

LETTER FROM TOKYO



# Moving to containers

**Japanese shipping lags  
in containerships,  
but that is changing**

by Stuart Griffin

Containerization is one of the biggest innovations to hit the shipping industry since the block and tackle. Boxed shipments of finished products are placed in large rectangular trailers, which are then speedily loaded by crane onto special containerships. Unloading is done the same way, thus avoiding item-by-item handling of cargo.

Containerization does not usually involve bulk items such as grain or petroleum; it is used for finished commodities including liquor, shoes, clothing, drugs and anything else of high value. Among its advantages are that it reduces pilferage, eliminates costly packaging for shipment, reduces damage from handling and cuts insurance rates.

It has been around since the mid-1950's, when the United States—the present world leader with 77 containerships—jumped ahead of everyone else. One of those who got a late start was Japan.

But the Japanese are about to make their big move. The word has gone out from the Government to embark on an all-out containership construction effort, starting in April 1970. The Shipping Bureau's program is for 20 containerships: six weighing 100,000 gross tons each for the trans-Pacific route to the United States West Coast, four weighing 48,000 gross tons for the Japan-to-Australia route, seven 150,000 tons for the Japan-New York run and three 66,000-ton ships bound for the Japan-Western Europe shuttle. All of these are giants compared with current ships. In the United States fleet, containerships average 15,000 to 20,000 tons.

All the new Japanese containerships should be ready as part of a Government-sponsored shipbuilding program by mid-1972. At present, however, Japan has less than a dozen containerships in service. They operate out of Tokyo, Kobe, Yokohama, and as of September, Osaka. According to the United States Maritime Administration, six of those ships are for the western United States-Far East trade. The United States dominates this trade with 14 containerships.

However, Japan's role in this area is vital. Says P. Laurin Cowling of the Milwaukee Railroad, "Japan continues to be the dominant factor in containerized traffic moving between the Far East and the United States."

The two most heavily containerized shipping routes are the North Pacific between the United States and Japan and the North Atlantic between the

United States and Europe. Eager to expand their commerce, the six major shipping companies of Japan (Japan Line, Kawasaki, Mitsui, NYK, Showa and Yamashita-Shinnihon) are looking to mid-1970, when they will launch the Japan-Pacific Northwest service linking Tokyo with Seattle. After that they can think about the European ports. Japanese expectations are that they can link up with western European ports by the fall of 1971 and with East Coast ports, via New York, by mid-1972.

Winning new markets from the United States will not be easy. Japan faces stiff competition from the two giants, Matson Navigation Co. and Sea-Land Service, Inc.

Despite the advantage they hold in size, there is no complacency in the United States containerization companies. Says one spokesman for Sea-Land, "Every competitor is a threat. The Japanese do things well, and I'm sure they will do their containerization well. As far as I'm concerned, it's very serious. Anybody in the containerization business is a threat."

But Japan's fledgling industry has its own worries. Japan's Transport Ministry and its shipping circles not only fear a keener competition in containerized transportation between Japan and the United States in the Pacific; they are also concerned about a rivalry on the Japan-Europe route from companies such as Overseas Containers, Ltd., of Britain, Hapag Lloyd Container Line of West Germany, Messageries Maritimes of France and Scanservice, a joint Norwegian-Swedish-Danish line.

If Japan is to compete with these countries, increasing the number of ships alone will not be enough. Port facilities must be expanded. At present Osaka has only one containership berth; Kobe has four piers. But Osaka is planning for seven new containership piers by 1975, five of which will be ready by 1972. And Kobe is scheduling nine piers, six to be open by mid-1972.

Thomas P. Soules, Massachusetts Port Authority director, especially praises the program under way in Yokohama, 19 miles west of Tokyo. Work there, he says, costing an estimated \$111 million on a huge pier exclusively for containership usage, "will bring Japan right up to par." The Honmoku Pier site will have 29 berths when ready by March 1970 and will accommodate simultaneously 23 vessels of the 25,000 gross-ton class, three of 40,000 tons and three of 30,000 tons.