on line

with ivaran

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Ivaran Lines' newest and biggest ship, M/S SANTA CATARINA, with a carrying capacity of about 1 600 containers, enters the port of New York on a fine day in January, 1986.
She is still on the big side for the South American trades, but who knows what next year may bring?

IVARAN LINES'

local agents

are pleased to be
the regional distributors
of this publication
to esteemed customers
and friends of the line.

Engers Boktrykkeri A/S, Otta

from the masthead

No escape from life-and-death struggle

No turning of the tide is possible. Every day, every month, the inevitable catastrophe draws closer. Feeble efforts to stem the tide falter at the first real test.

1985 saw the collapse of a number of the world's major shipping operators, mostly engaged in bulk trades. But even liner operations were afflicted. One notable example is Orient Overseas Container Lines which is struggling to restructure financially.

The main stage for the evolving liner drama is set in the Transpacific Theatre. After a period of dwindling freight rates caused by increasing and severe overtonnaging problems, the suffering member lines got together in mid-January in the westbound and eastbound transpacific super-conferences. Both were launched only last year.

After sombre discussions, delicate agreements were entered into. They aimed at increasing freight rates by some 30% over the next eight months. They also included strict limits on the privilege of entering individual service contracts. That restriction hit Evergreen hard, and it took only a few days before the world's biggest container operator resigned from both conferences — with effect from 19 March.

Thus the outsiders, which also include Barber Blue Sea, Zim and East Asiatic, will represent a most formidable bloc of lines. No doubt they will negotiate service contracts in every direction while the going is good, to fill all available space even at reduced freight rates.

That will tide them over the storm, while the remaining conference lines will suffer from a combination of depressed freight rates and a very low load factor. This may spell disaster for all but the economically strongest, especially if the situation is going to last for a while. And there are few indications that the overtonnage situation will be solved quickly.

Even the Japanese lines are unhappy about the present conference setup. They, too, are expected to pull out unless the conference finds new strength. The K-Line seems to be pivotal, with economically-strained Japan Line close behind.

The Japanese lines have been through tough times lately and are seeking to rationalise services by all reasonable means. Thus the three linking Japan with the west coast of South America have made an agreement with three South American lines to form a consortium in an attempt to make some money.

Is has been evident for some time that the US Pacific-Australia trade has been ailing. Norwegian Karlander's Kangaroo Line was sold to Australian interests some while ago. It has been operating with five containerships on charter from Frank Chao's Wah Kwong Company, ranging in sizes from 1,200 to 2,400 TEUs.

After long rumours of strained finances, the collapse is a fact and the company is in the hands of a liquidator. What can Wah Kwong do with its five ships in a heavily overtonnaged market? It may be tempted to continue operations based on Kangaroo personel, but results are likely to stay just as poor.

Wah Kwong itself is in deep financial trouble. It has been hit by most of the major shipping collapses in 1985, such as Sanko, Saleninvest, Irish Shipping and Scottish Ship Management, which all defaulted on long-term timecharter contracts. Add that to the weakest market in memory, and the plight of Wah Kwong is evident.

In the Far East-Europe trade, the situation is not much better. Rates are depressed. The lines are worrying over what Maersk will do about replacing its modest 1,800TEU containerships presently employed. Rumours abound of plans for big new ships.

In the meantime, Far East Freight Conference is trying to make up for years of poor relations with Malaysia. The charm has been turned on, but it may take time to mend badly broken fences.

The Far East-Middle East trade has seen traffic dwindle badly for a while. The current drastic drop in oil revenues will not help. The lines involved are grouping into consortia which are so pressed that they are even introducing slow steaming.

Rather surprisingly, so far the transatlantic lines have been able to stick to their rate levels. Obviously they realise that a freight war would be disastrous. And the round-the-world services seem to have enough trouble in the transpacific trades to keep them from picking a fight in the transatlantic trade as well.

OCL, the major British containerline consortium, has finally entered the transatlantic trades, too, by purchasing a 50% stake in Trans Freight Line (TFL) which has been a wholly-owned subsidiary of Australian TNT (Thomas National Transport). OCL may not be able to cash in on that investment for quite some time, but they have a very sound economy and low capital costs. No doubt they will become a stabilizing factor, as they have always been in trades where they have played a major role.

After a crucial period, we expect OCL to remain one of the major survivors able to cash in on future opportunities.

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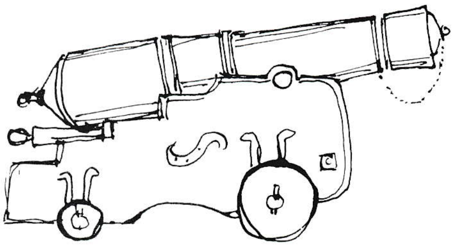


management will not be shut out

Ivaran Agencies Inc. — our arm in USA

For almost 60 years IVARAN LINES were represented in USA by traditional General Agents. Since 1967 that role was filled by US Navigation, a major shipping agency which also represented a number of other lines in trades to and from USA.

In order to superwise ships' operations more closely, A/S Ivarans Rederi did, however, since shortly after World War II maintain an office, an Owners' Representative, in New York. Under the name of Holtship Inc. it was for many years led by Capt. Sverre Johansen. He retired in 1982. At that point Holtship Inc. was renamed Ivaran Lines Inc. and more emphasis was put on sales and marketing to augment those of the General Agent.

With the extension of South American services also to and from US Gulf, the volume of trade grew significantly and brought total traffic volume to a level which could support an in-house organisation. The retirement by the end of 1983 of the old US Navigation management gave further impetus to our thoughts of setting up our own organisation, IVARAN AGENCIES INC. in New York.

With a decision taken, the real job sets in. It represents a major task to build up a smoothly functioning general agency organisation in New York. Furthermore, it is most important to work quietly during the initial stages. Once your current General Agent learns about your intentions he may tend to lose momentum on your cause. He may shift emphasis to the task of developing alternative representation. He may even resent your decision to leave him and actively hurt your case.

At the same time everything has to be ready in ample time for the transition. Office space, furnishings, above all an adequate staff, also operating systems, all have to be planned and acquired. 'All nuts and bolts have to be in place for the opening', says Stig N. Foss, who was in charge of New York activities during that period. 'An experience of a lifetime, and a very interesting challenge.'

By July 1984 news on what was brewing reached our agents. They were disappointed, but put their honor in working for IVARAN at maximum capacity until the new set-up took over on October 28th.

Our management style is somewhat different from that of the typical U.S. Corporation. The traditional U.S. manager is best described as a 'Boss'. He retains more control, power, over his staff than Norwegians are used to do. A typical Norwegian manager is more a leader 'among equals', the employees are associates, and decisions are sought delegated as far down as possible in order to create a more productive atmosphere.

Scandinavians enjoy a much greater degree of job security, at times maybe too extensive. At Ivaran Agency Inc. we have tried to strike a medium, giving the employees more protection from 'management fear' which we feel is a factor in many US companies. Rather than basing ourselves on a fear of being fired on short notice and inadequate reason, we are building our employment atmosphere on confidence, cooperation and common goals. We believe those «co's» result in a satisfied staff, giving better service to our customers, adds Stig Foss.

We believe our staff appreciates our management style. Should it fail to yield enough results, a gradual return to the normal American Way is always within reach.

A year and a half ago Ivaran Agencies Inc. started up with 29 employees. Today we are 36, of which one is located in Cleveland, working out of our Agents' office there. Our organisation is totally marketing and sales oriented, and customer service is our central theme.

In addition the computer is a vital tool in our craft. Within few months Ivaran Agencies will be fully computerized in all phases of Traffic/Documentation/Container Control/Accounting, as well as communications. In such a way our customers will be better served and thus render Ivaran better equipped to remain competitive.

A cross trader for more than 60 years, Ivaran has only one way to go — to serve our customers constantly better and more efficiently than the lines under national protection.

Did we make the right move when we decided to set up our own organisation in U.S.A.? Based on our experience and results to date, the answer is a resounding YES.

Ivaran Manages

World shipping struggles along in a deep crisis with an overflow of ships and unbalanced trades. Still, results for 1985 were acceptable for A/S Ivarans Rederi, owners of Ivaran Lines.

The offshore returns were rather poor, due to a depressed market for supply ships. On the other hand, liner results improved somewhat, and that enabled us to stay in the black on an overall basis.

We are rather pleased with that situation, as liner freight rates could not be increased at all during the year, yet costs kept increasing while the overall trade volume stayed at the same level as the previous year.

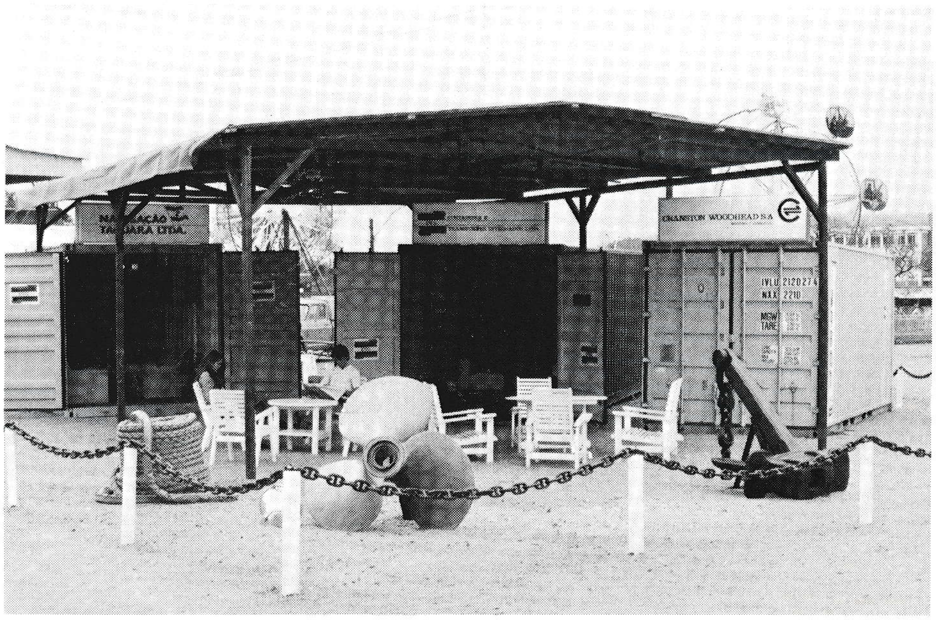
How could we then manage to gain improved results? It was made possible because our southbound market share improved significantly — a result of our switch to our own general agency set-up in New York.

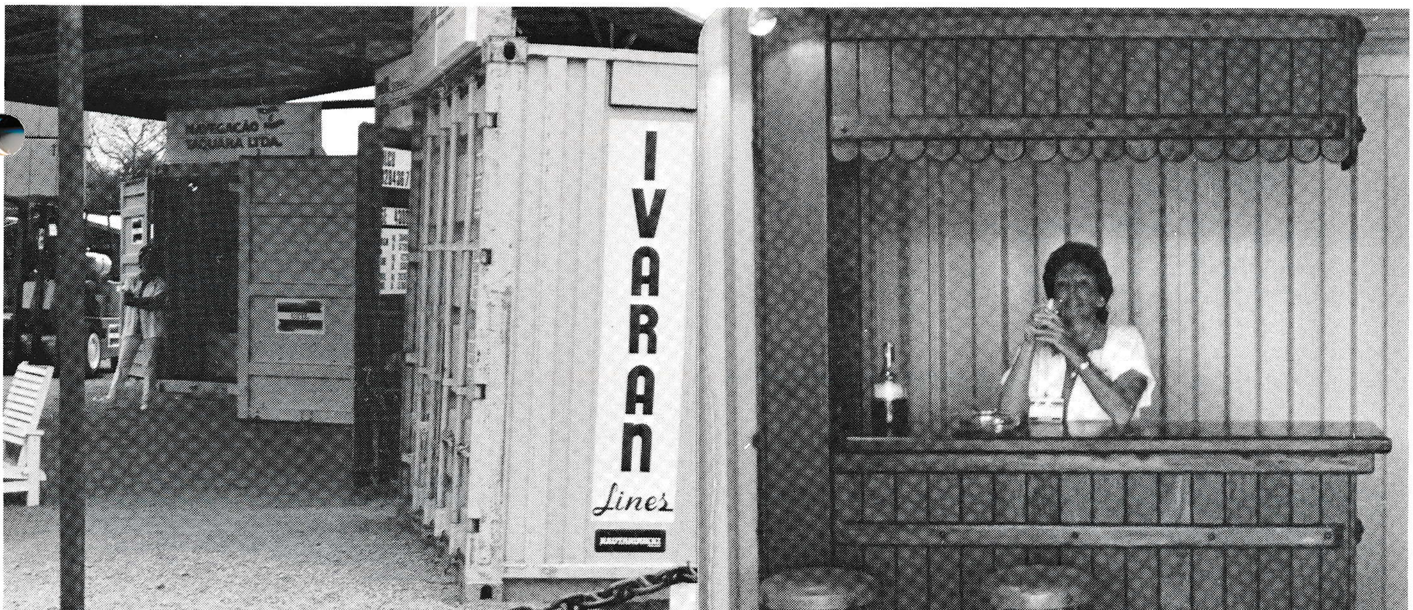
The two liner services linking East Coast of South America with US East Coast as well as with US Gulf/Mexico employed a total of eight ships. They are varying somewhat in size and type. The bigger ships are the faster ones both at sea and in port. But they need more cargo and have to call at more ports to accomplish just that. The added time required in calling more ports is compensated for by better speed.

Thus we are able to maintain fairly well balanced roundtrip itineraries.

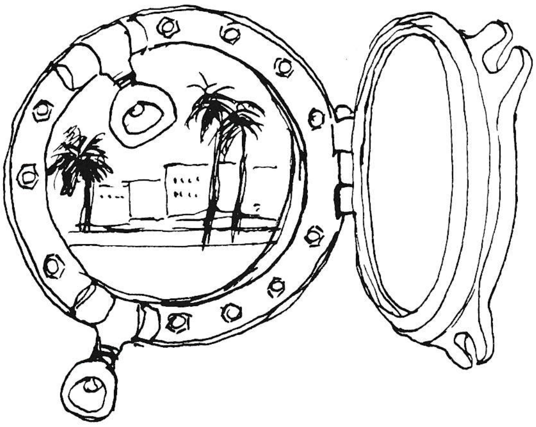
In addition to the carriage of regular cargo along the line, we are now, in cooperation with a Bolivian carrier, also lifting oil drilling equipment destined for Bolivia. Ivaran handles the ocean leg from USA to Buenos Aires. The Bolivian carrier is responsible for the oncarriage all the way to the drilling site.

The transition into the computer age is proceeding at a good clip. Both software and hardware command more and more attention. Our entire liner network is steadily becoming closer knit, more efficient. The computer is already demanding center stage attention and will stay there for all foreseeable future — a vitally valuable tool for competent managers.





Agent Cranston Woodhead S/A in Porto Alegre had no ready photographs from their port area. But in Santa Cruz an 'Oktoberfest' was held during the tobacco season, and Cranston Woodhead was duly represented. On exhibit: Several containers, sitting accomodation and some nautical items. An IVARAN container was among those on display. For the occasion it was fitted with a bar which turned out an instant success, and was awarded first prize – for originality.

news  along the line

Economic News according to Brazilian American Chamber of Commerce.

1985 Economic Performance:

End-of-year data to measure Brazil's economic performance in 1985 now becoming available tend to confirm that it was a highly positive year.

Production:
Although frequently subject to subsequent revision, real growth of the economy in terms of Gross Domestic Product is now officially estimated to have been 7.4%. Unofficially, this was described as third-highest in the western world.

Agriculture:
Record crop levels for various major products contributed to an estimated 8% growth of Brazilian agriculture during 1985. Coffee production in the range of 30 million sacks permitted export of 19.1 million to earn US$2.6 billion. Wheat, soy bean, cotton, cacao, and other harvests were also strongly up from previous levels. Sectoral uncertainties were once again demonstrated, however, by serious and prolonged droughts which have clouded the outlook for 1986. Coffee production is expected to drop by about 43% to some 16—17 million bags, but the Minister of Industry & Commerce predicts that price increase and market factors could raise its earnings to as high as US$4 billion. In contrast to this, however, basic foodstuffs such as corn, rice, potatoes, beans and beef have been so adversely affected as to require 1986 imports at a cost now being estimated as likely to reach US$1.5 billion.

Industry:
Industrial production also showed significant recovery during 1985 with varying estimates at about the 8% level. Employment was up, and factory capacity was increasingly being utilized.

Trade:
Having begun 1985 predicting a trade surplus of US$12 billion, Brazil ended the year with one of US$12.45 billion. December exports of US$2.55 billion exceeded imports of US$1.46 billion to yield a final month surplus of US$1.09 billion. The 1985 surplus was about 5% less than that achieved in 1984, and Brazil's two-way trade declined from over US$40 billion to someting under US$39 billion.

For the present year, Brazilian Goverment sources anticipate 1986 exports of US$26.5 billion, imports of US$14 billion, for a trade surplus of US$12.5 billion and a 2-way volume of trade in excess of US$40 billion.

As identified in previous News Bulletins, there remain various trade issues outstanding between the United States and Brazil. Dialogue on these is essential, but progress is slow. President Reagan's veto on December 18 of the bill to restrict imports of textiles, apparel and shoes eased one point of conflict, but there are reportedly many other legislative initiatives which Brazil will consider «protectionist». Last year's voluntary restraint program on steel imports has been less effective than intended, leading to renewed requests for more comprehensive protection by the U.S. domestic industry. Points of difference specifically with Brazil involve informatics, ethanol, transport, intellectual property rights, service to continue to be an active one in 1986.

Inflation:
Brazil's much-watched rate of inflation rose from 11.12% in November to 13.4% in December. This brought the total for the year to 233.76% as compared with the 223.7% rate in 1984.

It had been a busy year on the anti-inflation front. Practically all political leaders agreed upon the need to halt inflation. Many firm resolutions had been voiced, and much of what is known in United States as «jawboning» had taken Place. Indices had been reviewed, revised, refined, and there was public discussion in and out of government as to the extent to which official readings should be «purged» of the inflationary impact resulting from force-majeure type of developments.

As the new year begins, President Sarney and his key Ministers are focussing heavily upon this problem. There is universal hope that they can slow or arrest inflation, but as of now the press reports predicitions for 1986 which range from the government estimate of 160% to those of businessmen said to be basing their 1986 budgets on an assumed rate of 280%-300% or even more.

Foreign Debt:
Considerable drama attached to Brazil's US$100 billion foreign debt during January. On a daily basis, the press reported on contacts with the International Monetary Fund and foreign bank creditors. Brazilian officials were said to be pressing for reduced «spreads», renewal of short-term credit lines, and debt refinancing through a multi-year rescheduling agreement. Toward this end, they sought first an endorsement of their economic adjustment program by the IMF which would then serve as a «green light» to the private banking community.

Both the U.S. and the Brazilian press reported negotiating efforts of the Minister of Finance and Central Bank officials, their travels to Washington and New York, and their meetings with high-ranking figures in both the public and the private sector. Some talks were reported to go well, others badly. While Government spokesmen tended to be optimistic, other observers were notably more cautious in their assessments of reaction by IMF and U.S. officials.

When the International Monetary Fund finally pronounced itself on Brazil's adjustment program, it was with something less than resounding endorsement. In essence, it took note of the program, termed it a positive one, but expressed concern as to its adequacy. This was described in the press as being less a «brilliant green light» than a cautionary «yellow light», but nonetheless one which would allow the private banks to move ahead.

Since then, Brazil and the major creditor banks have announced tentative agreement to renew approximately US$15 billion of short-term credit lines through March of 1987, and to roll over principal falling due in 1985 for 7 years with a 5-year grace period. This has been proclaimed in Brazil as a victory in its drive to renegotiate with the banks without having to accept continuous and close-in monitoring of its economic program by the IMF. In the United States, however, high-level U.S. Government officials were reported still to be pressing for conclusion of a more formal agreement with that international body.

Petroleum:
Some mention should perhaps be made of the rather special current impact of petroleum on Brazil's economy. Heavy investment and special effort by PETROBRAS had pushed domestic production of crude oil to 610,000 barrels per day by the end of 1985. By now, Brazil is supplying some 65% of its own requirements and occupies a solid position as Latin America's third largest producer. This, coupled with declining oil prices over the past year, has been having a most beneficial impact on the balance of payments.

The collapse of oil prices in January initially suggests tremendous additional relief for Brazil. It may complicate, however, the future investment program of PETROBRAS and poses new problems for the economic feasibility of the national alcohol fuel program. Additionally, crude oil prices below $20 per barrel can only impact very negatively upon some of Brazil's important export markets in Africa, the Middle East and elsewhere. And finally, Brazil can in no way be oblivious to the implications for the world banking system which is so crucially related to its own financial and debt structure. On balance, the net impact of today's oil price developments is difficult to discern.

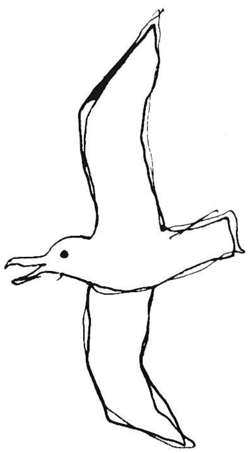
Economic Growth:
Since the 40th Annual Meeting of the World Bank and International Monetary Fund during October in Seoul, Korea, there has been a new emphasis upon «sustained growth», popularly associated with the «Baker Plan» enunciated there by U.S. Secretary of the Treasury James A. Baker.

In terms of foreign debt and economic adjustment programs, IMF doctrine has traditionally been associated with austerity and fiscal discipline, while proponents of growth have frequently been seen as overly-prone to measures and tactics with inflationary implications. The newly-emerging emphasis upon «sustained growth» is probably viewed by creditor countries as a positive supplement to essential austerity, while debtor countries may look to it instead as a more palatable alternative. Regardless of any such dichotomy, it will almost certainly play an important role in the months ahead.

While urging prospective beneficiaries of the «Baker Plan» to free up their economies and adopt measures and policies which will permit optimum use of their resources to contribute to «sustained growth», the United States is also looking to the international financial institutions to play a more dynamic supporting role. A larger part and expanded lending by the World Bank seem in prospect, while the Inter-American Development Bank has reportedly been approached to dovetail its efforts with those of the larger institution. All of which can have significant and positive implications for the debtor countries of Latin America.

After recent years of recession, unemployment, and mounting «social debt» to its people, the new Government of Brazil has drawn a line against unacceptable levels of austerity and has rather clearly termed at least 5% real growth essential to national and political well-being. This would appear comfortably consistent with the new concept of «sustained growth» on the broader international scene. In this light, it may be of interest to note the levels achieved by Brazil in terms of real growth of its Gross Domestic Product in this decade:

Year	*Real Growth of GDP*
1981	− 1.6%
1982	+ 0.9%
1983	− 3.3%
1984	+ 4.5%
1985	+ 7.4%



# of SHOES and SHIPS

Brazil is more and more assuming the role of an important exporter of fresh fruit, and the creation of Hortinexa has most certainly contributed to this growth

FRUIT

Many people living in cold or temperate climates, principally in Europe or the North America, have probably enjoyed the taste of fruits like guava, pineapple, passion flower, mango, cashew, melon, papaya and others which are typical of tropical climate countries such as Brazil. What many people do not know is that they can very probably find all of these fruits, *in natura,* in a number of stores in their country, including small fruit stores or more sophisticated establishments such as Fauchon de Paris, which specializes in exotic foods. Much of this fruit comes from Brazilian farms where in recent years production techniques have been perfected in order to reduce costs and improve quality by developing varieties with flavors more apt to please palates in other countries. Special care is given to sanitary measures on the farms and the packaging and transport have been modernized. Today, Brazil exports all kinds of fresh tropical fruit. Besides fresh fruit, canned and dried fruit are exported, as well as in the form of juice or candies. Even some temperate climate fruits are included – such as strawberries, figs, peaches and grapes. In some special cases, where the importer so desires, shipment is by air, which means a difference of only 72 hours between picking in Brazil and eating in Europe or North America.

Although the majority of fruits which are considered as exotic or non-conventional on the international market have been widely used in Brazil for a long time, it has only been in the last ten years that producers and exporting companies became aware that Brazil could play a bigger part in the international market. Whereas years ago, Brazilian farms had an orchard with a mixture of fruit trees, with little special care or pest control, kept only to guarantee the family dessert, today there are large areas with organized and modern fruit production. Losses due to faulty packing or careless transport no longer happen on these farms, many of which were started just to supply the foreign market.

In addition to orange juice (a traditional Brazilian export product which today accounts for close to a billion dollars a year in revenues), international sales of fruit began with bananas and pineapple (mainly to Argentina) and melons. Pineapple and melon are more resistant and longer lasting, which facilitates shipping. The recent introduction of the small papaya into Brazil has made this fruit one of the biggest sellers to other countries, in just a short time. Encouraged by the first results, fruit growers and exporters saw the many possibilities for business abroad and began to adapt their production and shipment of other fruits to meet the demands of the international market.

First on the list of Brazilian exports of fresh fruit are bananas, which are sold to Argentina and Uruguay, the only importers of this fruit. Argentina bought 12.9 million dollars' worth of Brazilian bananas last year, while Uruguay purchased 3.5 million for a total of 16.4 million dollars. Brazil exports bananas to just these two countries because other markets have their traditional suppliers located close by.

The pineapple (or ananas) is second on the list with exports amounting to 5.45 million dollars last year. The major buyer of Brazilian pineapple is Argentina, with purchases last year of 4.98 million dollars (91.4 percent of the total exports). Brazilian pineapple also goes to Spain, the United States, Holland, England, and other countries.

Third place on the list belongs to honeydew melons, with sales of 2.48 million in 1984. The major importer is the United Kingdom, with 964 thousand dollars, followed by Argentina and Holland. The honeydew melon grows in dry, sunny climes and is irrigated. It is the fruit of a fragile herbaceous vine-like plant. Brazilian melons are shipped to the United States, Canada, Europe, the Middle East and South America.

Strawberries — which are not a tropical fruit – are in fourth place on the list of exports of fresh fruit, last year accounting for revenues of 1.92 million dollars. Sales are mainly to the European and North American markets during the period between harvests in the Northern Hemisphere. The mango, a pulpy and tasty fruit originated in Asia and is perfectly adapted to the climate and soil in Brazil. In almost every backyard in the country there is a shady mango tree. Mangoes were shipped to European and Arabic countries as well as to Canada and the United States in 1984 in the amount of 1.34 million dollars. France was the major importer, followed by the United Kingdom. Brazil is preparing to expand its mango sales in Europe, since the Brazilian mango is able to compete there with the product from other countries. In 1982, Europe imported close to 12 thousand tons of mangoes, and Brazil accounted for only 600 tons, which shows the potential of this product in terms of exports. Papaya brought revenues of one million dollars in 1984, and the major importers were the United Kingdom (253) thousand dollars), the Federal Republic of Germany (246 thousand dollars) and France (171 thousand dollars). From exports of various types of grapes Brazil took in 820 thousand dollars last year. The principal buyers were the Federal Republic of Germany, the United Kingdom and France. Figs accounted for 395 thousand dollars, and went to the Federal Republic of Germany, France and other countries. Sales of guava, which has only recently been put on the international market, came to 237 thousand dollars. Brazil exports smaller

and SEALING WAX...

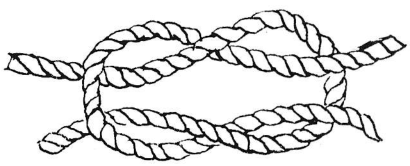
quantities of persimmon (a pulpy fruit from Japan), avocado, watermelon, plums and other fruits such as apples, pears and peaches grown in southern Brazil where the climate is temperate.

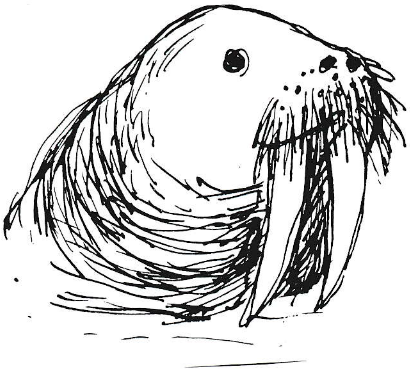
Some Brazilian tropical fruits are exported principally in the form of juice since they are perishable, as is the case with cashew and passion fruit. The cashew is well known because of its nut, which exported shelled and roasted (69 thousand dollars in 1983). The nut is used as an appetizer, or in candies or to garnish sundaes. The nut is the real fruit of the plant, since the pulpy part (the cashew), which is rich in vitamin C, is formed on the stem of the flower. The passion fruit is called such because of its flower, of violet color, resembling the crown of thorns placed on Jesus' head by His persecutors. The fruit has little pulp and has an orange-colored liquid in its hollow center. The juice is extracted from this liquid, and has a distinctive refreshing flavor. Brazil also exports pineapple, peach and grape juice. Brazilian fruits are also consumed in other countries in the form of canned fruit, dried fruit (raisins, prunes, dried bananas) or crystallized candies. In 1983, these secondary export products accounted for revenues of almost 20 million dollars (passion fruit juice alone accounted for 10 million).

The growth and modernization of the production and exportation of fresh fruits by Brazil are due not only to a good market, but also to the organizational setup of the producers and the exporters. In 1979, some producers and exporters joined together to form Hortinexa – the National Association of Produce Exporters – whose field of activity includes fruit and garden vegetables. At the beginning, due to the lack of experience of some producers in international commerce, Hortinexa was obliged to oversee the harvest on the farms and even undertake the packing of the fruit at its own expense. Today, however, the sector is better acquainted with and adapted to the requirements of the importers, and Hortinexa, now with more than thirty associate members, has only to supervise the various stages in the exportation process. Its main fuction is to promote its products in potential foreign markets, and to provide technical assistance and legal aid to association members. Since 1982, promotional campaigns have been organized in many countries publicizing Brazilian produce. In the first year of the publicity campaign the target countries were England, France, Canada and the Federal Republic of Germany. Direct demonstrations were also held with counters offering samples in supermarkets, fairs and speciality shops. Hortinexa also took part in the International Food Salon in Paris. In the second year, the campaign was extended to other European nations such as Holland, Italy, Switzerland, Belgium, Austria and Finland and to the United States. The campaign included advertising in the leading trade magazines everywhere and wide coverage in the specialized press. In 1984, Hortinexa sponsored the I Congress on Exotic Fruits in Sao Paulo, to provide importers with the opportunity of getting to know the products firsthand and of making contacts with Brazilian producers and exports. The association also produced a series of promotional films for showing at fairs and on television stations all over Europe.

Results were immediate. In 1979, exports of fresh garden produce did not come to five million dollars. In 1982, the first year of the campaign by Hortinexa, revenues for the sector jumped to close to 10 million dollars. In 1983, the amount was approximately 15 million, and last year, just in fresh fruit, Brazil had sales of more than 30 million dollars on the international market. The outlook for the international market. The outlook for the coming years is even more encouraging, due especially to to the fact that Brazil can supply the foreign market with fresh fruit and produce exactly when other exporters are between harvests. In the case of honeydew melons, for example, the leading European producer (Spain) can provide the product only during certain months of the year due to the climate, whereas in Brazil the fruit is cultivated and picked the year round. The quality of Brazilian fruit is so good that in some cases, even though the price for their import is low, they are sold to the consumer at prices higher than the product originating in other countries.

The growth of produce exports has also caused the appearance of many exporting firms involved exclusively in this sector. Until some years ago, companies such as the Saopauloexotic, the oldest among these firms, and the Cotia Farming Cooperative were alone in the field with no direct competition and without any joint efforts by the two. Now, however, after the creation of Hortinexa, and due to the results which are apparent, each year sees more and more exporters involved in fruit and vegetables, such as the Agricola company, the MVM Exportadora, Guarau, Agroexotic, Pumali, Frutab (Frutas Brasileiras) and many others. Some work only with certain fruits, such as Guarau (pineapple), Marinei and Ciponave (honeydew melon) but the majority export all types of fruit. Many of the established trading companies which are active in other sectors are also giving more attention to fruit and produce, a fact which could mean an even greater increase in Brazilian exports.





# of SHOES and SHIPS

The History of the Brazilian CARNIVAL

by Haroldo Costa.
Lifted from VARIG's Inflight Magazine ICARO by kind permission.

For those able to understand it,
carnival is much more than a
moment of pleasure;
It is a rite, a liturgy, it is a heart
frantically beating rythmic infatuation.
(Carlos Drummond de Andrade).

Historians usually place the origins of carnival in ancient Rome and Greece, in Persian festivals and in Jewish rites. In Brazil, however, carnival has earned such distinct, splendorous form that it appears to have been a national invention or perhaps one more of Africa's contributions to our culture. Actually, all we have done was basically to rehabilitate the fundamental and universal ingredients of this great festivity and combine them with a unique type of music.

Today carnival is like a national liturgy able to gather, in Rio de Janeiro alone, 150,000 people parading with their *escolas de samba,* while the country literally halts for 3 days. How we came this far is a long and colorful story which begins with the pranks of the Portuguese entrudo, then the Afro-Brazilian frolics, and climaxes in our first carnival ball on January 22, 1840.

The entrudo was a type of revelry, violent and of poor taste. During carnival, true battles took place in the streets of Rio de Janeiro. Among the various types of weapons employed, the most agressive were the so-called limoes-de-cheiro, bomb-shaped rubber balls filled with water or urine; also, huge bottles were used for squirting red or black ink on passers-by. The most innocent of entrudo pranks consisted of pouring talcum powder or whitewash from town house balconies over the-heads of unaware pedestrians. Beginning in 1818 French painter Jean-Baptiste Debet depicted scenes of entrudo in his drawings. Several court orders, edicts and notices were published in attempts to curtail the entrudo, but to no avail. Quite on the contrary, the practice grew consistently; even Emperor D. Pedro I was a great fan of the pranks; and, according to writer and historian Viriato Correia, his son, D. Pedro II, duly followed his father: «. . . despite all his austerity, D. Pedro II resorted to limoes-de-cheiro and to buckets of water to enjoy the entrudo at the imperial palace. During the first days of his coming of age (at age 14) the Emperor wet his sisters so much that one day D. Maria Antonia asked him to stop playing such pranks or the princesses would get ill».

Although forbidden - or perhaps because of this – the entrudo incited revellers to strange behavior. In his book, *História do Teatro Brasileiro (History of Brazilian Drama),* Lafaiete Silva writes that on carnival, 1925, Portuguese artist Estrela Sezefredo – 15 at the time, (later she was to marry actor Joao Caetano) – threw a limao-de-cheiro at one of the members of EmperorD. Pedro I's cortége, for which she was immediately arrested and brought to the prison of Aljube for identification.

So enduring was the entrudo that it lasted through Independence, the Abolition of Slavery, the Proclamation of the Republic and until the opening of the modern Avenida Central, in Rio de Janeiro. Pereira Passos – the mayor who built this avenue – was a fiery enemy of the entrudo and succeeded in defeating it. Talking to the *Gazeta de Noticias* newspaper he said, «At home everyone is free to wet and get wet; but not on the street. This is not what freedom means, for no one is free to get other people wet and dirty or to harm their health. I am sure everyone knows of illnesses provoked by the entrudo».

Hooray to Zé Pereira

The first carnival ball in Rio de Janeiro was a masked ball held at the Hotel de Itália on January 22, 1840. The party was such a hit that its organizers repeated it on February 20. At that time polka was the popular dance; a few years after this first ball a carnival association was formed, the Constante Polca, to promote carnival balls at the Hotel de Itália. Polka or 'polaca' dancing was so popular that soon a new word was coined: *polcalizar.* The first ball sponsored by the Constante Polca was in 1846. That same year actress Clara Delmastro – who had come from Europe with a theatrical group

and SEALING WAX...

to perform at Teatro Sao Januário – organized, at the theater, a masked ball similar to one she had attended in Italy. The great success of this event encouraged other theaters to do the same in the years to follow.

Evidently, the bourgeoisie did not dance at the balls; they came to observe the dancers from their boxes. Conveniently disguised behind their masks, many of them risked going down to the dance floor and danced polka with the plebeians.

While fads changed over the years, carnival balls grew in number while being held at different places and becoming the high point of carnival. In 1879 when the fad was roller skates, the Skating Rink held its own ball, publishing the following ad: 'Morning session from 11 AM to 2 PM: public skating to orchestra music. Tickets: one thousand reis. Evening session from 5 PM to 9 PM: costume skating. Gorgeous square-dancing on skates. From 9 PM until daybreak: masked ball, inaugurating the Niniches Club'.

In those times, for Brazilian 'nickels' revellers could enjoy themselves around the clock.

Meanwhile, on the streets people found several forms of carnival merriment. The *cordoes* began in a, disorderly manner; at first, mere gatherings and later fairly organized groups paraded the streets, singing and dancing. This happened in Rio de Janeiro; in Recife, the dancers of maracatu (street dances which derived from the re-enacting of the ceremony of the coronation of black kings at the Our Lady of Rosary churchyard) with gallant and lordly manners paraded the streets to the beat of the drum and the agogô, an Afro-Brazilian metal percussion instrument. In Salvador, the first gatherings which later would form afoxé groups born in Brazilian voodoo places of worship known a terreiros de candomblé – danced down the streets with their white clothing, atabaques (barrel-shaped drums) and songs in the African tongue nagô (brought to Brazil by Yoruba negro slaves). In Sao Paulo, revellers danced to waltzes, mazurkas and polkas as balls proliferated.

Back in Rio de Janeiro, a curious new character appeared rowdily parading the streets playing a drum and followed by a merry crowd: José 'Zé Pereira' Nogueira de Azevedo Paredes, a Portuguese shoemaker sporting an enormous moustache, was the first *abre-alas* (show master) of the Rio de Janeiro carnival, the first to become a symbol of carnival. And everyone sang with him:

Hooray for Zé Pereira
as he never means any harm
Hooray for going out drinking
throughout the days of carnival

A plethora of 'Zé Pereiras' appeared across the city, bringing their drum beat, their music and their frolic to the districts of Rio and later to all of Brazil.

O Abre-Alas, O ´ Abre-Alas

The *sociedades carnevalescas* (carnival clubs or associations) later called *grandes sociedades* (great associations) added another congregating element to the popular entertainment. Inspired by the Roman parades of cars and the news of carnivals in Nice and Venice, the sociedades represented a decisive chapter in the history of Brazilian carnival. The first organized parade was held in 1855, sponsored by the Sumidades Carnevalescas, an association of 'eighty members, all of them people of good company', including 26-year-old writer José de Alencar.

Other associations formed from the original Sumidades Carnevalescas: Euterpe Comercial, Zuavos e Fenianos, Democráticos and Tenentes do Diabo, which still parade at the Rio de Janeiro carnivals. True, they no longer have the same significance, but they proudly represent the cornerstone of Brazilian carnival. Besides serving their purpose as sponsors of public merriment, these associations or entities played an important role in politics, especially in the struggle for abolition of slavery and in aiding the underprivileged. Many charity events took place at the seats of these associations, with the funds serving to buy certificates of freedom for slaves. In 1864 the Tenentes do Diabo did not participate in the street parade: their financial resources had been entirely spent on buying the freedom of one dozen Negro slaves.

The sociedades paraded their cordoes on floats and on horseback. In the evolution of street carnival events, the cordoes were later followed by the *ranchos,* whose most remote inspirations were in the Christmas pastorals of Portuguese origin. More organized and gathering a larger number of revellers, the ranchos present more characters, more floats and story themes. It is difficult to determine exactly when the rancho first participated in a carnival parade: however, it undoubtedly appeared in Saúde, a district near the Rio de Janeiro dockside, inhabited by the Portuguese and stevedores. Ranchos were originally family groups of revellers who knew one another and costumes and ornaments resulted from collective work projects. Possibly, the Mimosas Cravinas, formed in 1906, was the first rancho to impress the public and the press. Curiously, the names of ranchos were always somehow related to flowers. Besides the above mentioned Mimosas Cravinas, there were also Recreio das Flores, Flor da Lira, Flor do Abacate, Lírio Clube, Rosa de Ouro, Ameno Resedá and Papoulas. As to Rosa de Ouro, we must add that it began as a cordão, for which composer Chiquinha Gonzaga wrote *O Abre-Alas,* considered the first song of Brazilian carnival:

O Abre-Alas
make room for me to pass
I'm from the Lira
and cannot deny
Rosa de Ouro
is the one to win.

In the late 1920s at a cafe in Largo do Estácio, sambistas (composers and performers of samba) Ismael Silva, Biaco, Brancura and other stars created the name *escola de samba* (samba 'school'); they could not anticipate that they were starting a true revolution in the Brazilian way of life. Set aside by society and persecuted by the police, these pioneer sambistas- forced to sell their compositions to radio stars to make their talent public – used their shrewdness and persistence to open the road for the escolas. Today the escolas parade at the Passarela do Samba in Rio de Janeiro and on so many avenues throughout Brazil to samba compositions by Martinho da Vila, Jorge Aragao, D. Ivone Lara, Silas de Oliveira, Generaldo Babao, Walter Rosa and many other sambistas.

A synthesis of the road, tracked from the first *lundu* beats played at slave quarters to the mazurkas, polkas and other tunes of the sociedades and marches by the ranchos, the escola de samba is the first genuinely Brazilian carnival product, a fascinating product which has established a great rapport with the people. Today escolas de samba such as Mangueira, Salgueiro, Nenê de Vila Matilde, Camisa Verde e Branco, Vai-Vai, Portela provoke the same type of enthusiasm and strong emotions as major soccer teams such as Flamengo, Corinthians, Fluminense or Palmeiras. At the same time, these escolas have helped to make public certain personalities and aspects of Brazilian life and history which often do not appear in official records.

Several changes have taken place since 1932, the year of the first official carnival parade and contest of escolas de samba which gathered at the legendary Praca Onze (a square in downtown Rio de Janeiro). Things have changed, for better or for worse. Sambistas no longer need to run from the police as in the pioneer times of Ismael Silva. Today, besides being considered an entity for public service, the escolas are partly sponsored by the government and travel abroad to promote Brazil's image. Carnival, at least in Rio de Janeiro, is the escolas de samba, which have become Rio's greatest attration. Rio's carnival parade is known worldwide as the greatest show on Earth. But the truth is that samba is also very much alive in the hillside kiosks, local bars and shantytown backyards where the only commitment is to beauty and poetry. Elsewhere in Brazil, despite the popularity of the escolas de samba featured live on television, the local traditions remain strong and enticing, as is the case of the Afro blocks that, along with afoxés, are characteristic of the carnival of Salvador, Bahia. The same occurs in Recife with blocks, *frevos* and maracatus; with the cordoes in Maranhao; with the bands in Florianópolis; with the 'tribes' in Porto Alegre, and so forth.

What becomes evident is the creativity of the Brazilian people concerning their greatest festival. Carnival is carnival anywhere in Brazil while it maintains the same impact of community. At carnival all taboos are broken, social differences disappear, and a sudden feeling of fraternity overtakes the population; the greatest and only desire is to enjoy carnival, with or without a mask, with or without a costume, playing any instrument and singing any song.

Whether it originated in the Roman Lupercalias and saturnalias, from the Dionysian frenzies or from medieval festivals, carnival in Brazil has found its place.

maritime policy bin

Brazil imposes a shock treatment

From Ivaran Lines' General Agent in Santos for the US East Coast service, Agencia de Vapores Grieg S.A., the following report has been received just as the current issue was heading for the printers. We held the presses long enough to make room for it.

May the valiant efforts of the Brazilian Government meet with solid success.

After 30 years of chronic inflation which practically became institutionalized and, of late, galloping almost out of control to near 300 pct per year, the Government on February 28th decreed a series of economic measures to bring the inflation down to a possible zero level or even deflation. All salaries after being readjusted March 1st according to a fixed table are now frozen. All prices from foodstuff to consumer appliances, medicine, building material, etc. etc. have been frozen at the price level on February 26th announced by the President. Utility services such as electricity, water also gasoline, diesel, alcohol, municipal taxes, rent are frozen. The Cruzeiro (denomination established in 1943) was extinguished and the 'Cruzado' designated as the new strong Brazilian Currency. Three zeros were eliminated from the cruzeiro so that CR$ 1,000 is now equal to CZ$ 1.00. The monthly monetary correction was abolished and overnight earnings are now down to about 0.7 percent per month against previous 15 pct after taxes.

The first reaction from some merchants was to rush and increase their prices but the population was quick in denouncing these moves with the result that after quite a considerable number of police interventions and indictments, merchants are now following the new rules as set forth by the Government. The danger of a rupture in prices exists and we trust the Government will be strong to control such attempts. Adjustments of course will be necessary but Brazilians as a whole are enthusiastic and full of hope that inflation will finally be abolished and that a new era of prosperity to all levels of our population commences.

More about the Keflavik case

It appears that the case of the US Military supplies for their Keflavik, Iceland, base is about to become a running installment thriller. We believe it is a most important one, even on a world wide basis, worthy of a close follow-up as it continues to unfold. Let us sum up developments to date –

For lack of available US Flag services, supplies for the US Military base at Keflavik were for many years handled by Icelandic shipping lines.

In 1983 a US Flag service named RAINBOW NAVIGATION was organized to handle US Military supplies to Keflavik. A US Flag ship was chartered in for the task.

During 1984/85 Rainbow Navigation carried all Keflavik cargo. Icelandic lines suffered heavy setbacks due to loss of US Military cargo. High level diplomatic activities took place to find a satisfactory solution. Experts studied the case.

Experts found a clause by which the cargo preference law may be set aside 'if US Flag Carrier is charging excessive freight rates'. Rainbow Navigation was found guilty of such practice. It was decided to invite commercial bids for the 1986 transports.

In October 1985 a US District Court set aside the US State Department ruling. US Navy appealed the US District Court ruling.

In January 1986 US Congress representative Mario Biaggi, chairman of the House Merchant Marine Subcomittee, according to NY Journal of Commerce, 'expressed concern that the current flap with Iceland over shipments of defense cargoes in US-flag ships could spread.

The Navy is appealing an adverse U.S. District Court decision that denied its authority to use Icelandic ships when U.S. flags are available. In a statement on the controversy, Rep. Biaggi accused the Navy of failing to support a U.S.-flag carrier, Rainbow Navigation Inc.

He said the Navy failed to do so despite allegations that Icelandic carriers had 'exploited their monopoly position and charged higher rates than any other carrier of U.S. military cargo' before Rainbow came on the scene.

The 'apparent reason' for the Navy acting to breach the 100 percent U.S.-flag carriage requirement on defense shipments is that 'the future of our base in Iceland could depend on this issue.' he said.

But Rep. Biaggi added that 'It is high time we sent a clear signal to the Icelandic government that our merchant marine is as important to us as their merchant marine is to Iceland.

'Further . . . if Iceland is able to deprive Rainbow of this cargo to the benefit of their own shipping companies, how long will it be before other countries follow the same route with a disastrous impact on U.S. -flag shipping companies,' he said.

U.S.-flag ships depend on preference cargoes as one means of government support in order to have such sea-lift available in time of emergencies.

Rep. Biaggi's statement that 'our merchant marine is as important to us as their merchant marine is to Iceland' rings both false, unfair and unwise because –

Firstly, Iceland is totally dependent on own ocean transport for its survival. USA is not.

Secondly, if Rainbow Navigation should cease to operate, USA would be no worse off than they were for ages before.

Thirdly, the flexing of muscles in a situation like this one is both unwise and unwarranted.

Fourthly, the criterion 'excessive rates' is a sufficiently vague one to avoid a domino effect into other

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agents corner

Agent spotlight

The success of shipping lines very much depends on the quality of the work of their agents.

For both of our services the Midwestern region is most important. In that area Ivaran is represented by WORLD SHIPPING. We have asked for a presentation of their activities. They have responded quickly and extensively – as any good agency should do. Here goes –

World Shipping, Inc. 'Full service' Overseas Cargo Transportation

The opening of the St. Lawrence Seaway in 1959 meant that ships sailing in the world's major trade routes could now include Great Lakes ports on their voyage itineraries. Jack Hunger, a 1957 graduate of the Merchant Marine Academy at Kings Point, New York saw the opportunity to become an integral part of a budding business venture . . . and he founded World Shipping Company in Cleveland, Ohio on April 1, 1960. Within a period of twenty-five years he has built it into a highly successful 'full service' overseas cargos transportation company.

World ocean shipping had come to Cleveland's doorstep and World Shipping Inc. was created to meet its needs as a local steamship agency. Today, World Shipping has grown to become one of the largest Inland agencies in the United States and with its staff of 170 employees offers exporting firms a complete transportion phexage for their overseas cargoes.

The primary role of the steamship agent is to obtain cargo for the lines he represents. Since it's the 'cargo that calls the tune' the agency function can accurately be descried as a marketing business. But there is the operational side as well. The agent really serves two masters, on the one hand he must produce suitable cargoes for the vessel call and attend to the myriad details of bringing a ship into port. In this behalf he is acting for the owners of the vessel. On the other hand is his responsibility to the exporter or importer of the cargo. The agent must take considerable interest and attention to assisting the exporter in all details of moving his goods efficiently and economically . 'It has been our approach to make customer service the keystone of our effort,' says Hunger. 'Smoothing out the potential problems of an international shipping transaction can take much of the burden off the exporter or importer. It allows him to concentrate on the sale of his goods while we attend to the details of meeting the transportation needs.'

World Shipping, Inc. had selected a prime market area to establish its new business. The export rich Ohio industrial area provided a natural location for the growing company. Arranging for cargoes and vessel needs at Lake Erie ports from Buffalo to Detroit, the firms's reputation for reliable service to exporter and ship owner alike grew.

Always attuned to their customers' needs, World gained representation for dependable liner servlees from the major porto on the East, Gulf, and West Costs to the primary trading markets overseas. Coinciding with the firm's early growth, the shipping industry was undergoing its most dramatic change since the sail gave way to steamships.

'The era of containerization expanded greatly the role of the local shipping agent,' reflects Jack Hunger. 'The need to closely coordinate the exporter's needs in terms of providing container equipment when and where it was required and insuring the movement back to the port for the ship departure ,meant new responsibilities and opportunities for us. We began to think in terms of providing a total transportation service for overseas cargoes, aiding the shipper, each step of the way, from his plant to his customer'.

Determined to develop around this concept, World Shipping became agents for a number of first class companies regarded as leaders in their respective trades, keeping always the 'service first' concept of World Shipping foremost.

As the firm grew, it became essential to open branch offices in each of the major markets to bring this service concept closer to the clients. Today, World Shipping maintains offices in Detroit, Pittsburgh, Chicago, St. Louis and Cincinnati, in addition to the company headquarters at 11740 Clifton Boulevard, Cleveland, Ohio.

Each day, amongst buzzing telephones and telex machines, the World Shipping crew arranges for the movement of mid-western exporters' cargoes around the world.

As containerization developed, so did another avenue for growth emerge. 'Containerization meant an enormous new capital expenditure for the shipping lines. It became imperative that the lines develop a reliable control over their equipment fleet when it was scattered about the interior. To attract business, 'Hunger explained,' each line needed to have sound, available containers for their customers' ready use, but also required a reliable central control to monitor costs and proper equipment utilization. Out of this need grew our Rail Container Services, Inc. subsidiary.' Best described as an inland container depot, Rail Container provides the shipping companies a sentral location to gather their inbound equipment, insure its condition by inspection, report its status to the owners, and provide storage until its next usage. Additionally, the firm is fully equipped to make major or minor equipment repairs as needed or provide basic maintenance. Annual throughput of containers through five depots (Detroit, Cleveland, Columbus, Cincinnati and St. Louis) exceeds 100,000 units. Rail Container serves the needs of over 100 major shipping lines and most major container equipment leasing companies.

Containerization brought about another link in building the total transportation concept of World

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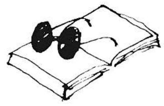
passenger platform



Taking passengers to South America – and back

In the olden days many freighters offered space for passengers. The trade between U.S.A and East Coast of South America attracted many travellers, particularly those who could set aside enough time for such a purpose. Thus, retired people came to dominate these informal cruises. They still do. Since retired people remain active much longer than they used to just a short generation ago, and since they are also much better off economically, it should logically follow that even more ships offer more passenger space. Quite to the contrary. Ivaran is today the only line to cater to that need. And our space is much too limited. But that aspect is now under review.

In the meantime let us have a look at the passenger situation as it relates to two of the current Ivaran ships.

Erik Holter-Sørensen jr. has sent ut the following report, prepared during his current stay at Santos, Brazil:

In 1978 Ivaran built at Toyama, Japan, two semi-container ships of 14770 dwt. each. They were named SALVADOR and SANTA FE and left Japan to enter Ivaran's regular service between US Atlantic Coast and East Coast of South America. After six years of excellent service in that trade they were transferred to the US Gulf – East Coast of South America trade, where they will remain for a good many years to come.

These ships have accomodation for 12 passengers each, arranged in 4 double and 4 single cabins. They fly the Norwegian flag and are crewed by Norse sailors.

In this trade the passengers board ship in Houston, then sail via Mexico through the Caribbean and down the East Coast of South America. Reaching Buenos Aires, they turn around and head back north to the Gulf.

Regular ports of call are Houston, Tampico, Rio de Janeiro, Santos, Buenos Aires, Montevideo, Rio Grande do Sul, Paranagua, Santos, Fortaleza, Bridgetown, San Juan, Santo Domingo, Mobile and New Orleans. That roundtrip takes about 8 weeks, fitting for people who may afford the luxury of time.

During the southbound leg the time spent in port is rather limited, allowing mostly for short visits, getting acquainted. However, during the northbound voyage time in port is more ample, and guided bus tours into town are very popular. At Santos passengers are taken up to Sao Paulo for the whole day to visit museums, historical sites, and a fascinating city. Just getting to know something about South America is exciting and rewarding.

Aboard ship the cabins are comfortable with separate bathrooms, individual refrigerators, also a sofa and table arrangement. All passenger quarters are of course air conditioned. They have a radio outlet, and the Radio Officer picks out agreeable programs as the voyage progresses. (If you do not like his selection, just try a little influence by word of mouth).

At the stern of the ship there is a sun deck, and, of course, a swimming pool. At meal time passengers team up with the Officers in the Dining Room to enjoy Norwegian cuisine at its best. The Lounge is equipped with a bar, a good place for social functions – or for reading a good book from the library. Fresh fruit always abounds.

These casual cruises are so popular that accomodations are booked solid for almost two years ahead. Passengers enjoy their time on board very much, particularly the freedom to roam the ship, to watch the cargo operations, the functioning of a ship. The atmosphere is different from a hectic cruise trip. You do not hav to dress up for dinner unless you wish to. If you prefer just to relax and reflect, nobody is going to bother you. If you feel like a chat with someone, the chances are good that you will find an understanding ear and mind.

bacalao

Ivaran's Golden Quiz

A knotty quiz represents the hallmark of quality. At least that is what agent Transcar in Santos holds. He has prepared the first 'Ivaran Lines' Golden Quiz'. This editor holds the key to the ominous 13 questions.

Participants should rush replies to nearest Ivaran agent and distributor of ON LINE. From the pile of correct answers a winner will be drawn for each principal port area.

Winner's prize will be a Captain's Dinner for four aboard next suitable Ivaran ship in port.

Be our Gues(s)t!

Ivaran Line's Golden Quiz

1) Ivaran Line is the trade name of
   A) A/S Ivarans Rederi
   B) Ivaran Agencies Inc.
   C) Ivaran & Co.

2) The Company was founded, and the first vessel was bought in
   A) 1930
   B) 1902
   C) 1895

3) The home country of Ivaran is
   A) Sweden
   B) Denmark
   C) Norway

4) Ivaran Line's head office is situated in
   A) Copenhagen
   B) Oslo
   C) Stockholm

5) What trades do Ivaran Line serve from South America?
   A) Brazil-River Plate/Caribbean U.S. Gulf + U.S.E.C.
   B) Brazil/U.K.
   C) Brazil-River Plate/N. Europe + Mediterranean

6) What countries do Ivaran Line vessels serve in South America?
   A) Venezuela, Brazil, Guyana
   B) Brazil, Uruguay, Argentina
   C) Brazil, Chile, Peru

7) When did Ivaran Line start its service from Brazil?
   A) 1917
   B) 1920
   C) 1925

8) Brazil's Independence Year is
   A) 1805
   B) 1920
   C) 1850

9) What was the first name given to Brazil?
   A) Ilha De Vera Cruz
   B) Terra De Santa Cruz
   C) Monte Pascoal

10) Who discovered Brazil?
   A) Colombo
   B) Pedro Alvares Cabral
   C) Pero Vaz De Caminha

11) Brazil's capital is
   A) Rio de Janeiro
   B) Sao Paulo
   C) Brasilia

12) What is the correct name of Ivaran's founder?
   A) Ivanhoe Peter
   B) Ivar Anton Christensen
   C) Sven Christensen

13) Do you know what the letter 'C' in Ivaran's flag means?
   A) Means 'Christian'
   B) Means 'Christoph'
   C) Means 'Christensen'

Even teachers try

Old teacher turns to female pupil – Can you tell me what human part is capable of expanding seven times its size?
She, blushing – You've better ask a boy. Boy's reply – The pupil of the eye, of course. Teacher – Correct! And then, passing by the young female –
And pray, do'nt be so demanding!

Implausible quips

Ghostly gasp:
Two ghosts meet after long and harrowing night's play. WOW, says one, I 'm more alive than dead!

From the mouths of . . .

The smart young bottle fed brat watched his aunt breastfeed her new baby.
Well, he reflected, so that's what they are for.
Yes, and what did you think?
I thought they were strictly ornamental!

Readers are challenged to come up with their favorite stories to be shared with all of our other readers. Contributors may remain anonymous if they so wish and declare. Best story of 1986 will be decided on by an expert jury and honored with a suitable prize.
Please hurry, hurry, there is no maximum!

Did you know that:

- Bombay (India) has now officially been renamed MUMBAI.
- Lloyd's List, published daily (excluding sundays) in London since 1734, is oldest existing newspaper in the World?
- The first vessel specially designed to carry oil was the *'Ramsey'* of 800 tons built of iron in 1863?
- The tallest office building in the world with 110 floors reaching a height of 443 metres is the SEARS Tower in Chicago?
- The largest passenger vessel ever was the '*QUEEN ELISABETH*' of 82,998 GRT who ended her active career in 1968 and was eventually destroyed by fire in Hongkong in 1972 where she was serving as a

Spill-Over

floating marine University (compared to her predecessor the *'QUEEN ELISABETH II'* is only 67,140 GRT)?

- Brazil's present capital Brasilia was inaugurated on April 21st, 1960, by the then President Juscelino Kubitschek. Until then the capital had been Rio de Janeiro?
- The shortest time to build a liberty ship – 10,500 DWT/7,100 GRT – in the United States during World War II was 4 days 15 hours 30 minutes?
- The largest vessel of any kind built until today is the ULCC (Ultra large crude carrier) *'SEAWISE GIANT'* who was launched in 1979 and enlarged in 1981 giving a total DWT of 568,739 tons?
- The World's first nuclear powered vessel was the American flag *' SAVANNAH'* of about 10,000 DWT built in 1962?
- The present mayor of Sao Paulo was previously the youngest President in the history of Brazil having been sworn in January 1961 at the age of 44 years and resigning the Presidency just 7 months later on August 25th, 1961?
- The first refrigerated vessel in the world was the French *' FRIGORIFIQUE'* who in 1877 successfully carried a cargo of frozen meat from Argentina to France?
- The last passenger vessel to gain the blue riband of the Atlantic for the fastest crossing was the *'UNITED STATES'* of 53,329 GRT who made the trip from Ambrose lighthouse (USA) to Bishops Rock (UK) in 3 days 10 hours and 40 minutes, logging an average speed of 35,59 knots (the previous holder of the blue riband was the *'QUEEN MARY'* who back in 1938 ran the same distance in 3 days 20 hours and 42 minutes at an average speed of 31,69 knots)?

Cont. from page 3

Another major transatlantic line is ACL (Atlantic Container Line). A well-run North European consortium, they will hardly dare to rock the boat. With heavy recent investment in costly ro/ro ships, they are badly exposed.

Thus it appears that the transatlantic trade, which in the past 30 years has been one of the most exposed to rate wars, may be able to pull through without any servere disasters. But it will take very diligent rate-making and cautious planning to maintain a fair degree of balanced operations.

The trend towards drawing more cargo by globe-circling lines continues. Not only the real round-the world lines, but also operators like Maersk are steadily strengthening their west/east and east/west services. For Maersk, the Algeciras hub will become increasing important, connecting with cargo to/from Northern Europe and to/from West Africa.

If it is true that Maersk has plan for 6,000TEU ships, this column's speculation last year about Maersk possibly becoming the first 'horseshoe' global operator couldbecome truly prophetic. The other line we have recommended for a 'horseshoe' pattern is US Lines. News from that source has been scarce for a couple of months. It has sold eight old liners for scrap and four LASH ships to the US Navy, trimming its fleet substantially. Its direct US East Coast-South/East Africa service has been suspended pending improvements in the South African political/economic situation. Such cargo will now move via Europe.

US Lines' South American service network has also been drastically trimmed at the cost of good will sustained for generations through the Delta and Mooremac services which were sold to USL. Those services had been problematical for the last few years, but we are amazed that USL have failed to come up with better solutions.

Still on the subject of American lines, the bold takeover of Lykes by Totem fizzled when opposition became too heavy.

On the other hand, the fight for control of Sea-Land by Texan tycoon Harold Simmons has gone on for quite a while. Despite heavy doses of 'poisoned pills' and all kinds of other costly tricks of the trade applied by the ruling group to avert the onslaught, Simmons now appears to be in virtual control of the situation. He has reached a hefty ownership share of close to 40% and has gained a representation of three directors on the Board.

He has secured the advice and support of a number of notable experts, among them the ex-president of Sea-Land, Charles Hiltzheimer. The new group seems to favour a subsidised role for the traditionally non-subsidised line. We wonder how such a development may affect operations and what will be left in the end of the versatility of the once bold and successful pioneer line.

American President Line, long a leading moneymaker, has also come down to a break-even result for fourth quarter of 1985. It managed to report a marginal profit of $0.3 million for that period, which compares poorly with last quarter of 1984's profit of $21.7 million. Everybody seems to agree that 1986 will show heavy losses for APL as for everybody else, barring a miracle.

All the lines which elect to stay active will have to face the series of severe storms which no doubt lie ahead. Few, if any, will escape the life-and-death struggle which has already started. The future will belong to those who will manage to survive long enough for the desperate overtonnage situation to dissipate.

Spill-over

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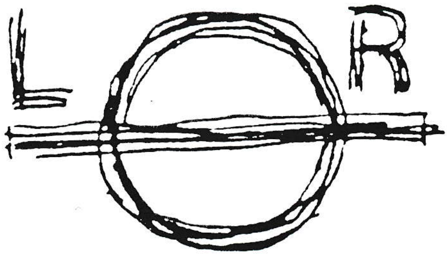
trades. At the same time it would serve to remind US carriers that their monopoly is far from absolute.

This case also serves to remind us to what extent implementation of official US policy hinges on a tug-of-war between Judiciary and Administrative factions. In this particular case Congress, at least its Democratic Chairman of the House Merchant Marine Subcommitte, saw fit to pick a fight with the Republican Administration. The ruling of a District Court Judge thus became a political issue.

We shall watch with interest how the battle lines will be drawn from here on in.

The outcome is of course of prime importance to Iceland, but is of significance within USA itself. And shipping interests all over the world cannot help but watch developments.



Brazil owners in court move on carrier debts

Brazilian shipowners have begun a court action in Rio de Janeiro aimed at forcing the government to provide easier terms of repayment on a $305 million debt relating to 26 bulk carriers.

The companies are Frota Oceanica, which owes a total of $74,5m on eight vessels, Alianca which owes $65.8m on five, Cia Brasileira de Transportes de Graneis, $106m on eight, Netumar $48.6m on four and Mercantil $11m on one.

At the root of the problem lies the depression which has gripped the world bulk market since the turn of the decade. A two-year moratorium on payments was authorised by the shipping authorities in mid-1983.

The moratorium also benefited state owned Lloyd Brasileiro, which owes $47m on four vessels but is not involved in the court case.

The moratorium ran out in mid-1985, but it has taken Brazil since then to put together a new repayment scheme, with interest reduced from 8% to 4% and the repayment period extended by 30 months.

Repayments are now due to commence on Mar 19.

According to the head of the AABLC deep sea owner's association, Mr Wilfred Penhia Borges, the legal basis for the action is noncompliance by the authorities with regulations giving Brazilian companies priority in bulk contracts.

The action calls for the cancellation of the contracts – mostly signed in the period of the 1974–79 Shipbuilding Programme (II PND) and the return of the ships to the government. It also argues, according to Mr Borges, that when the ships were ordered, it was impossible for owners to foresee the coming crash in freight rates.

There are signs, however, that the government – which a week ago implemented a tough 'zero inflation package' — is no longer prepared to make concessions.

The new Secretary-General of the Transport Ministry, Mr Mario Picanco, said last week that the insolvency of the maritime sector, which owes a total of $1.7bn to the FMM merchant marine fund – was 'extremely serious.'

Mr Richard Klien, director of the Transroll roll-on, roll-off operator, said that if the owners were unable to pay their debts the authorities should consider the possibility of passing the vessels to other operators.

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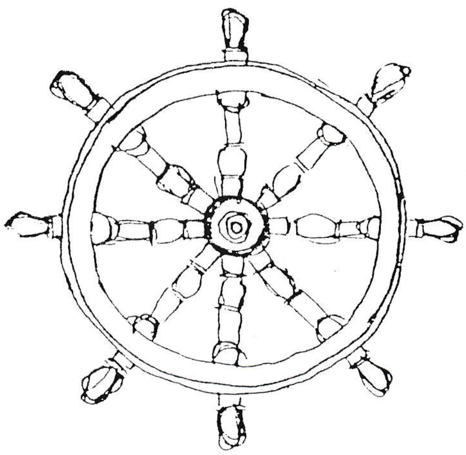
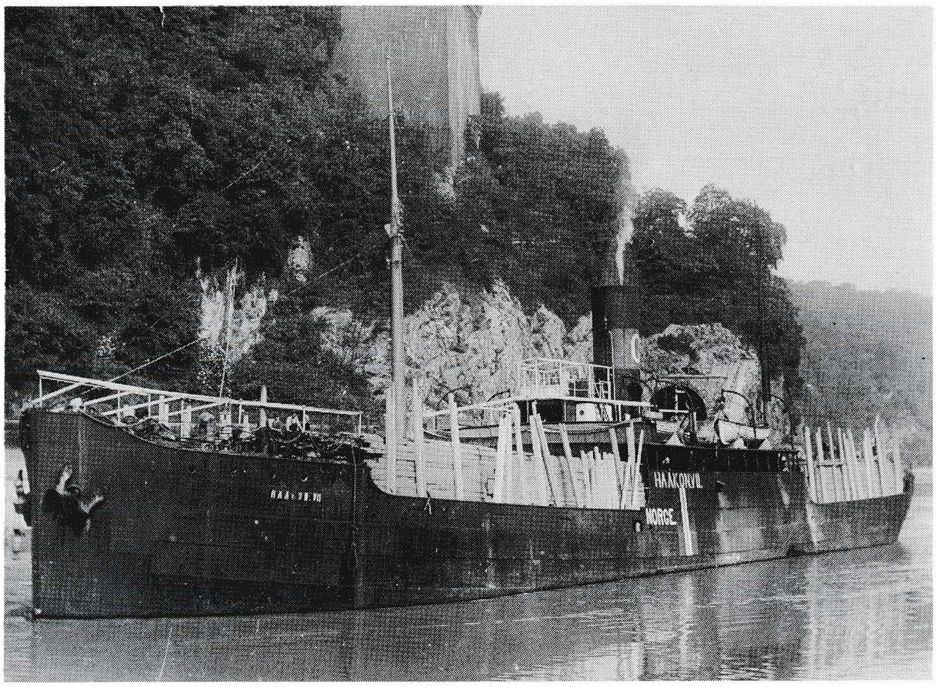
Shipping, In 1973 came the creation of its Midwest Container Services, Inc. subsidiary. As World Shipping was already deeply involved in offering shippers assistance in the movement of their cargoes to shipside, this new company was formed to provide a specialized inland transportation service for the container shipper. Midwest Container offers exporters service to the major ports by either rail piggyback or over the road movement with attractive rates and the experience of a firm who deals exclusively with overseas destined traffic. Over the years MCS has grown to operate a network of terminals strategically serving the Midwestern U.S.A. This includes Cleveland, Detroit, Columbus, Cincinatti, Chicago and Baltimore. MCS now holds 48-state motor carrier authority and can effectively serve shippers full container or LCL shipments to and from all major ports.

'Via ship', 'Via rail' or 'by truck,' a shipload or a truck load – if you have a cargo to reach overseas, it may be 'Via World Shipping, Inc.' Jack Hunger, beginning with those first ocean going ships into Cleveland has built a comprehensive overseas cargo transportation company which can truly be labeled as 'full service'.





glimpses into the past

S/S Haakon VII

The first string of ships for the rapidly growing Ivaran fleet, from 1902 onwards, were bought in the second hand market. But sooner or later the task to have a new ship built would have to come up.

Time for the first Ivaran newbuilding came in 1907. The yard that was picked, was Scheepswerf v/h Jan Smit Czn. at Alblasserdam, Holland. The ship was named after the young and popular king of Norway – HAAKON VII.

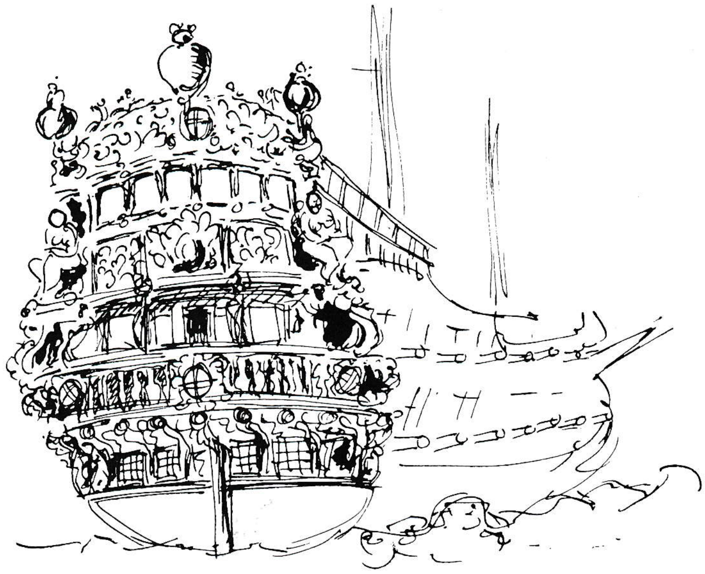
Formal owner of the ship was A/S Haakon VII, founded for the occasion. The share Capital amounted to nkr. 212.500, split in 42.5 shares of nkr. 5000 each. Ivar An. Christensen had first call on any shares owned by others, offered out for sale.

The building cost for the ship was nkr. 500.000, equal to about $ 70.000.

The policy during the first period of the company was to have each ship owned by a separate corporation, but in 1913 all of the shipowning companies were merged into one, A/S Ivar An. Christensens Rederi.

The above picture of the proud ship, showing her with a cargo of DBB (deals, battens, boards), also tells that World War I was on, with her name, nationality and flag on prominent display.

On September 3rd, 1917, she was on a voyage from Bilbao, Spain to Cardiff, England, with a cargo of ore. Off Moutes Bay, England, she hit a mine and went down. Three men were lost.



stern gallery

Back up view of SANTA CATARINA with an East River approach to good old New York.
She is ready and able to serve shippers using all ports in the Ivaran service network.