminium paper bags or jute bags with poliethylene lining.

The annual production of tea in Argentina is approximately 45 000 tons of which 8 000 tons is consumed in the country and the rest, exported to U.S.A., Chile, Pakistan, Great Britain, Germany, Holland, Poland, etc.

To determine the quality, tasting is performed considering the appear-

ance of the leaves, the appearance of the leaves in infusion, thus determining the right or wrong fermentation, colour and taste of the liquid obtained.

The Tobacco industry in Salta and Jujuy

While we are focusing on northern Argentina, we shall also enjoy a report on Tobacco production which is of importance there.

Salta and Jujuy are two provinces situated in the North of Argentina, at 1.187/1.259 mts. above the sea and at 1.617/1.659 km from Buenos Aires, respectively.

An important communications system connects these provinces with the rest of the country through roads and railways.

Their production of beans, maize, sugar cane, minerals, etc., has been exported all over the world, but, being the North of Argentina a privileged zone for the production of tobacco, Salta as well as Jujuy, are the main producers of this commodity in the country, with excellent possibilities for exports.

Salta has 777 tobacco plantations and Jujuy 812 of Virginia-type tobacco, covering an area of approx. 16.900 has.

In 1970, the "Cooperative Tabacaleros de Jujuy" stored 1 million kgs., 4 million kgs. in 1974 and 13 million kgs. in 1983. In the period 1981/82, said Cooperativa exported almost 8 million kgs. of Virginia-type tobacco (a record volume).

In 1983, the "Cooperative Tabacaleros de Salta" exported 7 140 229 kgs. of Virginia-type tobacco and the main buyer was Carolina Leaf Tobacco Inc. of U.S.A.

In March of 1981, the processing plant of General Alvarado, Salta, was inaugurated. This plant has a capacity of about 8 million kgs. of Virginia-type tobacco and was equipped with Brazilian and American machinery.

Massalin & Celasco, at present "Massalin-Particulares", have a tobacco processing plant in Rosario de Lerma, Salta. This firm is an important Ivaran Lines supporter in the South Bound traffic, importing components for its cigarette industry such as acetate tow.

In 1984, they concluded the modernization of their plants with an investment of 3.4 million dollars, in order to improve their production and also increase their participation in exports. The project was supervised by Philip Morris International, making the above mentioned plants amongst the best processing plants in South America.

The other large Argentine cigarette company, Messrs. Nobleza Piccardo, do not have a processing plant in Salta or Jujuy but their technical department in Buenos Aires has organised a system whereby producers are provided with the seeds and fertilizers as well as with technical advice in order to research the maximum potential of this commodity.

During August 1985, Mr. Jim De Chant, from Ivaran Sales Dept. in U.S.A. visited Salta and Jujuy together with Mr. Andrew Robinson and Mr. Cecilio Balmaceda of Agencia Marítima Robinson, Ivaran Agents in Argentina.

They were shown the tobacco-processing plants and warehouses where the tobacco is stored ready for export as well as the plantations. Furthermore they also visited a modern plant for selection and processing of beans for export.

Argentine Economy sought improved

Efforts to improve the Argentine economy have been given the highest priority for several years. Foreign debts are staggering and future life is dependent on constructive solutions. We quote below an article appeared in Buenos Herald on July 21 -

ECONOMY Minister Juan Sourrouille yesterday unveiled a series of measures aimed at reducing both the country's fiscal and balance of payments deficits.

During a press conference held at the San Martin Cultural Centre, Sourrouille, accompanied by top-ranking officials of all areas of the economic team, put forward a new economic package based on three key points: "correcting current fiscal unbalances" by setting up "new rules both for public companies and state banks," introducing longterm changes in the public sector and "encouraging" crop production, industrial and construction activities and exploiting energy resources.

He also said that the government will gradually deregulate and reduce the state participation in economic activities, through the introduction of private capital in the transport and communications areas and announced that state enterprises, except for the railroad company, will no longer receive funds from the treasury, which will in turn take over the payment of those companies' foreign debt.

Public Works Minister Pedro Trucco was the other speaker at the conference - which started with a two hour delay - and stressed that the reform to be introduced in his area aimed at improving public services.

He announced the creation of a public infrastructure fund to be distributed between the federal government and the provinces.

The new economic package includes:

- An 11 percent increase on transport, cargo and railroad fares and air tickets. The elimination of controls on highway and railway transport fares. New air transportation fares will be established in September.
- The privatization of petrochemical companies: The state will call for public international tenders for the transference of its shares of Atanor, Petroquímica, Rio Tercero, Carboquímica, Forja Argen-

tina (in this case the state holds the whole sharestock), Polisor, Petropol, Monómeros Vinlicos and Induclor.

- The elimination of export taxes on wheat, corn and sorghum during the 1987/88 harvest, and the reduction of duties on soybean, sunflower and flax. The executive branch will send a draft bill to Congress calling for the creation of an "Aid Fund" for farm producers affected by floods.
- The deregulation of oil activities through the establishment of domestic prices according to international values. Both staterun and private companies will be authorized to freely import and export crude and oil by-products.

The State Oil Company YPF will be restructured and divided into four operational areas; prospecting and exploitation, processing, commercialization and transportation.

- The Central Bank cancelled the authorization of Currency exchange companies to trade currency, but they are to continue operating as tourism agencies. Banco de la Nacion will be the only official institution authorized to handle checking accounts, short-term savings and foreign trade transactions and will be exclusively devoted to the Financing of farm activities. The National Development Bank (BANADE) will operate as a "wholesale" institution and will provide medium and long-term financing to manufacturing and mining activities. The National Mortgage Bank (BHN) will be in charge of the medium and long-term financing of housing. The Savings and Insurance National Bank will continue providing insurance services and will finance small businesses, professionals and independent workers. During the current week, the Central Bank will implement a series of measures to reform the private financial system, including new operational schemes, and regulations for branches, the sim-

plification of information systems and encashment requirements.

- The executive branch will send a draft bill to Congress requesting the prohibition of check transfers by means of endorsement.
- The government will produce a draft bill introducing changes in the current income tax scheme, including the establishment of a "minimum tax" for individuals and a 25 percent increase in the minimum taxable amounts in order to exempt "medium wage" taxpayers from this levy. Provincial taxes will be handled and managed by local governments.

Elma faces the Surgeon's knife

Argentine Shipping Line headed for a trim after decades of subsidies.

In line with the above report on the Argentine economy we quote an article which recently appeared in FINANCIAL TIMES, London, on the Argentine state owned shipping company ELMA -

IF ALL goes to plan, as it rarely does in Argentina, the state-owned shipping line Elma should be one of the country's first loss-making public companies to face the surgeon's knife with a view to bringing its balance sheet back into the black.

The surgeon is Mr Enrique Olivera, president of the new state holding company, whose Olympian task is to trim the fat off all the state sector companies, accustomed to decades of state subsidies and staffed by powerfully-unionised workforces.

In a diagnosis of Elma published last month, Mr Olivera said the company's fleet "is not the most appropriate for the services offered by the company, is oversized and is affected by the excessive purchase price of its ships."

He said that by the end of October a programme would be started to renovate the fleet, selling off older ships and contracting new ones on

time charter and to "incorporate private capital to the company to improve its efficiency."

As Argentine public sector companies go, Elma is by no means the worst in financial terms. Operating losses last year were only \$17 m, down from \$27m in 1985, although below-the-line losses were \$209m due to book-value losses on the sale of 12 ships.

The fleet presently consists of 39 owned ships with a further four leased on time-charter. Most are general cargo types although the company's first container ship was delivered by a local shipyard earlier this year and another is under construction.

Dr. Ricardo Passman, a vice-president of the company, said: "There is still a high degree of obsolescence in the fleet, though, and it will have to be reduced further. As we lack funds for major new investments we shall begin leasing new ships on bare-hull charters, to operate them with Argentinian crews, and end the time-charters."

A series of strikes have hit the company in the past weeks, because of the restructuring plans. Mr Luis Fiorenzo, a seamen's union leader, said he had seen a company document which spoke of selling 27 of the company's ships "which will make most of the 3 000 seamen in the company redundant."

Dr Passman said: "It is only a working hypothesis. Nothing has been decided yet, apart from the four ships that are already on sale. We are not planning any lay-offs and any redundancies to be made will come through by simply not replacing staff that resign."

Elma has a workforce of 4 800 which, according to the recent company diagnosis carried out by Mr Olivera, needs shaving back by a third to place it on a par with private sector shipping companies in Argentina.

How private capital is to be incorporated is still not clear. For the first time, the company's accounts are to be published at the Buenos Aires

(cont. on Page 22)

Brazil's August trade surplus also good

We have just received good news from Transcar, São Paulo: Brazil's trade surplus for August reached US\$ 1.4 billion, (exports 2.7 bill., imports 1.3 bill.) thereby practically repeating the excellent result for July. Accumulated total surplus Jan./Aug. US\$ 6.3 billion. With four months still to go, the target of US\$ 8.6 bill. trade surplus seems easily within reach. Prospects are that trade surplus will continue at current level for balance of the year.

From FORBES late June issue we quote the following article:

"This is war" A talk with political economist Miguel Colasuonno

By Lawrence Minard

Why did Brazil stop servicing its foreign debt, thus inducing a wave of writeoffs of Third World loans by U.S. and other banks? Why now? Why Brazil, one of the most advanced of the developing countries?

Answers Miguel Colasuonno, a businessman and professor of economics at the University of São Paulo: "The [Brazilian] left wing made an issue of national independence and pushed the center to stop negotiations, and the government fell into the trap."

Colasuonno, 47, is no rightwing fanatic looking for reds under his bed. Mayor of São Paulo from 1973 to 1976, he is a ranking member of Brazil's centrist Liberal Party. With 120 seats in Brazil's 500-seat Congress, the Liberal Party is second to President José Sarney's Brazilian Democratic Movement Party (PMDB).

According to Colasuonno, left-leaning advisers persuaded President Sarney and his former finance minister, Dilson Funaro, to tell Brazil's creditors to get lost, knowing full well the dire consequences that could follow. Colasuonno says, "This allowed the left to create doubt about Brazil at home and abroad."

Brazil's government owes foreign banks and official institutions \$108 billion. Servicing that debt came to \$10 billion last year, against net export earnings of \$8 billion. Something had to give, Colasuonno says, but outright default was unnecessary. Instead, he says, "We should have explained [to the bankers] that we could not permanently increase our exports by 25% a year to repay the debts in full—that was not possible. Then we should have negotiated. But we should not have cut the payments."

Unfortunately, says Colasuonno, former Rio de Janeiro Governor Leonel Brizola, Senator Fernando Henrique and other influential leftists popularized the notion that the world's bankers were bleeding the Brazilian people, and called for stopping all debt service payments.

Colasuonno is afraid that this crisis, cutting Brazil off from foreign credit, will present this powerful country's left wing with a perfect opportunity to cause economic chaos and grab power.

Colasuonno has an interesting proposal he thinks could thwart the left and restore Brazil's credit: The bankers should recognize that Brazil cannot repay its debt in full, and agree to swap some—or all—of their Brazilian notes for some form of Brazilian equity. He says the equity should be provided in a combination of three forms: 1) holdings in Brazilian companies traded on the Rio de Janeiro and São Paulo stock exchanges, 2) credits that the banks could sell at a discount to foreign direct investors—General Motors, say, or IBM—looking to expand their Brazilian operations and 3) shares in three existing internal development funds.

Debt-for-equity swaps could enable the banks to cut their losses. Equally important, says Colasuonno, is that the new equity capital should flow to private enterprise—where it would most benefit Brazil's development—rather than into government hands, where much would be wasted. His debt-for-equity exchange proposals, he says, will be presented to foreign bankers by Brazil's new finance minister, Luiz Carlos Bresser Pereira, when he visits New York and Washington later this month.

Colasuonno also holds a novel view of the \$3 billion John Reed has set aside to cover writeoffs of Citicorp's Third World loans. He thinks it can lead to positive results. By effectively writing down the debt and prodding other bankers to do likewise, Reed has made it much easier for the bankers to swap their Brazilian loans for equity. "Mr. Reed has both helped to stabilize the international banks and facilitated debt-for-equity swaps," says Colasuonno.

But in this war for economic control, the left is not giving way. Colasuonno expects it to try to sabotage the swap proposals by characterizing them to the public as a gigantic sale of Brazilian assets to greedy foreigners at bargain prices. Colasuonno: "What the left really wants is an economic war that will result in the complete nationalization of all Brazilian banks. I already know of individual senators who employ 2,000 people each. If Brazil's banking system were nationalized, can you imagine the employment possibilities for all our senators?" If Lord Keynes (quoting Comrade Lenin) was right that the surest way to topple a capitalist society is to debauch its currency, then Brazil is beginning to teeter. Hyperinflation is again ravaging the economy. Prices are growing at over 20% per month—800% a year.

But all is not yet lost. Colasuonno says Finance Minister Bresser Pereira, formerly a supermarket executive, is much more moderate than his predecessor. In presenting the

(cont. on Page 22)



passenger platform



Americana Nearing Completion

The building of the new passenger/container vessel "AMERICANA" is proceeding rapidly, and she is still expected to be ready from the Korean yard in December. The steel works are practically finished and she was duly launched early September and is now afloat. She is presently being equipped: The main engine is put in place while all other major and minor parts in the engine room are being installed, such as auxiliaries, pumps, separators etc.

Her deck cranes, which we are installing onboard for use in all South American ports we serve without proper cargo handling equipment, are about to be put in place. All plumbing and wiring is proceeding according to plan and will soon be finished. We are now also starting with the installation of her luxurious passenger cabins and the bathrooms, which are all prefabricated, and being put in place.

Her state as of September 1 can be seen from the front page of the magazine, but since then all scaffoldings have been taken down, her hull has been given a light greyish colour with a green waterline and deep-red bottom. The name "AMERICANA" will have been painted in the bow and stern and our trade name "IVARAN" will be painted on both sides. The Ivaran symbol, the red shield with the white "C" and the three blue stripes on each side, has been painted in the bow. By now she is looking as a real Ivaran Liner ready to trade in the Ivaran Lines' U.S. East Coast/Brazil-River Plate service which the company has served since 1925.

Despite strikes and unrest at the yard in Ulsan, S. Korea we still expect her ready to embark her first passenger in New York in February 1988 and then proceed via Philadelphia, Baltimore, Norfolk, Charleston, Savannah and Miami to Rio de Janeiro. Thereafter, she will serve Santos, Buenos Aires, Montevideo

and two ports in South Brazil out of Rio Grande, Itajai and Paranagua. Then she will proceed back to Santos and Rio de Janeiro and also serve two ports out of Ilheus, Bahia and Fortaleza in North Brazil before proceeding back to New York. We will schedule her to make the round trip in 48 days.

In connection with the contracting and placing of the M/V "AMERICANA" into our service, the company has built up a new Cruise Department. This department will be headed by Mr. Finn Engedal with experience from a similar position in Jahre Line, which operate two passenger ferries between Oslo and Kiel in Germany. Other people with cruise and passenger experience will soon follow in the U.S. and in South America so that the passengers will be guaranteed first-class service in all respects.

We are indeed looking forward to present the new ship to our many friends in the tourist and import/export business in the United States and South America in February. We can promise you already now that you will be pleasantly surprised with the new ship, not only her modern equipment to serve the 100 passengers onboard, but also her equipment to carry cargo of all kinds - be it any type of containers in existence in the world trades today, but also most of the oils and liquids which we will carry in the vessel's three deep tanks.

She will be the fastest ship in the South American trade with the ability to cruise at more than 21 knots, if necessary, to meet her obligations.

Travelogue by Ruth M. Tulley

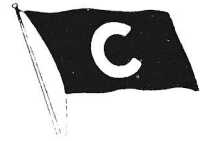
«Wenn jemand eine Reise tut» a German saying starts, and those who make a journey by IVARAN ships often seem to have much to tell about.

Ruth M. Tulley of Walnut Creek, California, gives us in the following her account of a two-month round-

voyage on board m/s SALVADOR late last year. It appeared in FREIGHTER TRAVEL NEWS for July and August this year.

By the way, why not book a passage yourself and make your own story for friends, relatives and whomever else in the mood for an armchair trip.

But back to the tale of Ms. Tulley



As expected of freighter departures, our sailing date was changed many times; but finally when October 14 seemed fairly certain, I flew to New Orleans to spend a week with family in early October. I had then planned to fly to Houston to board the ship on the 14th.

Departure dates kept changing until I felt like the guest who came for dinner and stayed as the one week was extended to three.

Finally the firm date of the 28th was established and I flew to Houston to board in time for "welcome aboard" cocktails and the special filet steak dinner that followed.

We did not sail until the next day at 5:30 p.m. with the 12 of us on deck to get the ship on its way. Our dedication to seeing that the ship was safely on its way was interrupted by dinner, but we returned after quickly eating and stayed outside for a couple more hours at most as it was getting cold.

I decided my bunk looked inviting and with a who-done-it, climbed in to read until my eyes refused to focus and sleep took over.

On this voyage, there were 12 passengers; 4 couples, a young man scheduled only as far as Rio and we three ladies. We started as, and remained a congenial group with varied interests and backgrounds.

Before describing the joys of this voyage, I am compelled to pay homage to the m/v SALVADOR. In all the years of my freighter voyaging,

that Rio was to, indeed, be our first port of call. This was one of our rough sea days with big swells and heavy rolling. Things were secured in the lounge and we were advised to secure things in the cabins before going to sleep because heavier rolling was expected.

November 13th brought the bad news that we would anchor out of Rio to unload the few containers and the departing passenger would leave by launch. There would be no visit to Rio at this time.

While I would have enjoyed a return to Rio, many passengers had never been here, so for them it was quite a disappointment. But all recovered like real freighter buffs and waved to our departing shipmate as he left in the rain.



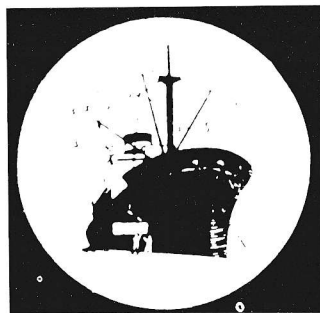
We arrived at the Santos harbor at 3:30 a.m. on the 14th, and went in to dock at noon. This was the first time since October 28 that our feet touched land – to take the free 3-hour tour of Santos.

The high point of this tour was the "Municipal Orchid Garden" that features a variety of orchids, Brazilian plants, and birds. Peacocks strutted along sidewalks with us displaying a great array of colorful feathers, and for the first time, I saw the odd Toucan bird with its unusually long, colored beak. Then we drove through the Monte Serrat tunnel to pass City Hospital and saw the soccer stadium, said to be a favorite of the world-famous Pelé.

The SALVADOR sailed at 1 the following morning. The next port, Buenos Aires, up the long, muddy La Plata river, found the SALVADOR docked about 4 p.m. on November 17th. A tour agent came aboard and arranged 2 tours; a city

tour for the 18th, and a ranch tour the following day. The first was furnished by Ivaran, the second cost about \$40 each, including lunch for the all-day trip.

Despite intermittent rain, we enjoyed the city tour because of the historical significance and the interesting buildings. Several churches and old cathedrals were of particular interest, along with a large, ancient cemetery wherein was entombed, according to our guide, the grandfather of Napoleon.



Our free lunch at the "Las Nazareneas Requieta" was typical of Argentine meals – too much good food! There was also time for shopping prior to returning to the ship, but there are no longer any real bargains to be found in Brazil or Argentina due to their inflation and our devalued dollar there.

Off we went the next day to the Rancho Mangrullo for the 'typical' Argentine ranch barbeque (asado). Upon arrival, we were greeted by a large rancho, in full rancho dress, and immediately presented with a crispy empanada and glass of wine.

We walked around the grounds to see the horses, their foals, and watched a horsemanship display by the rancheros – all of this with our cameras furiously clicking. Then we trekked through the souvenir shop before sitting down to the delicious asado lunch.

After a sample display of basketball on horse-back along with other local entertainment, it was time to drive the 20 miles back to "ship-home".

Still in Buenos Aires on November 20th, we found the only real bargains

of the entire trip being sold by peddlers on the lower deck of the SALVADOR. We could bargain with them and it was the only port where they came aboard. So when traveling there with Ivaran, go down a deck below the cabins and check it out.

Loading delays kept us in Buenos Aires until 7:30 a.m. on the 21st. We then again made the long river sailing to Montevideo, Uruguay where we docked at 6 that evening for a short stay.

Uruguay has been under Spanish, Portuguese and British rule over the years, but gained independence in 1828, and adopted its first constitution in 1829. Despite civil war and power struggles, Uruguay today remains an independent country.

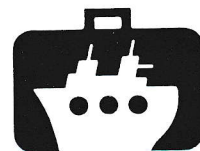
There were a few hours delay in leaving Montevideo while we waited out what "Sparks" said was a storm, with winds of up to 40 knots. It was 6 a.m. on the 22nd when we left for our next port of call, Itajai, Brazil.

Although we arrived at Itajai on the 24th, we were forced to remain at anchor for 2 days while we waited for a storm to abate.

Since there was not much to see in Itajai, the captain provided a free bus tour for an estimated 50-mile trip to the German city of Blumenau, lunch included.

The city streets in Itajai are horrible, but the driver used them like a turnpike. I wonder how frequently his shock absorbers need changing.

Out of the city, the road was not good, but better than those in town. We drove through little villages and up hills for great panoramic views. Blumenau is an attractive city with less inflation than the rest of Brazil, and we found some good bargains in a large department store. All of us took advantage of these low prices.



We enjoyed lunch at the Gouta Azul restaurant; that is, after we found an English-speaking guest to

translate the German menu and give the orders to the waiter. This gentleman also said that one could live like royalty here on \$1000 a month and later a dock supervisor in Itajai told us he bought a beach-front home there for \$5000. Maybe the inflation isn't so bad after all.

We sailed at about 9 p.m. for a short sail to Paranagua. After being at anchor during an electrical storm at the mouth of the Paranagua River for several hours, we finally picked up our pilot and headed up river. At Paranagua, we again dropped anchor and waited for berth space on Thanksgiving Day, November 27th.

Judging by the ship's delicious food, our tastebuds were prepared for "the Great Turkey Dinner" the ship would certainly provide. What a shock to find that it was probably the only meal of the entire trip that most passengers did not like. No turkey, and not one word said about Thanksgiving.

Well, it was all due to a mistake. The chief steward thought we celebrated Thanksgiving day on the last *Sunday* of November, so on Sunday, we got even more than we had expected on Thursday. It was grand! The chief was apologetic and embarrassed when he realized the mistake.

Still at anchor, the ship provided another free bus tour for a ride from Paranagua to the lovely city of Curitiba. There are 1.2 million people of mixed nationalities living together here in peace and harmony.

We left the ship by launch at about 9:30, and what an experience. The launch had a narrow ledge along which we had to inch sideways to reach entry. All of this while the little boat was rolling considerably. Fortunately, we all made it. When the launch reached shore, we faced a tall cement retaining wall that had a metal ladder composed of small round rungs attached to it. We had to climb this ladder to get up to the dock. These rungs were spread far apart and at low tide, there were *many* rungs to climb. Again, no foot slipped, so no Paranagua River rescues were needed.

The van was waiting to begin our 60-mile drive on a good divided freeway, along which we saw bananas for sale everywhere. Also of interest were the Paranagua pine trees which looked like they had been neatly pruned to look like tall toadstools with lots of foliage near the top.

Curitiba, in the native Tingui language meaning 'many pine seeds,' received town status in 1842 and is a university city. There are many neatly maintained parks here, and the "old section" of town features the famous "Relogio das Flores," the flower clock, where flowers are replaced according to seasons so the clock is always in full bloom.

The sidewalks in Curitiba are also most unusual. They look like closely knitted white tile with attractive black patterns that vary throughout the area.

Our launch and cement wall posed no problem upon our return to the ship. The tide was in, so only a few backward steps down the ladder was all it took. The launch was also different this time - no ledge, we simply stepped out onto the ship's gangway and were on board for a quick change to begin the 5 p.m. Happy Hour.

Rain kept the ship at anchor from November 26th, until the early hours of December 3rd. During this long wait, the captain was quite unhappy with the delay and after the 3rd day, talked of leaving anyway. His orders, however, were to wait.

When we finally docked, the rain delayed loading. With a relatively small amount to load, our expected departure was late that night. However, we were not on our way for a second call at Santos until nearly noon on the 4th.

While in Paranagua, the captain warned of muggers to the extent that we settled for long dock walks in between showers. However, one daring lady took a cab into town and suffered no negative consequences, so maybe we were too cautious.

On December 5th, we were at anchor again - this time out of Santos, expecting to dock on the 7th. These

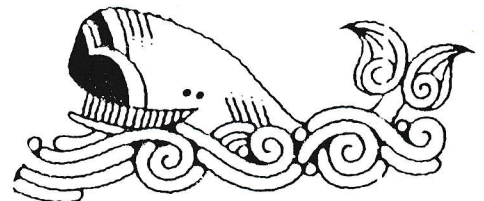
delays caused passengers no concern because now it began to seem as though we would enjoy Christmas on the ship; something not expected earlier.

We docked in Santos shortly after 8 a.m. and a tour agent came aboard to help us make plans for the following two days. Eventual plans called for a tour bus to pick 9 of us up at 1 p.m. on the 8th, let us off at the large covered shopping center for a shopping spree, then pick us up at 4 for a return to the ship. The usual wet weather prevailed, so the mall got our money. We paid a total of \$8 for the transportation.

The next day, 7 passengers departed for Sao Paulo via the new "Imigrantes" expressway with a return on the famous "Anchieta" expressway, with its many short and one long tunnel.

Sao Paulo is an interesting city of many attractions; such as the lovely residential areas of "Jardin (Garden) America" and "Jardin Europa," and the beautiful Ibirapuera Park.

We also thoroughly enjoyed the drive up Murimbi Hill for a spectacular view of the city skyline and surrounding area. A visit to the world famous Butantous Snake Farm, where snakes are kept to provide serum for snake bites, wasn't necessarily appreciated by some of the ladies. However, I found it quite educational. I must admit, however, that my bravery in entering was only due to the fact the snakes were adequately enclosed.



Lunch, the next stop, was on the top floor (41st) of the Italia Building - tallest building in San Paulo. Food, service, decor and view make this a delightful place to lunch; especially since it only cost \$8, which included the national drink - "Capirinha Cochaca."

The "Casa de Bandeirante" (Pioneer House) that we later visited dates back to the 18th Century. It is a typical rural house of the "Gold Cycle," An important period in Brazilian history. The Bandeirantes were pioneers who found new territories and extended boundaries of the country. The "Casa" was built by pressing wet mud between boards - "rammed earth" walls. Unfortunately, the furniture of the 12 rooms was temporarily removed due to a leaky roof.

Upon our return to the ship we were pleased to see that we had ample security in the area. Docked beside us were a Brazilian battle ship, an aircraft carrier and a frigate. They were there because a national strike was scheduled for December 12th, after wages were frozen and commodities were not. Past demonstrations had led to violence, so this time the Navy was prepared. We left on the 11th, and later learned that there were no problems. Most people appeared on their jobs as usual.

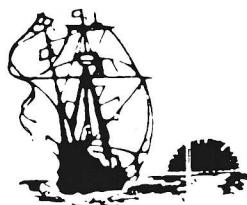
The SALVADOR was bound for Fortaleza, a port the Captain thought would be omitted, but was later added. We all rejoiced with anticipation of shopping for the embroidered apparel that is a Fortaleza specialty.

On December 13, we were treated to a second deck barbecue; chicken, ribs, prime beef, sausages, fresh baked french bread with wine and beer on the table. There certainly was no shortage of food or good spirits on this voyage, as special occasion festivities seemed to abound.

December 15, however, brought a disappointment. When the SALVADOR docked in Fortaleza at 10:45 p.m. for only a few hours' stay, we realized that our shopping spree would be sabotaged. I noticed that we were docked in the same space of my 1981 voyage, and while it would have been fun to see the familiar spots, it was unfortunate for the other passengers who had never been there..

Early the next morning, we were bound for Bridgetown, Barbados, and because the captain and three

others would be leaving the ship here to fly home to Norway for Christmas, the Captain's Farewell Dinner was given December 17. It began



with an open bar from 5 to 6 p.m. at which time each passenger was presented with the Equator Crossing certificate, a key chain with the ship's logo and a beautiful framed photograph of the SALVADOR. Dinner followed with afterdinner drinks to complete the festivities.

Early on the morning of the 20th, the SALVADOR was docked in Bridgetown, the shopping center of Barbados. Founded in 1628, Bridgetown had been named after an old Indian bridge that spanned the waterway.

Since Barbados is composed of 12 small parishes and port time was limited, a 3½ hour morning tour provided the best way to explore several of these parishes. So, with a knowledgeable guide (for a fee of \$20 each) we started in Bridgetown and had an unexpected treat. The bay was filled with sailboats having just completed a race from Southampton, England.



During our tour, we passed a great number of sheep, but not the breed to which we were accustomed. These had odd shapes, were white with black stomachs and grew no wool. They were raised solely for food.

Our venture covered parishes on both the Atlantic and Caribbean sides of the island and each side had distinctive differences. Some parts

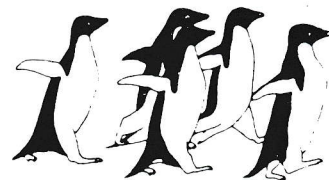
of the roads on the Caribbean side were 'walled in' by coral formations, while on the Atlantic side, the 'walls' were of stone. A climb up a hill to reach the peak brought cameras into action. This was a dramatic view of the joining of the Caribbean and the Atlantic.

A Barbados tour must include the Morgan Hill Windmill since it is the only remaining windmill with wheel house and sails still intact and in operating condition. Then, don't miss the Pilgrim House that was purchased in 1763 by the government from John Pilgrim, a Quaker. This house, plantation style, has survived strong earthquakes and a host of tropical storms. Finally there is the St. Nicholas Abby of the sugar cane era that was built in 1650.

We were back aboard ship for lunch, and departure time had been extended so 5 of us took a long, hot walk to the city for shopping. Three walked back and 2 returned by cab - I had forgotten to wear sneakers and as a result got 'hot feet' that threatened to blister. Another passenger graciously rode back with me. We did manage to make some purchases before my speedy exit.

We passengers said good-bye here to our four departing friends - the Captain, Chief Electrician, and the Purser and his wife. It was a sad experience since all were well liked and would be missed. However, their replacements proved to be just as well-liked.

At 6:10 that evening, December 20, we left for San Juan, arriving early on the morning of the 22nd. by 9 a.m., 5 of us left the ship for a walking tour.



I was impressed with the massive fortifications that were begun in the 16th century by the Spaniards to protect against invasion. San Juan

could have realistically been called "Fortified City." There were only moderate invasion attempts of short duration. Five of us explored 2 of these fortifications: El Morro (the Fort of San Filipe Del Morro) named in honor of King Phillip II of Spain, and San Cristóbal. Both of which are fascinating. With lots of walking, appetites demanded food. So we walked through a number of parks and into the shopping area and found what is known locally as the "Gran Hotel." The restaurant there, in an attractive court yard setting, is built around a gum tree that still produces. Sandwiches were available and the lowly hamburger was the choice of some for a "change of pace." Food was well prepared, but the sandwiches were large enough for 2 to share!

Adequately refueled, we walked a few blocks to La Fortaleza (Santa Catalina Palace), the first fortress built in San Juan Bay. This structure was begun in 1533 and completed as a fortress in 1540. Then in November of 1922, the building was expanded in a massive reconstruction project to house the Governor of Puerto Rico. It remains today as the official residence of the Governor and also houses a number of governmental offices.

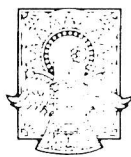
After a short tour of the palace, we went into several shops, but found most items were imported from other countries. The hot walk back to the ship ended this excursion. I left with great respect for Puerto Rico for its valiant efforts to become and remain a free republic.

At 6 that evening, December 22, the Salvador left for Santa Domingo and was docked by noon the next day at the only port where armed guards patrolled the docks.

After lunch the following day, some of us had a walking tour of this very poor city. It was necessary to take care to avoid open holes on the narrow streets and to be on the alert against muggers or purse snatchers. Even under these circumstances, we braved the torrid heat and walked down many of the streets.

Some had houses on them in deplorable condition, but fortunately there are a few parks around that provide some escape for the residents from their drab homes.

While we were on this excursion, busy hands had been decorating the lounge, to include a live Christmas tree adorned with every imaginable kind of decoration. There was also a decoration over each cabin door.



At midnight we bade good-by to Santa Domingo as we became Mobile, Alabama, bound. We were scheduled to arrive December 27, so Christmas would be at sea. And what a Christmas it was! On Christmas Eve, there was an open bar and goodies from 5-7:30, followed by a candle-lit Christmas dinner followed by dancing. Food on Christmas day was buffet style. At noon, a large table was set up and loaded with at least 30 different dishes of Norwegian and American food. This was left until 7 p.m., so we could eat when and what we wanted. Probably too much.

On Christmas morning, we opened the presents under the tree. These were gifts we passengers bought for each other on a "name exchange" basis (\$5 maximum). At this time, our new and well-liked captain Helde presented each of us with a gift-wrapped box of chocolates.

I was a fun-filled, busy day, so by 10 p.m., most of us went to bed for a good night of sleep. Lovely, soft Christmas Carols were played through cabin radios, but ended before I turned out the light. Suddenly at midnight, I was awakened to very loud Country Western Christmas music and I leaped out of bed to turn the set off. This caused much laughter in the morning. Evidently our "sparks" had inadvertently put on a cassette thinking it was noon - there had been much celebrating the

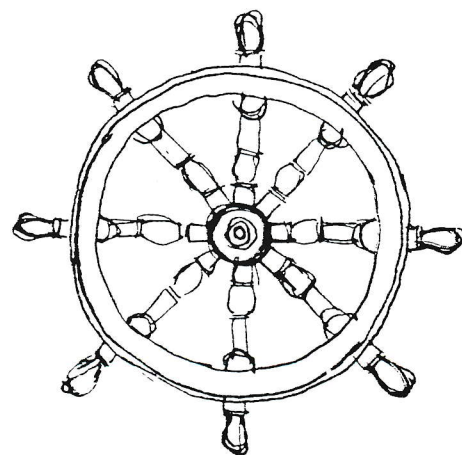
night before. Others, including the captain, had had the same surprise awakening.

By now the hot weather had turned to cool then to cold as we neared Mobile, so our swimming was eliminated, and warmer clothes were in order on deck.

Mobile docking was at 6:15 p.m. on December 27. Departure for New Orleans was 4½ hours later with arrival slated for noon the following day. An earlier projection of an 8 p.m. arrival in New Orleans was updated because of a 'short-cut' that deprived us of the Mississippi River return. For the first time, an Ivaran ship used the Intercoastal Canal (known as the Industrial Canal) and the view was primarily swampland.

Passengers were given permission to remain on board over night in New Orleans for flight connections, if desired, and I think most of us accepted.

I left with my daughter and her family for more Christmas in New Orleans. We also celebrated my December 30 Birthday before my flight home on New Year's Day. I had left the m/v SALVADOR with memories to last a lifetime and shared some of my adventures with friends at home with belated Christmas celebrations. All in all, it was a grand voyage. Any SALVADOR passenger can be assured of a good captain since I witnessed both first-hand. Bon Voyage!



Travelogue by John Grieg

In April of this year the Norwegian Ambassador to Mexico, Mr. John Grieg, after a visit to Brazil joined – you guessed it – m/s SALVADOR for the trip from Santos to New Orleans. His observations are recorded below –

I joined m/s SALVADOR on April 4th. We were supposed to leave Santos the same day, but due to rainy weather, the ship was delayed for three days because it was loading hardboard, a fragile commodity in rainy weather.

This did not matter to me, because I was received with open arms by master Aage Helde and his officer colleagues. We had a nice evening in a seafood restaurant in Santos where I got the best lobster I have ever tasted in my life.

Except for Santos we enjoyed nice weather during the whole trip up to New Orleans. Sunny days and the Salvador's swimming pool made the five days to Fortaleza in Northern Brasil a long and very relaxing holiday. Food was excellent, but only too rich, so I had to be careful in order to avoid comments from my doctor on my return to Mexico. In the evenings we had many parties organized by the captain and in the last week also farewell parties organized by the passengers.

On April 13th. we crossed Equator outside Amazonas. From Neptun I got my certificate of which I am very proud. It was an experience after having visited Manaus on the way to Rio to see the influence of that enormous river far out at sea. We spent a few days in Santo Domingo and one day in San Juan de Puerto Rico which gave me the first glimpses of the West Indies. It will certainly not be my last visit.

There were 10 American Passengers on board who joined the ship for the entire trip from Houston to Buenos Aires and back to New Orleans for 46 days. Together with the officers we were like one big family.

At the same time the restful atmosphere on board, particularly between Santos and Fortaleza and Fortaleza and San Juan, gave me a lot of time for reading and reflexion. To be away from newspapers, telephones and the daily stress of the diplomatic life was a wonderful rest. Months afterwards, I still feel the fine results of the tropical sun and sea breeze.

As a member of the Norwegian Foreign Service during 30 years I have had to deal with maritime problems and in particular with seamen's problems in different places, most so under my service years in Bombay in the late fifties, in Manilla in the late seventies and now in Mexico. The contact with the Norwegian seamen has always been pleasant, but I have never before had the experience of the daily life on board a Norwegian ship.

The trip gave me a new insight in the difficult task of the officers. Captain Aage Helde, in spite of his young years, had learned to handle discretely and diplomatically difficult people like immigration officers, Coast Guard officials and other controllers with power to delay the ship. He also seemed to know difficult entrances to harbours better than some of the local pilots. Aage also has a good sense of humor and many good stories. He was therefore very popular among both the passengers and the officers.

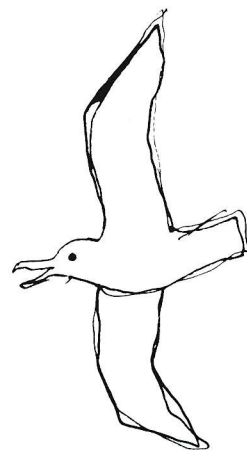
The preparation of loading and unloading of the cargo is the task of the chief mate. I learned to know how important these preparations are. A good chief mate can save a lot of money for the shipping company. Each port also has its own way of handling the cargo, so what is good preparation for San Juan is not necessarily good preparation for Santo Domingo.

The steward was looking well after all of us. His good planning is vital for the wellbeing of the passengers and the crew. He also must know what is available in the various ports so he can prepare for new supply. Again good preparations are important. Unless a ship has a good and

conscientious chief who looks well after his machinery and control the bunkers, the cargo liner cannot keep its schedule, and the customer may try other possibilities for their cargo movements.

I think I can say that the loyal officers on board Salvador were very well aware of these things. I also think that Ivaran can be proud of these officers. Good selection and good experience are the basis for good officers and an efficient liner service. Therefore good recruitment in the future is vital for a good liner service.

Last but not least the experience of the tropical sea and the clear tropical nights with the stars was unforgettable. The unpolluted atmosphere of the Atlantic was specially appreciated by one who has his daily life in a cloudy metropolis.





agents corner

Agencia Grieg, Rio de Janeiro

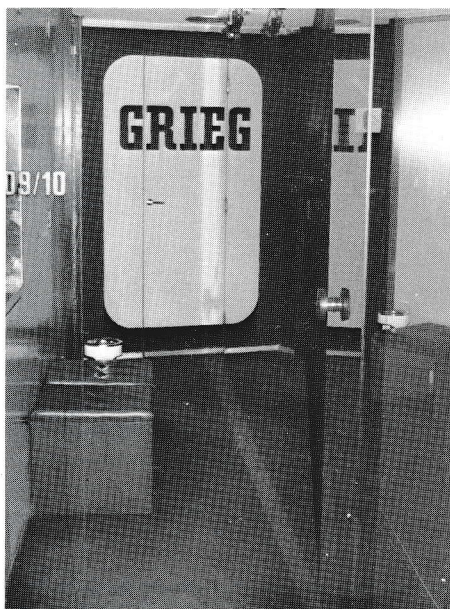
Agencia Grieg, Rio, has been a life-time trusted agent for IVARAN Lines' service to and from East Coast of United States. They are rather busy attending to agency matters and have elected to use few words and many pictures for their presentation, no doubt also having in mind the old saying – A GOOD PICTURE IS WORTH A THOUSAND WORDS.

When in 1930, Agência de Vapores Grieg was founded by Messrs. Grieg and Engelhart, it was recognized that presence in Rio was just as necessary as in Santos. Full service agencies were indispensable to attend vessels belonging to Ivaran and Nopal Lines.

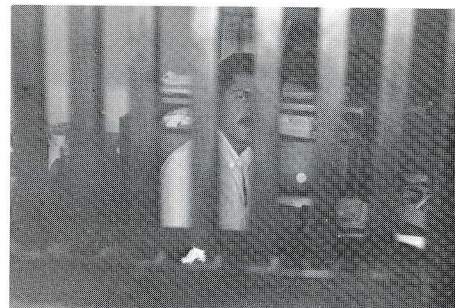
Meanwhile, Nopal Lines has disappeared from the trade, but Ivaran Lines has grown stronger and stronger. Steady growth of Brazil's foreign commerce has resulted in Agência de Vapores Grieg attracting additional lines, and the 27 full time employees at Rio currently handle a minimum of 10 vessels per month.

To better communicate with ships served by the Agency, a shore to ship radio system was adopted in the early eighties, assuring smooth and efficient flow of information.

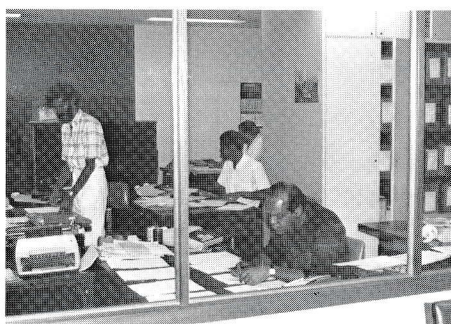
Today Grieg Rio provides all services traditionally found in a liner agency. This includes traffic, marine – and land operations, accounting and disbursement and marketing, as well as regulatory and conference representations.



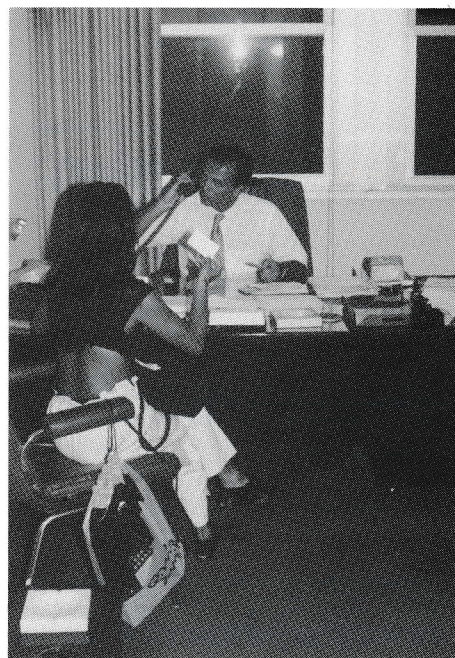
There is no doubt about where you are!



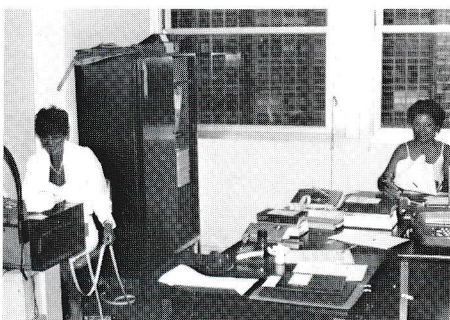
Freight payments are carefully guarded



Expenses are carefully calculated



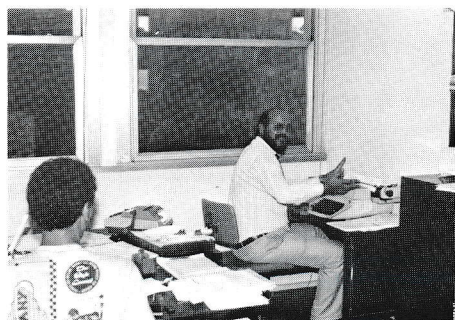
Professional attire is of utmost importance



Communication is important!



... and monitored



Service with a smile

office staff including its management team of: Hans Heitkoenig, President, Bob Fyffe, Vice President, Jon Forsyth, Vice President, Malcolm Morrison, Operations Manager, Alfred Heitkoenig, Assistant Vice President, and Mayra Perez, Controller.

In addition to its own operations, Antilles Shipping entered into a joint venture with Luis Ayala Colon Inc. and Agencia Navemar to form Container Terminal Corporation which handle the Carol container vessels in the port of Ponce and the Carol Terminal in San Juan.

It is expected that 1987 will be another banner year for Antilles Shipping Corporation due to its continuous expanded aggressive marketing policies, combined with the steady improving economic situation on the island of Puerto Rico.

Ivaran Lines is happy to have Antilles Shipping as its agent, knowing that thru agent's professional and dedicated approach, the interest of Ivaran Lines and its numerous clients in Puerto Rico are well looked after.

Cranston Woodhead

A leading Shipping Agency in their region, CRANWOOD could no doubt tell a lot about their past and current activities. However, in this connection we shall learn about its background and origin, a fascinating tale we shall present with pleasure and gratitude –

On 1st July 1987, Cranston Woodhead S.A., Ivaran Lines agents at Rio Grande, Porto Alegre and Paranaguá (Gulf only) commemorated their 65th anniversary of uninterrupted hard work in the shipping and transport area and it may interest some readers to learn how the Founder, Joseph Cranston Woodhead came to Brazil at the age of 18 just about 100 years ago:

Joseph Cranston Woodhead, the founder of Cranston Woodhead & Co. in 1922, was the eldest son of a

Quaker schoolmaster from Yorkshire. Being of that belief it was forbidden by the laws of England at that time to be of any profession other than trade or schoolmastering. It was only at the beginning of this Century that Quakers were allowed to attend Universities and other places of learning thus becoming lawyers, Doctors or Professional men.

Nevertheless, they still retain one doctrine of their own. They are men of Peace. They will not fight in wars, but will drive ambulances and attend the wounded. They have their own Church, which is known as the Friends Meeting House, and they call themselves the Society of Friends. They are not baptised or buried in the ways common to other religions, and they have no clergymen, such as others know them, but Elders.

Young Joseph's father, Cranstone, then spelled with an 'E', was a rebel. He left his home, school, wife and three sons in search of what he called «Freedom». Nothing was heard of him for several years, and any small jobs he could obtain in a small Yorkshire village to help his mother.

When Cranstone re-appeared, he had not yet found his «Freedom», but he had travelled and seen places which no one in the Family had ever heard of, and with a wealth of explanation he set to work to persuade young Joseph to go with him and see these wonders for himself. The struggle with his Quaker conscience was overborn by the firing of his imagination, and as his brother was now of an age to help his mother, Joseph left home with this father. Only when he was on board a ship and well out to sea did he hear they were going to a place called Brazil.

It was a very rough voyage and poor Joseph was not a good sailor, but his first sight of the entrance to Rio de Janeiro caused him to forget his miseries and stand, weak but agape at beauty and colour as he had never, in his wildest dreams, thought possible. In fact, young Joseph, aged 18, fell in love; a love he was never

to lose, a love he passed on to his children, grandchildren, and great-grandchildren. He was a natural immigrant and he loved Brazil and the Brazilians all his life.

In Rio de Janeiro, father and son lived in a rather small boarding house; they roamed about the then wooden paved town, they saw Chinese merchants with long pigtailed hands tucked into their sleeves. They saw silk merchants unrolling such a wealth of colour and richness that it seemed unbelievable. They bathed in bright clean waters, and perhaps, most miraculous of all, they saw parakeets and bright blue, orange and many coloured butterflies flying freely above and around them.

During these many perambulations, nearly intoxicated with all he was seeing, Joseph had not noticed that his father was more and more absent from his company. He continued his walks, he was nearly drowned in Ipanema, not being a good swimmer, and saved by a couple of friendly young men who saw his plight and brought him out alive, but full of water. They did the necessary and one of these young men, some years later on, brought his second son and only daughter into the world, he was then a first year medical student.

Then the blow fell out of the blue. Joseph woke up one day to find a note propped up on his bedside table which said: – My dear son, as you seem to have no sense of adventure and like this country so much, I suggest you stay here and make your own way. I am off to Canada in search of Freedom. To tide you over I am leaving my gold hunder and a gold guinea to help you on your way, sincerely, Pappa».

Joseph returned these items to this father – intact with the exception of the open letter, during the year 1920.

Life appeared to be very black indeed. He spoke no Portuguese at all, he had no job, and he had no one to turn to. He was quite alone. He decided that something had to be done very quickly indeed. He spoke to other young men in the boarding

SPILL-OVER

house, and his new medical student friend with whom he had kept in touch, and asked them how he could get a job and how he could learn the language, the latter, he thought, being the more important. This, to his joy was easily arranged, as several of the lads with whom he was friendly were only too eager to learn English in exchange for Portuguese. Joseph proved an adept pupil, rare in an Englishman who is known for having no ear for foreign languages, and in due course he was charging his pupils for English lessons. He then paid off what little he owed at the boarding house and moved into a small room.

Through Quaker stubbornness and desperation he finally obtained a job as a desk clerk with a firm, sitting on a high stool, working hard all day and half the night, keeping the books, straining his eyes only to find that the firm went into almost immediate liquidation. His integrity and natural honesty, however, had been spread round the then small English firms, and almost immediately he obtained another better job with a firm called Archer & Lucy, who upgraded him to gas light and trusted him implicitly.

With the added milreis of those days, he was soon able to give up his room and move into a house with three other young men, an abode dominated by a very large, very black, very fat and extremely drunken woman called Josepha.

Large, black, fat and drunk she may have been, but she cared for her four boys extremely well, and to the end of his life, Joseph lauded her and wept when he heard of her death at an advanced age – not of drink but of cancer.

Archer and Lucy sent him down to Porto Alegre, where the story concerning Cranston Woodhead really begins . . .

(The above was written by Joseph's daughter in 1972.)



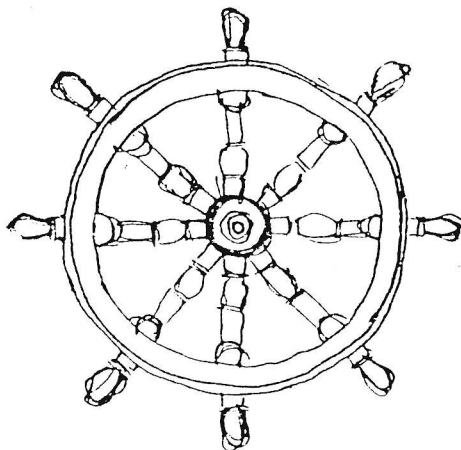
Cont. fm. p. 10

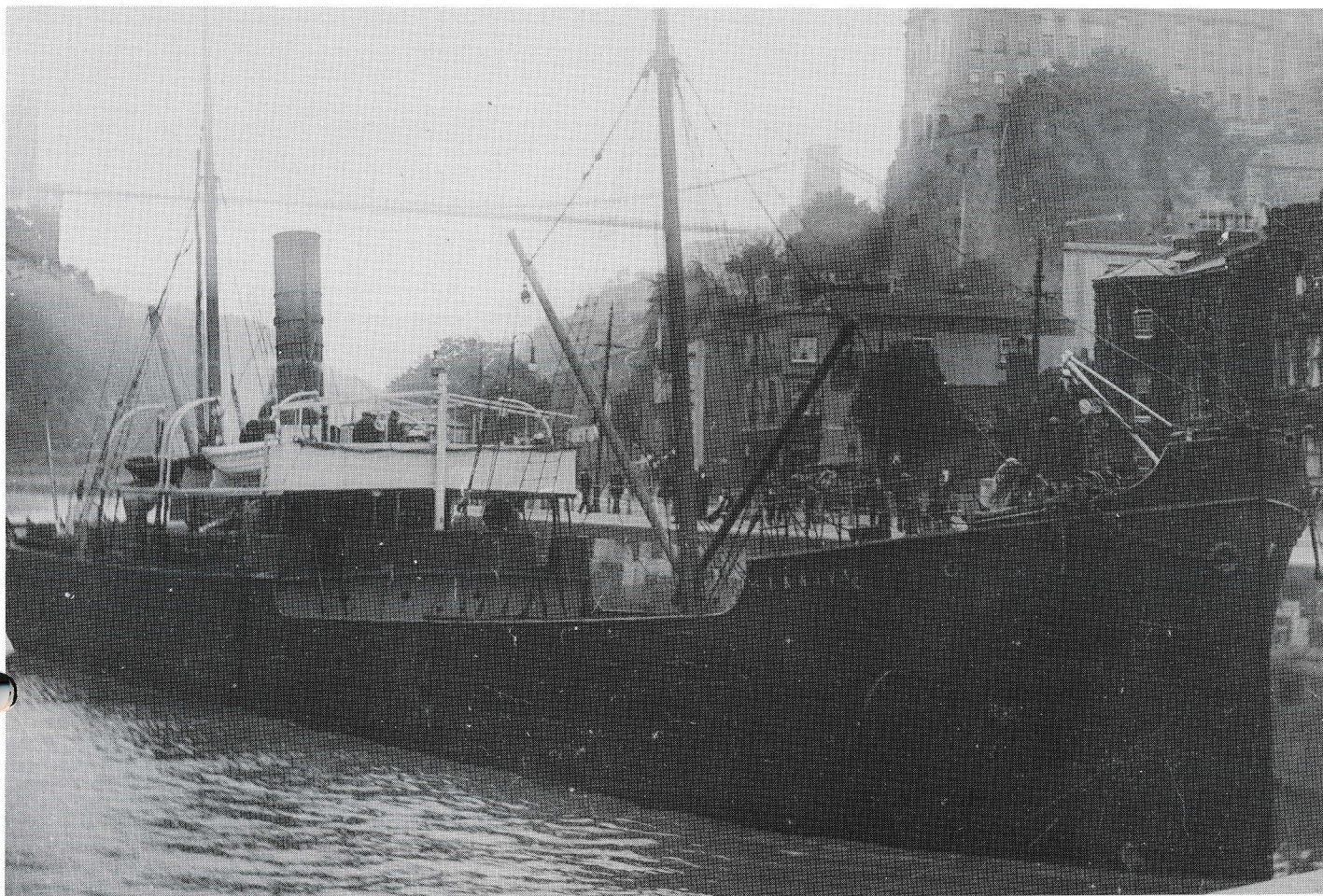
Stock Exchange this year. "It is for information purposes and to test interest," said a senior company executive. There is no decision yet to sell shares in the company", said a senior company executive.

The reason for the caution boils down to a political one. Unions and political opponents of privatisation and rationalisation are already on the march, and a bad choice of private sector partners could be damaging for the Government.

Cont. fm. p. 11

debt-for-equity swap idea, says Colasuonno, "Bresser Pereira will have all of Brazil's private sector backing him."





glimpses into the past

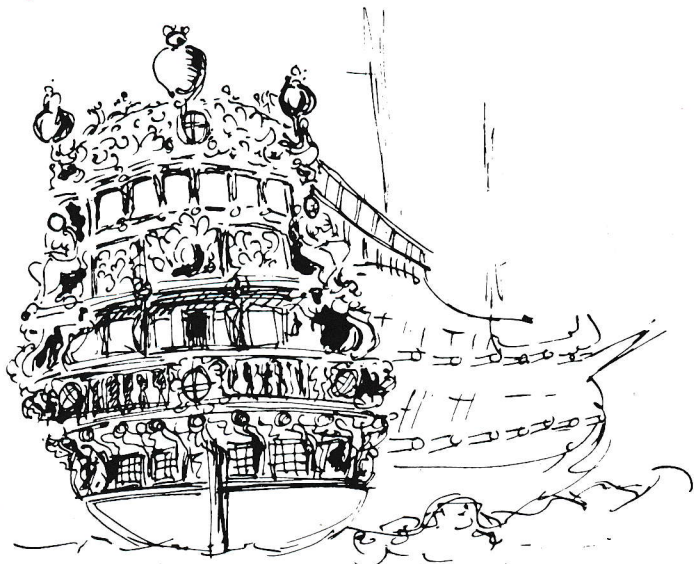


In 1905 Ivar An. Christensen purchased his third ship, s/s SUNNIVA, of 750 dwt. She had been built in Stavanger, Norway, in 1892 for local shipowner Holt-Isaachsen, who had been trading her for 13 years until sold.

Ivaran managed the ship for account of a partnership until 1916, when she was again sold, this time to Oslo shipowner Karl Møen. On January 24, 1917, during World War I, en route from Gothenburg to Hull with general cargo, she was boarded by a German submarine. Her crew was ordered into the life-boats. In the meantime the submarine crew rounded up and transferred all ship stores.

Thereafter explosive charges were placed in her holds, and the ship went down.

The commanding officer of the submarine showed the master of SUNNIVA a wireless message which he had received, reporting on der departure from Gothenburg. He demanded information on why the ship had been delayed! He had been waiting for her for a full two days. The Master could only confirm the delay, caused by ice and fog.



stern gallery



The Stern Gallery of AMERICANA will be truly impressive and will give many a passenger an opportunity to look back – to an interesting port, to personal reflections into the past, to a peaceful ocean view.