

on line

with ivaran

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A ship reborn. The San Diego entering Port of New York after having been transformed from Holstencruiser, jumboized, raised her bridge, and put into Ivaran livery.



from the masthead

Fifty years in review

For IVARAN, with more than 60 years of service linking South and North America with modern ships and equipment, even fifty years mark a major period in the trade between USA and Brazil/River Plate.

1939 marked the end of a brief period of peace, almost 21 years had passed since the end of World War I. Yet World War II could not be avoided unless an insane maniac was to be given a free hand, world wide.

The next six years of war played havoc with regular liner services till postwar activities could be resumed.

Old lines and new ones competed for a footing in a trade between South American nations having built up economic reserves during the war, and mighty USA, winner of the war and the world's leading nation.

But needs were immense in the south, and their reserves were soon eaten up. New economic strength was slow in building up. Industrial development is a painful process, and in the meantime the lines had to live on a starvation diet unless they could fatten up on aid cargo and government cargo, reserved for privileged lines. Several lines fell by the wayside during the 1950's and 60's. Such losses were hastened by enforced pooling agreements favouring national lines which tended to render poor service and they received scant support from cargo owners. Cargo

and pool protection was originally aimed at giving support to inexperienced, government owned lines while they built up know-how and efficiency. But that was not the way it turned out.

Government owned lines accepted their cargo privileges as a birthright, as part of their national inheritance. Not having to fight for shipper support, they grew even more lax. Their cargo privileges could be likened to crutches given an ailing patient. But the crutches became necessary supports for the 'patients' who never have managed to walk without them. Given cargoes without having to qualify for them, without having to build up goodwill and support, the privileged lines did not have to pursue new technologies, become more efficient, seek new approaches to solve cargo problems and find new, better methods of transport.

Cargo privileges not only deprived efficient lines of income, they made it impossible for them to invest in top efficient ships and equipment as cargo would not be available in sufficient quantities to compensate for such improvements. Result: All lines needed higher freight rates to pay for either inefficiency or lack of cargo. After more than twenty years of crutchery or starvation, the freight rate levels in the trades involved had gotten so high that the trades, exports and imports, suffered therefrom.

Observation: shortsighted logic leads to lasting damages.

Of late, some politicians seem to have recognized the problem, but few seem willing to take the political unpleasantness to carry out a housecleaning job. In any case, it takes much time to make changes, and often a new administration has taken over before a good job can be completed.

In any case, more than twenty years' experience has demonstrated beyond any shadow of doubt that cargo privileges did not work. Others have concluded likewise a long while ago.

Recommendation: All cargo pools should be abandoned as soon as possible. Cargo privileges should be phased out as fast as the crutch-dependents may be expected to stand on their own feet. One year should be enough. With some lenience, may be two, but if so, in a scaling down process from one year to nothing after two years.

Both the South American nations and USA deserve the best of liner services. Prospering trade is more important than inefficient, loss-giving national lines, a burden to the national economy.

Competition works wonders. The lines may take a beating from time to time, but the trade will benefit both in the short term and in the long run.

What will the next 50 years bring in line of technical developments and trading conditions? Well, the answer to that question rests not only with the lines themselves. Pol-

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of SHOES and SHIPS



Growing in Tune with the Trade

IVARAN Line ships **HOLSTENCRUISER** and **HOLSTENTRADER** were excellent ships. But as the trade kept growing, they could well have been larger to better serve the needs of exporters and importers. New ships take time to plan and build. Existing ships may be jumboized by cutting them in two, fitting a new cargo-hold section in between the two old pieces, and putting all three pieces together. Thus, a longer ship is the result. Normally, the ship's speed will hardly be affected by such a stretch-job. Leading shipyards have during the last decade carried out a number of such jobs. The investment is limited compared to the end product obtained, and the operation has invariably turned out a complete success.

A stretch-job on two or more IVARAN Line ships seemed a good idea to the management, but taking the ships out of service and bringing

them to experienced shipyards in Europe or even in the Far East for the work involved, would keep them out of service longer than desirable and add to overall costs.

Learning about such intentions, Buenos Aires general agent for IVARAN, Mr. Andrew Robinson, suggested to try out the local shipyards in case they could undertake such an exacting and specialized task. If so, the ships would not have to steam to Europe or further and back again in order to grow big. After a close study, Buenos Aires shipyard Astilleros Alianza, in cooperation with the Tandanor Yard, came up with an acceptable proposition, and a firm contract was entered into.

Alianza built the 14.4 m. sections. First, the **HOLSTENCRUISER** entered the yard. The job was carried out to the full satisfaction of Ivaran Lines, even if a number of practical problems had to be worked out. In

May 1989 she returned to service as a «new» ship with a completely new paintjob, a new name, **SAN DIEGO**, and an increased container capacity of 958 TEU (20-footers), up from 618. The **HOLSTENTRADER** was next in line at the yard(s) and was back in service last half July. Her container capacity was increased from 576 to 958 TEU, and was transformed into the **SAN JUAN**. In addition to the lengthening, the bridge had to be heightened, wherefore all vital connections had to be cut, and a new «floor» added to raise the wheel-house enough to create sufficient visibility range above the increased number of containers made possible by the conversion.

Rejuvenated, transformed **SAN DIEGO** and **SAN JUAN** are now hard at work, part of the IVARAN transport chain, linking South and North America efficiently had diligently.



and SEALING WAX...



San Martin in Mini-Rescue Operation

While en route between Rio de Janeiro and Fortaleza, SAN MARTIN I was steaming through the night. Philippine watchman Arnel Garcia was no doubt enjoying the peace and the beauty of the ship and the ocean. But his senses were alert. He heard faint cries to starboard and tried to sight the source. A mere dark spot could be made out. He immediately called the chief mate who was on watch, busy in the wheelhouse. Captain K pke was alerted and rushed to the bridge. The ship was turned around as fast as possible for such a big unit. The search was started. It seemed like searching for a needle in a haystack. Exact reckoning and meticulous navigation was called for. Much to their satisfaction a Brazilian fisherman was finally located and brought onboard.

It turned out that four fishermen on a fishing boat had been rammed

by a southbound steamer the previous night. While the others had succumbed in the meantime, the last one had managed to stay afloat for 22 hours. His time had nearly run out when the blessed SAN MARTIN intervened, aided by a Philippino watchman, a capable shipmaster and officers and crew, all willing to respond to the faint observation of a lowly rating.



Capt. K pke

Men of Mercy is also a firmly established role for sailors, part of a time-tested seafarer image.

Salvador and Santa Fe revamping Passenger Quarters

After more than ten years of active and successful use, passenger quarters onboard SANTA FE and SALVADOR are in line for rejuvenation. Normal wear and tear has been tended to as needed, but mostly in an improvised manner and often without due regard to careful matching of colors and styles. While the ships served the US East Coast – Brazil/River Plate service, passenger quarters were in high demand and filled to capacity most of the time. After they had been transferred to the US Gulf – Brazil/River Plate run it took some time to build up passenger traffic to capacity level, but these popular ships seem to have attracted an enthusiastic crowd, again leading to capacity bookings, creating more friends and supporters for IVARAN LINES.

This time the brushing up job will be done more professionally. A noted interior decorator has been called in to plan it all. As each of the ships enters New Orleans, a crew of craftsmen will enter ship and work practically round-the-clock for 4–5 days during the Gulf rotation. Curtains, carpets, upholstery, all textiles will be replaced by new, matched and lovely materials, ready for a new group of passengers to enjoy. Many of them are repeaters, such as author Alex Hailey. He has made two trips already and has found these ships both attractive and conducive to both work and relaxation.

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Ivaran – from ship to shore

Ivaran ships are well known and readily recognized from Buenos Aires in the south to Boston in the north. But not only the sealanes see the Ivaran colors and markings. A mini-bus all dressed up in Ivaran livery comes in handy in Buenos Aires as an extension of the ships which do not venture inland voluntarily. Helmsman/driver Oswaldo guides bus and riders safely through the Buenos Aires rapids and routes.

Even if you happen to be high up on the AMERICANA and wonder if the company bus has arrived alongside, you will readily recognize the Ivaran flag, the white C in a red flag, on top of the roof. 'You can't miss it' – unless you linger too long in completing your delicious breakfast!



Farewell to LPG/C 'SAN FRANCISCO'

On May 23, at 08.35 hrs., a small ceremony took place at the Gulf Cooper Pier No. 1 in Port Arthur, Texas. The Ivaran company flag was lowered from the flagstaff of LPG/C 'SAN FRANCISCO' and a new company took over the ownership of the vessel.

This simple act marks the end, at least for the time being, of Ivaran's direct involvement in the gas trade.

This period started back in 1984 with the delivery of the LPG/C 'SAN FRANCISCO' from Kleven's Mek. Verksted A/S, situated on the west coast of Norway. Since then, the vessel has been trading within the Pool, Norwegian Gas Carriers, and has been employed in a variety of gas trades. During the last 2 years the vessel has been on timecharter to the Brazilian company Global, mostly employed in South American waters with occasional trips to Europe or the U.S. Gulf.

The vessel has been under Ivaran management during all these years.

During the lean years in the trade, however, the vessel was registered at the Philippine Islands and crewed by Philippine crew, while the technical management was provided by Ivaran.

With the advent of the Norwegian International Shipping Registry, the vessel was reflagged back to Norway in 1988, and Norwegian key officers were placed onboard. At the time of the sale, Captain Trygve Kenneth Olsen was the Master of the LPG/C 'SAN FRANCISCO'.

The new Owners are A/S Laboremus, who were our partners in the Norwegian Gas Carriers. The vessel will continue sailing in this Pool under her present timecharter to Global. She will keep her Norwegian flag, however, with British key officers and Philippine crew.

This means that the vessel will be likely to trade in 'our' waters in South America, so if you see a familiar profile down there, look again. It might be the good old 'SAN FRANCISCO'. If the name of that familiar profile is 'NORGAS CHALLENGER', then you have the right ship.

New Ivaran headquarters

The IVARAN base-camp in its own Oslo down-town office building will next summer be moved to new, modern premises. A new office-complex is under construction in park-like surroundings bordering on the Oslo Fjord at Lysaker, close to Fornebo Airport. The setting will be beautiful – and the quarters well soundproofed – pleasant and efficient, making the employees wishing to stay on and work even harder at all odd hours. No, joking aside. Nevertheless, efficient quarters and pleasant surroundings make you feel and work better. And you do not have to beat your way into downtown Oslo mornings through traffic jams which are even worse when you are ready to go home for the day, even worse for the weekend.

So, next time when you fly into Oslo to call on the Ivaran people, you will recognize the company flag even before you make a safe landing. And if you wish to clear out again real fast, you can have your early lunch meeting on the Ivaran terrace, dine in London, and be in Rio in time for breakfast – with or without your baggage or soul. Whatever missing will catch up with you in its own time.

Argentina: Rugged road to recovery?

The end of the rule of the Radical Party and President Raoul Alfonsín came to a screeching halt half a year

before his term of office expired. Argentina's economic situation could at that point hardly have been worse. Its trade surplus was practically eaten up by interest payments on foreign debts, the inflation rate was skyrocketing.

In the face of such a crisis the victory of the Peronist Party and its leader Carlos Saul Menem, running for the Presidency, came hardly as a surprise. Yet, few expected the relatively unknown Menem to be able to work wonders. What qualities did he possess that nobody else in the memory of common man could remember? Had he not as usual made costly commitments to his backers, now to be paid off? Could he afford to take stringent, unpopular steps to restore Argentina's economic backbone gradually and painstakingly? Would he be strong enough to contain demands by Unions which had supported him? By agreeing to resume power six months ahead of time, he seemed to increase his risks of failure.

But by accepting that challenge he managed to strengthen his overall position in Argentina. That very move gave him the liberty and opportunity to draw on highly qualified men from all camps, prominent from political as well as industrial and academic backgrounds. Seasoned and skillful persons were picked for key governmental positions. Those dedicated men accepted the challenge because a national crisis existed. They did not simply agree to fill in vacancies in a peronista government, they rose to fill in vacancies created by the bankruptcy of the Alfonsín Group. Their task was both aimed at restoring faith in government and of starting a turnaround of the national economy, which at that point was at a lowest possible ebb.

By being able to muster highly qualified men for his first govern-

ment, Menem has laid the groundwork for restoring faith in Argentina S.A. Such faith is a must before Argentine controlled capital placed abroad may find its way back and help bolster the national economy. With a major part of Argentine capital amassed abroad during decades of political and military mismanagement enticed back to create a new give, half the battle would be won. Such capital would further industrial and agricultural enterprises and new developments for rich, natural resources, provide the life-blood any nation needs to function properly, and benefit the people as a whole. The other half of the battle will take a little longer to win, i.e. the confidence of the international economic community. But international banks and creditors will now be more willing to wait to get their due. Such a course is after all more productive than enforcing a suicidal repayment scheme, bound to fall short of its goal.

A big question among many remains: Will Menem be able to get away with lesser rewards to his political supporters? So far he seems to succeed. Not only at Governmental level, but also on posts in charge of traditional 'milking cows', such as ELMA, National Railroads, National Ports etc., leaders seem to have been picked with the prime aim to stop the economic hemorrhage said to be caused in the past by a mixture of personal ineptitude and private schemes of enrichment.

If our faint capacity and efforts to analyse the current Argentine situation should prove to hit near the mark, Menem's moves are richly deserving of success. It would prompt our temptation to leave the subject for the time being on a pun on a very old quotation:

MENE M(ENE) TEKEL UFARSIN because he really seems to have been able to read the Writing on the Wall.

Briefs from Brazil

COMMERCIAL BALANCE – Published July 1989 figures show that total exports amounted to US\$3,221 billion (US\$3,687 billion in June) against imports of US\$1,788 billion (the largest monthly amount since 1982) thus producing an export surplus in July of US\$1,433 billion and US\$10,6 billion since January. Main fall in exports were steel products, machinery and electrical equipment. Exports of heavy vehicles were favourable. On the other hand large imports of crude oil (profiting on favourable crude oil prices) as well as of agricultural products (wheat, meats, dry milk, live animals from Uruguay), some chemicals and machinery were the main commodities which contributed to the record imports. Part is also attributed to a slight heating of our internal economy, but a real increase in imports will not take place until the government reduces, as promised for end September, import duties on most goods with emphasis on machinery and raw materials.

Commercial Balance – 1980/1988 (in US\$ billion – FOB)

Year	Exports	Imports	Balance
1980	20.2	22.9	- 2.7
1981	23.3	22.0	+ 1.3
1982	20.2	19.4	+ 0.8
1983	21.9	15.4	+ 6.5
1984	27.0	13.9	+ 13.1
1985	25.6	13.2	+ 12.4
1986	22.3	14.0	+ 8.3
1987	26.2	15.0	+ 11.2
1988	33.8	14.7	+ 19.1

Brazilian exports are divided into three categories:

Jan/July, 1989

A – Basic products (agricultural & minerals)	26.03%
B – Industrialized products	73.11%
1 – semimanu- factured (17,52%)	
2 – manufactured (55.59%)	
C – Special operations (?)	$\frac{0,86\%}{100.00\%}$

From the July 1989 published figures the following are the main exports:

Basic products:
iron ores 6.21%, soya meal 5.37%, green coffee 5.03% soya beans 2.94%, tobacco 1.45%, All other basic products contributing with less than 1% such as sugar, cotton, bananas, asbestos, poultry, meats, horse meat, bauxite, etc.

Industrialized Products

1 – Semimanufactured:
steel 4.40%, aluminium raw 2.61%, woodpulp 1.91% pig iron 1.01% with all other semimanufactured contributing less than 1% such as hides, carnauba wax, tomato paste, ferro alloys, sawn wood, cocoa butter, leather, wool tops, etc.

2 – Manufactured products:
The leader in this list being shoes 2.87%, followed by hot or cold rolled steel 2.63%, engines parts & cases 2.58%, boilers & machinery 2.35%, automobiles 1.66%, gasoline 1.53% – All other commodities each falling under 1% contribution.

Coffee – With the suspension of the International Coffee Agreement – ICO – July 3rd, coffee prices world wide already collapsed by 50%. Brazil, the world's largest producer,

has enough potential to sustain a war with other producing countries both in price and quantity. Fortunately, today, Brazil is no longer dependent on coffee exports to sustain the trade balance. January/July 1989 green coffee exports only represented 5% of our overall exports of US\$20 billion in the period. In 1962 when the first ICO agreement was signed, coffee represented some 50% of all exports.

It is reported that since the suspension of the agreement 5 million bags have already been sold with shipments to be made up to end 1989. Since August is a calm month owing to summer holidays in the northern hemisphere it is expected that sales will be increased from September onwards.

Brazil export to Australia – Australia which is the third largest producer of Iron ore will commence importing from Brazil mainly in pellet form, 400 000 tons of which are expected to move this year consigned to the BHP-Utad Group – Australia imports steel products from Brazil and supplies us with mineral coal for our steel mills.

Cost of fuels – The eighth increase in 89 recently took place. Gasoline is now priced at NCZ\$1.20 per litre (US\$0.50 at the official exchange rate in effect on the date the increase took place); diesel NCZ\$0.62 (US\$0.25) and alcohol (NCZ\$0.90 (US\$0.37). If one considers the black market exchange rate, presently 70% above official, fuel prices here are still quite reasonable. Monthly corrections in fuel prices will be made.

Inflation 1989 – The NEW CRUZADO plan decreed in January failed for lack of support from Congress as well as because of the weakness of our President to implement strong measures to correct the ever increasing internal debt. Official figures on inflation this year being:

January	10.28%
February	3.60%
March	6.09%
April	7.31%
May	9.94%
June	24.83%
July	28.76%
August	29.64% – estimated
September	33.78% – estimated

We believe the Government will attempt to hold inflation at the 30% per month level until such time as the new President soon to be elected is empowered beginning 1990.

Presidential Elections – The first free election in 29 years will take place November 15th. There are no less than 27 candidates for the post but really only 9 names have any influence.

One candidate from a new independent party registered this year (PRN) is presently carrying slightly over 40% of the intentions to vote by polls being carried out. We hope he will win. The communist candidate as well as a pro-left labour party candidate have each, at this writing, only 5% to 6% of voters intentions. Should there be no majority result on the November 15th election a second election will take place some 30 days later, but this time with only the 2 candidates most voted on November 15th.

Industrial sales are up – August is looking like November peak Christmas sales. Dow Chemical does not know what to say to clients who wish to increase purchases but cannot be supplied. The Dow 'Board' in the U.S. wants to know why sales are above projected numbers and continually increasing. This boom is already lasting 90 days. Most chemical industries are working at 100% capacity. There is a shortage of synthetic nitrilic rubber (N-7400) of which consumption doubled in the 2nd quarter and users of the rubber

(N-7400) are asking for immediate liberation of imports. Electric home appliances sales are up and continue heated indicating a possible problem of supply within short. There are no indications of a fall in sales in September, on the contrary, sales will tend to increase at year end owing to the Christmas movement. No one can detect the reason for this increase except to state that there is more money in the economy. Some say that there is a 'psychosis' on expectation of a possible hyperinflation and that soon there will be a drop in demand. Power consumption which serves as an indicator went up 5.3% in July.

State of Economy – Prospects

We subscribe to a very good consultancy publication called 'Suma Economica' (Economic Summary). In their August 1989 issue they indicate the main tendencies which will affect business and which we translate herewith for your guidance as normally SUMA is fairly correct on their predictions.

SUMA ECONOMICA
August 1989 issue – Free translation

STATE OF THE ECONOMY – PROSPECTS

Considering the present scenery, the principal tendencies which will affect your business are the following:

- In the inexistence of a new economic shock inflation gradually accelerating to a level of 40% in the last bimester.
- If there will be changes on the impact of the presidential successor, flight of real assets will be unavoidable and with it will come hyperinflation.

- Payment of interests due foreign creditors in September will not be made.
- Commercial sales growing between 3% to 5% until end 1989.
- Strong retraction of sales at the start of 1990.
- Industrial production in recovery in 1989 continuing process of stock piling of raw materials and supplies.
- Real assets: Stock exchange, properties, Dollars etc, continuing increasing in value so as to adjust themselves to hyperinflation.
- New anti-inflation shock might be announced September 1st or October 1st.

At medium term:

- Maxi devaluation of 50% to 100% in the interim period between the present and the future government or at the start of the next.
- Reduction of the Government's presence in the economy, although still far from desirable.
- Reduction in payment of the foreign debt changing to regular payments within a determined flow.
- Strong recession in the first half of 1990. Recovery as from the 2nd half.

Japan says Brazilian soybeans are better

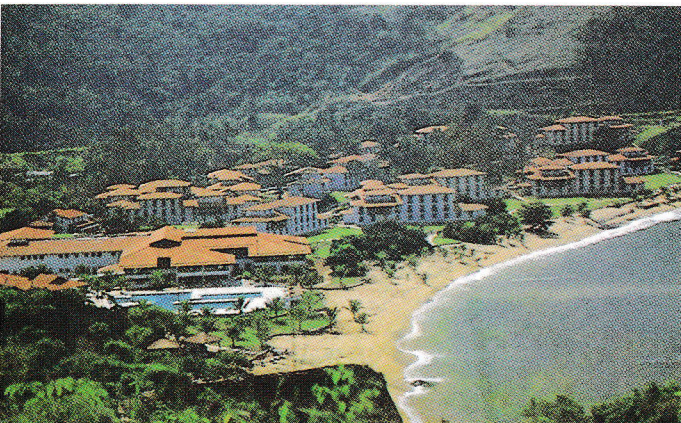
Brazilian soybeans have higher oil and protein content than soybeans from North America. This was affirmed by Japanese importers who are increasing their orders for soybeans from Brazil. In 1988 Japan purchased 680 thousand tons of the Brazilian product, an increase of 80 percent over the import volume for 1987. And this year will see another increase in shipments to Japan, according to Quintella and Cutrale, a trading company involved in farm commodities.



Brazil-USA accord on airline routes

A new airline route agreement was reached in January by the governments of Brazil and the United States, after five years of negotiations. The recent agreement increases the weekly flights between the two countries from 37 to 58, and allows airlines to serve five other cities in the USA in addition to New

York, Miami and Los Angeles, and four Brazilian cities besides São Paulo and Rio de Janeiro. Among the new clauses in the agreement is one that allows other airlines to use the new routes, besides PAn American (USA) and Varig (Brazil) and a provision allowing Brazilian airlines to fly from the United States to Canada, Europe and Asia. The new accord also authorizes 340 charter flights between the two countries.



Méditerranée opens another resort in Brazil

The Club Méditerranée hotel and resort chain now has one more club in Brazil. The new resort opened last December in Rio das Pedras, 110 kilometers from Rio de Janeiro. Situ-

ated between the mountains and the sea, facing the Angra dos Reis islands, the club offers some of the most splendid beaches in Brazil. Blending into the lush scenery of the Atlantic Forest and the sea, the new Club Méditerranée has three-storey guest units with air-conditioned rooms, equipped with small, handy refrigerators called 'Frigobars', and individual safes. Guests may enjoy

A practical kiosk for yard or poolside

The Albela/Domus company of São Paulo has introduced an extremely practical and attractive looking 'kiosk'. The new product offers protection from the sun or rain at the beach, camping sites, by the pool or in the yard, and can even be assembled as a stand at fairs and other such events. Made of aluminum tubing, the shelter is easily assembled and is firmly attached to ground with plastic flower pots that enhance decoration. The kiosk is painted in white polyester and has a canvas roof protected with a double coating of PVC. The canvas comes in a choice of colors: white, red, green, bordeaux, yellow, blue, grey or black or a combination of stripes. There are also optional accessories available, such as a counter and accessories for internal and external lighting.



the complete facilities for land and water sports and excursions. For the exercise-minded there are nine illuminated tennis courts (three of them covered) and courts and fields for squash, outdoor and indoor soccer, handball, volleyball, basketball and archery. The club also has both dry and wet saunas and rooms for weightlifting. Miniclubs are available to entertain the youngsters.



A quadricycle for any terrain

The Lavrale company, a farm equipment company of Caxias do Sul, in the state of Rio Grande do Sul, is now moving into the special off-road vehicle market. It has invested two million dollars in the development of the country's first quadricycle, the **Lavrale Quattor**. Tested over a period of a year and designed and made to take to all types of roads: sand, mud, streams, or paved roads, the **Lavrale Quattor** gets 20 kilometers per liter and can move up to 110 kilometers per hour. The quadricycle's specifications include: front disk brake and rear drum brake; independent front suspension with a double parallelogram system and a rear monoshock suspension with an external spring that makes for better absorption of bumps when the quadricycle is moving over rough terrain. A liquid cooling system maintains a constant temperature, giving more power and torque to the motor performance. Lavrale also makes motorbikes and tricycles. It is launching its new **Formula Lavrale** kart.

Leishmaniasis vaccine

For the first time anywhere in the world a vaccine will soon be available on the market against leishmaniasis, a skin disease caused by the **Leishmania** protozoa resulting in skin sores. The vaccine will be produced this year by Biobrás, a company in the city of Montes Claros, in the state of Minas Gerais. The new vaccine, Leishvacin, was developed after 13 years of research by the Biological Science Institute at the Federal University of Minas Gerais, and is registered with the Ministry of Health Division of Medicines. According to the World Health Organization, each year sees 400 thousand new cases of the disease throughout the world. The demand for the vaccine in Brazil will be approximately one million doses annually.

The government has already ordered 500 thousand doses, but Biobrás production will also be available in other countries. The company has received inquiries from Colombia and Venezuela that border on the Amazon, a region that has the largest foci of the disease.



A portable air conditioner

The Triches company of Caxias do Sul in the state of Rio Grande do Sul, after a year and a half spent in research and tests, has introduced its portable air conditioner. According to the Triche company, that makes **Enxuta** products, the new air conditioner offers advantages over the more traditional models in that it can be installed easily, does not require that walls be adapted and it can be connected to any outlet. The new device made its debut in stores in Rio de Janeiro. It is mounted on small wheels and can be used in apartments or in vacation homes. Triche will turn out seven thousands units monthly.

Bullet train to link Rio and São Paulo

The Brazilian government has issued bid invitations for the building of a high velocity rail line between Rio de Janeiro and São Paulo. The line will be exclusively for passenger trains. Both Brazilian and foreign

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Ivaran among Lines in Support of US Anti Drug Abuse Act 1986

The wave of narcotics hitting USA as well as most other affluent nations is sustained by immensely rich and powerful criminal cartels. A substantial part of the narcotics flow into USA finds its way illegally and covertly by ship, smuggled in as part of sealed off containers or hidden away in concealed crevices unbeknown to officers and crew. The Carriers, Lines, are unwitting parties to this game. Nevertheless, US Customs has in the past elected to impose tremendous fines on Lines whose ships have served as smuggling vehicles without their knowledge or consent. Only in cases where the Lines have cooperated actively with Customs to combat the plague, those fines have been lifted.

The global shipping organisation BIMCO (The Baltic and International Maritime Council) has decided to cooperate fully with US Customs in their efforts to stem the narcotics flow.

A sea Carrier Initiative Agreement, signed by Bimco on July 4th, 1989 states:

This voluntary Agreement is made between BIMCO for and on behalf of the BIMCO Owner-members as per the attached Annex B and the United States Customs Service.

Customs urges the implementation of all of the terms of this Agreement, but realizes that the unique characteristics of some Carriers' operations might make implementation of some of the terms physically impossible or financially prohibitive. The Carrier agrees to implement, to the extent possible, all terms of this Agreement which are feasible given

the circumstances of the Carrier's operations.

This Agreement cannot, by law, exempt the Carrier from statutory sanctions in the event that illegal drugs are discovered by Customs on board the Carrier's vessels. However, the extent to which the Carrier has shown compliance with those terms of this Agreement which are feasible, and establishes to the satisfaction of Customs that only those terms of the Agreement were, in fact, feasible, will reflect favorably on any Customs decision or recommendation on final case disposition.

This Agreement between Customs and the Carrier is designed to strengthen the Carrier's ability to deter illegal access to the use of its commercial vessels, their associated equipment, and company facilities, by those engaged in the trafficking of illegal drugs. Customs and the Carrier recognize the need to take positive steps to secure the Carrier's vessels against possible unauthorized use, and in particular, against trafficking in illegal drugs. The following Agreement addresses the concerns of the Customs and the Carrier.

The Carrier undertakes:

1. To require, as a matter of company policy, that all of its managers, supervisors, employees and representatives cooperate fully with Customs and other law enforcement entities in implementing the various actions and initiatives growing out of this Agreement, while encouraging the open and on-going exchange of information among the entities involved. Each vessel will carry on board the name of the appropriate Customs officer (to be provided by Customs) to contact at each port at which the Carrier's vessel call;
2. To designate, at each port of entry which it serves, the company official or representative who will

assist Customs with searches of the Carrier's vessels at the port, and who will be readily accessible for contact on all matters identified as of enforcement interest to Customs;

3. To designate, for each vessel, the ship's officer who will be available to assist Customs in searches of that vessel, and in gaining access to all compartments and spaces;
4. In accordance with all applicable laws, upon request to provide to Customs identifying data provided by current employees and applicants for employment where there is a need for such information;
5. To provide as far in advance as possible copies of the inward foreign manifest for each of its vessels, noting any first-time shippers, and to notify Customs immediately of any suspicious circumstances surrounding cargo shipments;
6. To promptly notify Customs of major structural repairs, remodeling, or reconfiguration of vessel's interiors;
7. As soon as such information is available, to provide Customs with a list of all United States ports at which the Carrier's vessels are expected to call during the upcoming year;
8. To develop and implement a security system acceptable to Customs, under which the Carrier will:
 - a. Take all reasonable measures to enhance security and control procedures in order to make it more difficult for unauthorized persons to gain access to vessels, both overseas and in the United States;
 - b. Permit only persons displaying proper identification access to vessels, and only when required by their duties. A security system acceptable to

Customs will be developed and implemented by the Carrier. The system will address the threat of the illegal drugs smuggler;

- c. Regularly search vessels for illegal drugs and contraband prior to departure for, and enroute to, the United States, and shall, upon arrival, report to Customs all instances where illegal drugs and contraband have been found. Any illegal drugs or contraband located during vessel searches shall be secured with minimal handling and preserved for appropriate follow-up action by Customs;
 - d. Lock or seal specific compartments aboard ships which may be used to conceal illegal drugs where such locking will not interfere with normal vessel operation or pose a possible safety hazard;
 - e. For those areas which cannot be sealed or locked, limit access to those persons with legitimate business in such areas;
 - f. Notify Customs of broken seals of locks, and of unauthorized crew members found in restricted areas.
9. In the event that vessels operated by the Carrier are not owned by or under the management or control of the Carrier, make every effort to see that vessel owners agree to the terms of this Carrier Initiative Agreement.

The U.S. Customs Service undertakes:

1. Hold discussions with the Carrier regarding joint security at selected United States and foreign locations;
2. Review security systems developed by the Carrier in accordance with Paragraph 8 of this Agreement;

3. Provide training to certain of the Carrier's personnel in search methods, enforcement awareness, security measures, and in recognition of situations of enforcement interest to Customs;
4. Make every effort to coordinate with Carrier management the release to the press or the public of information which may involve the Carrier's interests.

This Agreement, once fully implemented, will act as a deterrent to those persons who may utilize the Carrier's vessels as a means of smuggling illegal drugs.

The listed elements reflect the mutual understanding of the Carrier and Customs of what is expected of each.

This document, once jointly endorsed, will serve as a working agreement to be utilized at each United States port of entry served by the Carrier.

To date, over 450 companies have signed the Carrier Initiative Agreement with the Customs. In order to come down to practical terms and methods of cooperation, U.S. Customs is now in the process of presenting a Maritime Anti-Drug Seminar in all major seafaring capitals.

For Norwegian signatories this seminar was presented in Oslo September 21-22, 1989. Aftenposten, Norway's leading newspaper, carried on September 23rd an article on that event, reading in translation as follows:

The new, strict Customs Act in USA causes Norwegian Shipowners to sharpen their control routines aboard Norwegian ships. In order to escape unrelenting penalties in the event that narcotics shipments are found onboard, they have elected to cooperate with U.S. Customs. But the Owners know too little about how the smugglers operate. Therefore, shipowner representatives/

employees have for two days been drilled by U.S. Customs experts.

The U.S. Anti Drug Act, which entered into effect in 1988, hands over to the Authorities the right to react relentlessly against Owners of ships in which narcotics are located.

They may even act according to the principle of reverse burden of evidence: The shipowner is regarded as an accomplice to the act of smuggling until he has proved his innocence. USA has thus become a high-risk area for shipowners, says division manager Flemming Ramsby of BIMCO to Aftenposten.

BIMCO is an Association of shipowners from 104 nations. One third of them are regularly calling at U.S. ports, and are consequently very exposed to becoming involved with narcotics trafficking into USA. They have therefore authorized BIMCO to enter an agreement with U.S. Customs. If the shipowners live up to the strict guidelines drawn up for them, U.S. Customs will in return treat them with lenience, and among other steps refrain from taking arrest in their ships.

But Norwegian owners are insufficiently versed in the U.S. Customs regulations, says David A. Khane, head of the U.S. Customs project.

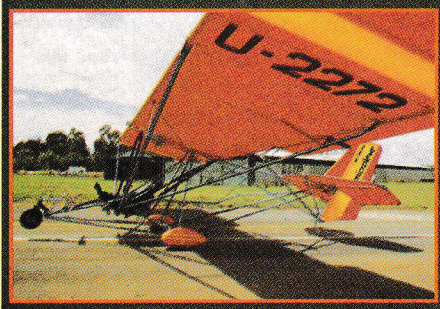
Together with colleagues Harriet Dorn Blank and John Holbrooke he has already visited Greece, Venezuela and Hongkong to drill the owners. Now the turn has come for Oslo and Copenhagen. For two days more than 90 representatives from Norwegian shipowners have 'returned to school' and questions have run thick and heavy.

First of all they are interested in how to safeguard against getting into trouble. We have looked into what they in practical terms may do onboard their ships, where they should count on investing in control routines, but obviously also how customs regulations work and how the

(cont. on p. 18)

ULTRALIGHTS

Recalling the simplicity of the pioneers



At the dawn of the 20th century when courageous fliers were successful in putting an aircraft into the air, their contraptions were strangelooking, fragile structures made with waxed fabrics and powered by rudimentary motors turning a propeller. From these rustic beginnings the aviation industry advanced by leaps and bounds to today's supersonic jets and planes that carry hundreds of passengers. But this progress has not impeded air buffs from returning to machines that are remarkably simi-

lar to the craft of the pioneers.

A structure of light and resistant metal, wings covered with brightly colored synthetic fabrics, a small but efficient motor along with some basic instruments combine to make the newly popular flying machines, aptly called 'ultralights'. The ultralights arrived on the flying scene about two decades ago as a new form of leisure pastime, but are now also utilized in a variety of activities for which they are as well adapted or better adapted than conventional airplanes.

In the fore of aviation development ever since Brazilian Alberto Santos Dumont was one of the pioneers in flying heavier-than-air vehicles, Brazil is still very active in the world aircraft market. The government-owned Brazilian Aircraft Corporation (EMBRAER) exports medium-sized aircraft to dozens of nations, including the more developed, and other smaller firms manufacture light planes and gliders. There are five Brazilian companies making ultralights, and some are exporting their product.

Much less expensive than conventional light planes, the ultralights are easy to fly, can carry up to 250 kilos (550 lbs.) and are used in such non-recreational work as crop dusting, aerosurveying, medical assistance and patrolling in areas that are hard to reach. All of the models made in Brazil can be easily adapted for this type of professional use in addition to being perfect for leisure and sports activities.

One of the first firms to make ultralight planes in Brazil, the Microleve company of Rio de Janeiro has three different models to choose from and has satisfied clients in four Latin American countries and in Canada. Its most recent model is the Corsário which can take off and land on water or terra firme and comes with fold-up wings to facilitate stor-

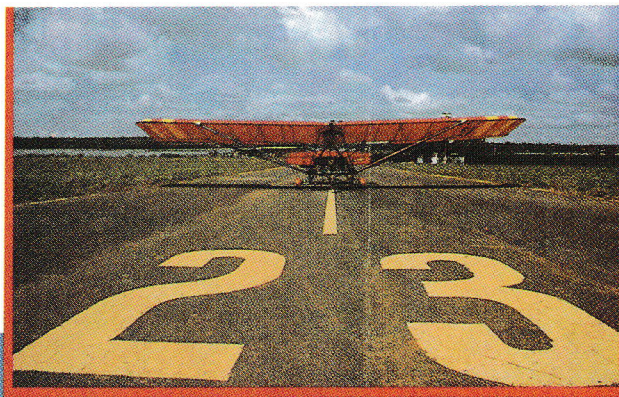
age. The wingspan is 10.2 meters and the craft is 6.5 meters long. The Corsário will be on display at the upcoming Le Bourget International Air Fair in France this June. This latest Microleve model is based on the firm's major seller, the ML 300 that has sold more than 900 units, including those adapted for crop-dusting.

The principal characteristic of the Microleve planes is that the motor is housed under the wings, thus providing for more flying safety, according to Gastão Hoepner, the company's export manager. With production capacity of 25 units monthly, Microleve exports either the complete plane or components, such as rear wheel sets with remote control that are imported by manufacturers in the United States.

Another successful ultralight manufacturer is the Vector company, also of Rio de Janeiro, that is enjoying sales of its Fox model. Vector ultralights are the fastest and can reach a flying speed of 95 kilometers an hour thanks to its aerodynamic cowling. The Fox sells for 12 thousand dollars, and is exported to Africa and Europe. It can be adapted for use in agriculture.

Aiming at a more competitive presence on the Brazilian and South American market, Vector introduced its Fox 3 'a model that is more suitable for heavy work' according to export manager Hans Gingax. Powered by a Volkswagen 1300 motor, the Fox 3 is widely used in the gold mines in the Amazon region, transporting miners and supplies as well as gold.

Operating for the past five years in São Paulo, the Flyer company makes recreational models that are quite versatile, and are used by such celebrities as two-time Formula I champion Nelsen Piquet, who has three Flyer ultralights at the Ultralight Club in Brasilia where he



vacations from time to time. Besides its best selling GT model, Flyer also makes the Tierra, a slightly larger model, measuring 17.6 meters across and 11.2 meters long. The Tierra cabin has optional doors and inflatable floats for landing and taking off from the water. Part of the technology used in Flyer ultralights comes from the Teratorn Aircraft Inc. in the United States through the terms of a working agreement for the transfer of technology.

Also using technology imported from the United States, Carlos Arthur Viveiros produces ultralights in Brasilia under the name of the American Challenger model. The Challenger has a cabin with optional doors, weighs 140 kilos and good velocity with a gliding ratio of 11 to 1 (that is, it flies 11 meters for each meter drop in altitude while gliding). It can take off on a 50 meters runway, whereas other models require 80 meters. The Challenger selling price is 12,500 dollars. The plane preserves the original design of the model used in the United States, from the drawing board of the renowned David Goulet.

The terms of the contract between Carlos Viveiros and the American company, regarding the transfer of technology, do not permit the Brazilian entrepreneur to export his ultralights to the United States or to Europe. But Viveiros is able to export to other countries, especially those in South America.

A traditional maker of farming implements in Brazil, the Hatsuta company has entered the ultralight manufacturing business and has developed its own motor. Designed and built according to FAA (Federal Aviation Administration) standards of the United States, the Hatsuta 500 motor powers the Flamingo ultralight built by Hatsuta. It was designed originally for operations involving cropdusting and other



farming activities. With two seats and double controls, retractable landing gear and a closed cabin, the Flamingo is easily disassembled for overland transport. It carries up to 90 kilos of agricultural pesticides and costs about 14 thousand dollars.

The Hatsuta ultralight differs from the other models made in Brazil in that it uses a 50 horsepower motor with a front propeller, a complete instrument panel that includes an altimeter, speedometer, a stall signal, compass, tachometers, and a fuel gauge. The machine also has an optional parachute system. This is a

system that can eject a parachute in an emergency and allows complete retrieval of the plane in case of some unforeseen contingency. The Hatsuta company offers flying courses at its Guarulhos plant in the state of Sao Paulo.

With the exception of the Hatsuta Flamingo and the Vector Fox 3, all of the ultralights made in Brazil use a Rotax motor imported from Austria. A durable and top performer, the Rotax motor is the same one that is used by the major ultralight manufacturers in other countries.

SPILL-OVER

cont. fm. p. 3

iticians, Governments, and to a large extent exporters and importers through their respective organisations will all have to decide what will serve their needs best possible. Individual as well as national considerations will be involved. The wellbeing of nations may be at stake.

cont. fm. p. 5

As a result, Alex Hailey will board one of the pair early next fall, filling her up with key people, and there present his latest major novel. We hope to have the opportunity to watch the proceedings – even at a distance, and make out our own report as we best may be able to.

cont. fm. p. 7

Claudio Roberto Fernandes Decourt, secretary for water transport for the Brazilian Transport Ministry, told the ALACAT gathering that Brazil and Argentina are progressing in bilateral studies to facilitate all aspects of intermodal transport between the two countries.

That includes speedier customs house clearances, recognition of international single bills of lading and greater flexibility for other bureaucratic processes.

cont. fm. p. 13

firms are eligible for the bidding and the concession of rights will be valid for a period that could vary from 30 to 50 years for the use of the line. The bullet train will run at a minimum velocity of 200 kilometers per hour, similar to the famous bullet train in Japan. There are three technologies available on the world market for this type of train, Japanese, French and German. The winning bidder will have up to six

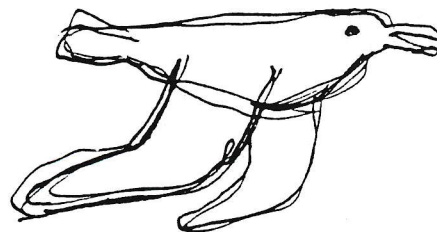
months to present the basic engineering project and another six months to present the financial plans for undertaking the work. The cities of Rio and São Paulo and their metropolitan areas have populations of eight and fifteen million respectively, with intense highway traffic along their corridor, as well as heavy rail, air and maritime traffic. The distance between these two major Brazilian cities is 429 kilometers, or approximately 270 miles.

cont. fm. p. 15

narcotics trade functions, says Khane.

Narcotics shipment are often hidden away in dirty or highly dangerous spots in the ships. But in addition we also have the so-called container traffic where large quantities of narcotics may be shipped through several ports world wide before at last being smuggled into USA, says John Holbrooke. One example on how such a smuggle-circuit may be run could be Colombia-USA-Hamburg-Oslo-USA. Somewhere along the line the cocaine has been repacked, placed into containers and delivered in USA as 'lawful merchandise'.

To combat narcotics smuggling and distribution requires harsh and decisive action. Narcotics abuse should be fought more by wartime rather than peacetime means.



Man of the Americas Museum in Piauí

The Brazilian Ministry of Education is building the **Museu do Homem Americano** in the state of Piauí. The new museum will be the home of the fossil collections gathered over a period of 18 years of research in over 300 archeological sites in the region, situated in the north of Brazil. Research done here has demonstrated that the history of primitive man in Brazil goes back as far as 40 thousand years. The Museum will be run by a Foundation and will serve as a center for support to further research projects, in addition to preserving the fossil collection.

Panetones take two and a half days

How many hours are needed to turn out the best **panetone** (holiday fruit cake)? Usually, a baking company takes an average of eight hours. But the Irmãos di Cunto company of São Paulo takes a lot more time – 72 hours is the ideal according to them. A sample shipment of Irmãos di Cunto **panetones** was customer tested by Macy's Departement Store in the United States, and approval was immediate. Now, the company is gearing up to break into the export market within the next few months. At present, the firm has a production capacity of 250 thousand kilos of **panetone** per month. Company officials, naturally, will not reveal the secret that makes their product one of the best brands in the Americas, but they do say that, along with great care in the preparation of the batter containing pure honey, the fermentation has to be precise.

U.S. EAST COAST/

BRAZIL RIVER PLATE SERVICE

SOUTHBOUND

Norfolk
Baltimore
Philadelphia
New York
Charleston
Savannah
Jacksonville
Miami
Rio de Janeiro
Santos
Buenos Aires
Montevideo

NORTHBOUND

Buenos Aires
Montevideo
Rio Grande
Itajai
Paranagua
Santos
Rio de Janeiro
Ilheus
Salvador
Fortaleza
Norfolk
Baltimore
Philadelphia
New York
Charleston
Savannah
Jacksonville
Miami

U.S. GULF/BRAZIL-RIVERPLATE/

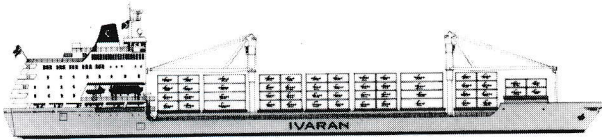
CARIBBEAN SERVICE

SOUTHBOUND

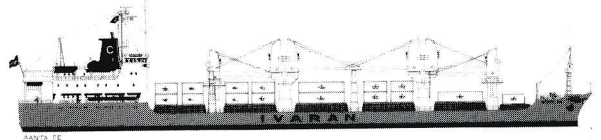
New Orleans
Houston
Tampico
Rio de Janeiro
Santos
Buenos Aires
Montevideo

NORTHBOUND

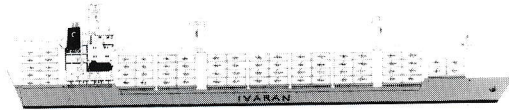
Buenos Aires
Montevideo
Rio Grande
Itajai
Paranagua
Santos
Rio de Janeiro
Salvador
Fortaleza
Bridgetown, Barbados
San Juan, Puerto Rico
Santo Domingo, Dominican Rep.
Mobile
New Orleans
Houston
Tampico



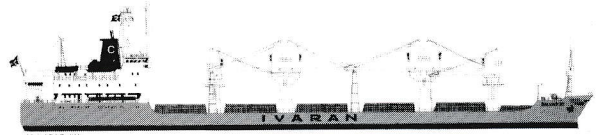
'AMERICANA': Built 1988. About 19,000 TDW. 1120 TEUS capacity. 3 coiled coated deep tanks of about 11,785 cub.ft. each for liquid cargo. Speed about 19 knots.



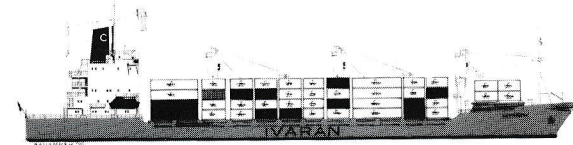
'SANTA FE': Built 1978. 14,770 TDW./700,932 cub. ft. bale. 447 TEUS capacity. 2 coiled deep tanks of about 11,410 cub.ft. each for liquid cargo. Speed about 16.5 knots.



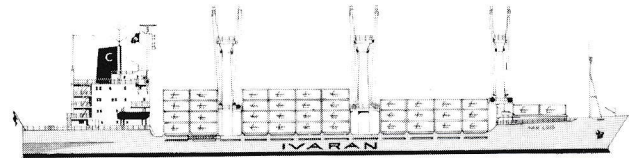
'SAN MARTIN I': Built 1985. 19,818 TDW. 1192 TEUS capacity. Speed about 19 knots.



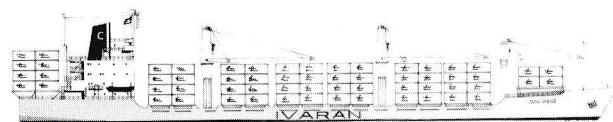
'SALVADOR': Built 1978. 14,770 TDW./700,932 cub. ft. bale. 447 TEUS capacity. 2 coiled deep tanks of about 11,410 cub.ft. each for liquid cargo. Speed about 16.5 knots.



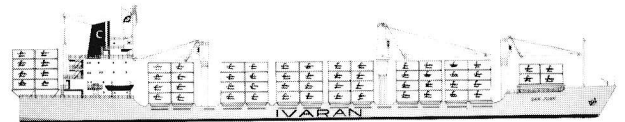
'SAVANNAH': Built 1984. 12,500 TDW. 700 TEUS capacity. 2 coiled deep tanks of about 11,300 cub.ft. each for liquid cargo. Speed about 17 knots.



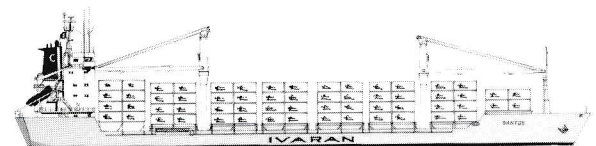
'SAN LUIS': Built 1978. 12,430 TDW./611,260 cub. ft. bale. 576 TEUS capacity. Speed about 18 knots.



'SAN DIEGO': Built 1980. Jumboized 1989. 14,450 TDW. 958 TEUS capacity. Speed about 18 knots.



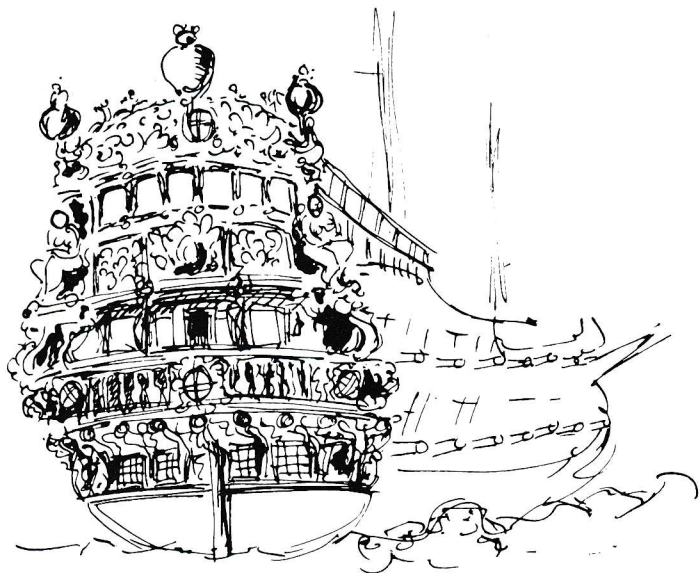
'SAN JUAN': Built 1980. Jumboized 1989. 14,450 TDW. 958 TEUS capacity. Speed about 18 knots.



'SANTOS': Built 1985. 1042 TEUS capacity. 17,212 TDW. Speed about 17.5 knots.



'SANTA CATARINA': Built 1985. 28,941 TDW./1,504,204 cub.ft. bale. 1737 TEUS capacity. Speed about 19 knots.



stern gallery



M/S San Diego being jumboized in Buenos Aires.