



# New York Harbor Tries a Comeback

By David F. White

"...Suddenly this fall, a sorely needed \$20-million ship terminal is going up; it is another sign of brightening fortunes..."

A few minutes away from Bloomingdale's and Madison Avenue is a little-known world called New York Harbor. It does not feel like Madison Avenue; it does not smell like Bloomingdale's; it is probably more important to the city than both of them put together, with Broadway thrown in. For years it has been spurned and ignored. It is fighting back now.

The harbor is a world where longshoremen gather outside hiring halls when the winter sky is still dark, trying to stay warm, smoking butts while they wait to unload coffee and tin ingots from South America. It is the lee of a big, black hull just in from Liverpool, Genoa, or Hong Kong and the smells that spill from open hatches.

More than 600 merchant ships call at New York in an average month, making it the busiest U.S. port. The waterfront stretches for almost 580 miles, around countless bays, creeks, and inlets, a shoreline roughly equivalent to the distance between Boston and Pittsburgh, almost one third of it industrial. Thirty-five tugboat companies ply the waters of this harbor. Scores of ship chandlers and suppliers provide the hawsers, signal pennants, paint, and provisions on which it runs. In all, it has been estimated, 176,000 people work directly in port-related business—excluding those in

banking and manufacturing whose jobs depend directly on the ships that come and go.

This is the giant, the champion of American ports—moving 14.3 million long tons of general cargo last year and 50.1 million long tons of bulk cargo. But picture the champ with a split lip and a badly battered eye.

□ In 1957, the Port of New York accounted for nearly 25 percent of the general cargo tonnage handled by all American ports. Last year, it accounted for 9.3 percent.

□ While New York's general tonnage is off about 6 percent from 1967 figures, tonnage handled by Philadelphia is up almost 10 percent and Baltimore's has risen by a whopping 55 percent. New York's share of general tonnage handled by North Atlantic ports shrank from nearly 53 percent in 1967 to 46.2 percent last year.

□ In almost the same time span port-related employment has fallen by about 37,000 jobs, partly because of automation, partly because of blight.

Now, with an initial infusion of \$30-million in state, federal, and city money being pumped into port-development and rehabilitation projects—and with the Port Authority joining New York's congressional delegation for battle in Washington over matters of critical importance to the port industry here—

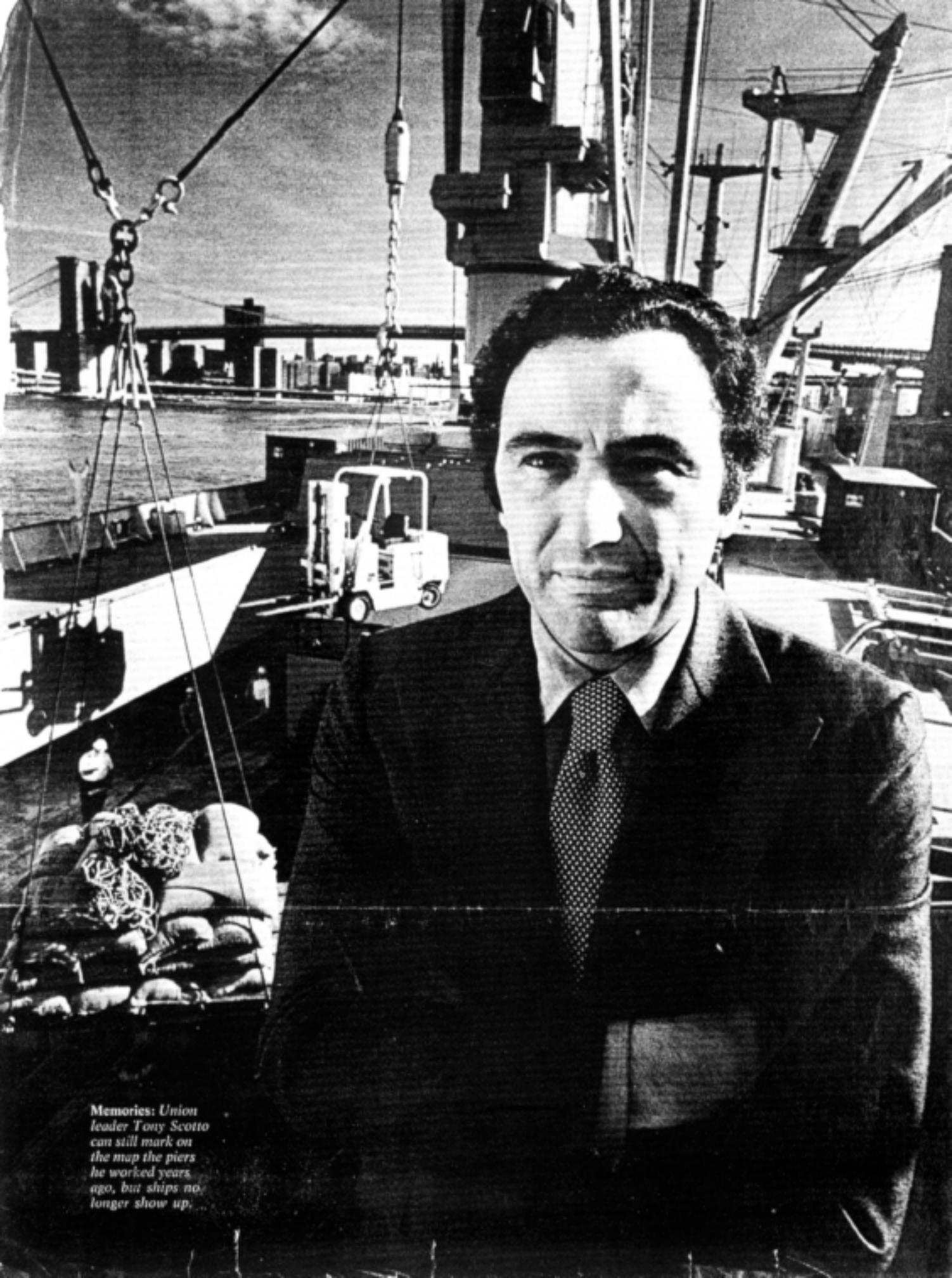
there is unmistakable evidence that the harbor is fighting at last to reverse a long and costly economic slump.

Suddenly this fall, a sorely needed \$20-million ship terminal is going up in Brooklyn. At the same time, vital harbor railroad lines are being reclaimed from years of decay. The month of September has even brought railroad service back to the long isolated piers of Staten Island, and all the way from the docks of Howland Hook to the cargo sheds of Bay Ridge, there are distinct signs that New York Harbor's fortunes may be brightening.

But how did they go dim in the first place?

In part, analysts say, the decay of the maritime industry here is linked to the regional decline that has seen the New York-New Jersey metropolitan area lose 400,000 jobs since 1969. And in part it is linked to the rise of Sunbelt ports. But there is more to the story than that.

Peter C. Goldmark Jr., the executive director of the Port Authority, puffed on a slim cigar, peered out through the haze that sat over the harbor 67 floors below his office in the World Trade Center, and began to review, one by one, the problems of the port. Harvard-trained, a former New York State budget director, Goldmark has a particular and personal aversion to delay: "That's



*Memories: Union leader Tony Scotto can still mark on the map the piers he worked years ago, but ships no longer show up.*



## "...The state has signed a \$9.9-million contract to upgrade rail lines in Brooklyn; traffic will roll..."

one of the things that killed us. I'm for what will work now."

Lately, Goldmark's urge to move fast has been focused far from the tankers he can see swinging on their anchor chains in the Narrows, focused deep inland, where the business of ocean shipping begins—with manufacturers in places like Peoria, Cleveland, and Elkhart, manufacturers looking for the cheapest way to move their freight. Deep inland is where the harbor's problems begin—with a railroad rate structure that discriminates against New York by making it cheaper to ship double and single containers from the Midwest to other, more southerly, East Coast ports, which are farther inland.

"Container" is not used haphazardly here. It is a pre-loaded metal box that, when swung off a ship and dropped on a truck chassis, becomes an instant trailer truck. Before the system was invented, ships were packed the way you pack your suitcase, shirt by shirt or box by box. The world's first container ship sailed from New York Harbor in 1956. Today, 70 percent of New York's general cargo is containerized in these metal boxes.

Goldmark's mind has been fixed on this problem of discriminatory railroad rates. The Port Authority estimates that half a million tons of cargo are being diverted from New York by the rate discrepancy. A study of one industrial pocket in the Midwest where Alka Seltzer is made showed that 85 percent of the containers were being shipped to and from Baltimore because it is \$69 cheaper per container than shipping them to New York.

"One of the greatest things we have at stake," Goldmark said about the rate discrepancy, "is to keep what container shipments we have. We might pick up a little, but the real stake is to stop the bleeding."

In 1963, the United States Supreme Court equalized conventional "boxcar" freight rates to East Coast ports. But containerization, barely born, was not affected by the decision. Fifteen years later, Goldmark feels, it is time for the law to reconsider technology. The battle has begun. Most perceive it as an uphill fight.

Locking arms with the port's congressional delegation, the Port Authority has been pursuing a two-pronged attack—a suit before the Interstate Commerce Commission seeking rate parity with other ports and a campaign on Capitol Hill for legislation that

would force equalization of the rates charged by the Consolidated Rail Corporation, or Conrail, the federally subsidized railroad, which now serves New York.

One important ally is Senator Daniel Patrick Moynihan. A longshoreman himself 30 years ago on the West Side of Manhattan, Moynihan calls the battle critical. "Transportation is the key to the economy of New York," he says. "It always has been."

Representative John M. Murphy, a Democrat from Staten Island, has already conducted hearings on the rate issue. He is also concerned about Conrail's service within the New York-port district.

Smack in the middle of the fight, Conrail itself has said that it will not oppose New York's drive to change the rate structure, but an official of the company says frankly, "We just don't see from our point of view that it would have any significant benefit." The railroad contends that freight will continue to flow as it has no matter how the rates are juggled.

With prospects unclear on the rail-rate campaign, port leaders here are grumbling about other railroad problems that suck cargo away from the docks of New York. Among them: rail service whose quality has been described as abominable and a rail transportation system known as "mini-bridge," which bypasses East Coast ports altogether by carting goods from the Orient overland from the West Coast by train, rather than through the Panama Canal by ship.

Maritime-industry analysts are all the more depressed by these developments because the Port of New York was once served by one of the greatest rail feeder networks in the nation. One by one, the six railroads that served the harbor slid into bankruptcy, and without them, the Port of New York became two ports. One had grown in New Jersey and continued to thrive. One had grown in New York and was left to hobble along, cut off at the knees. The tale might begin 25 years ago, with a longshore labor leader, right here in the harbor.

### A Boy From the Docks

Anthony Michael Scotto presides over 6,000 dockworkers who make up Brooklyn Local 1814 of the International Longshoremen's Association. A vice-president of the parent union as

well, he travels to appointments in a cobalt-blue Lincoln Continental, dresses with an elegant flair, and is regarded as one of the most powerful men in New York State labor. Life was not always this sweet.

At the age of seventeen, Scotto went to work on the Brooklyn docks to make extra money, pushing hand trucks, hauling pineapples, hauling rubber, hauling New Zealand beef. The beef he remembers especially well: "Those things were heavy and cold." But his most vivid recollection of those days is of commotion—ships, men, and freight.

"It's sad in a lot of ways," says Scotto, who has become one of the most visible spokesmen on behalf of the waterfront that gave him a career. "I look out that window now and there's no movement."

Scotto can still mark off on a map of the Brooklyn waterfront the piers he worked as a teenager, but no ships come to them any longer, nor any cargo, nor any men. The dead piers of Scotto's boyhood are not exceptional cases. In the past twelve months alone, two steamship companies have announced they are closing down operations in Brooklyn and moving to New Jersey. They are the latest in a stream of companies—including the cluster of Japanese lines that once gave the name "Little Japan" to Piers 6, 7, and 8 of the Port Authority terminal—which have fled Brooklyn. Most have moved to the container installations sprawled across hundreds of acres of Elizabeth and Newark, which were developed by the Port Authority.

They have fled because Brooklyn's facilities are outdated and because, fantastically, Brooklyn is cut off from American freight almost as completely as if it were in the middle of China. For much the same reasons, only two piers, among roughly 100 surrounding lower and midtown Manhattan, still move cargo today.

When Scotto first went to work, railroad cars were floated across the harbor at no extra cost on long barges called car floats, or unloaded into vessels called lighters, thus linking Brooklyn to the rail lines that pour into New Jersey from the South and the West. As the railroads fell into bankruptcy, though, car-float service was trimmed to the point where today only two small operators provide the service at a fraction of its former volume. Lighterage disappeared. Worse still, many





## “...‘Containerization is the wave of the future’— Red Hook is expanding its container terminal...”

piers that depended on service by lighter have no rail sidings at all, making them inaccessible to the rail freight that must feed them. If taxis could not go to Kennedy Airport, it would be a parallel situation.

One result of Brooklyn's isolation is that containers moving to and from Brooklyn must move by truck at a cost of \$85 to \$120 each, according to one terminal operator, who adds that, by comparison, costs of such transportation to New Jersey ship terminals run about \$21. Staten Island, where the Howland Hook terminal houses two American steamship lines and where rail traffic has also come to a virtual halt, does little better, with costs sometimes reaching \$100 for the transportation of a container from railheads.

Such facts are not obscure to Joseph A. Byrne, a former marine who is vice-chairman of the Northeast Marine Terminal at the foot of 39th Street in Brooklyn, home port here for six steamship lines. Byrne's terminal—designed originally to be far larger than it is—should, according to plans, be handling a volume of cargo equivalent to 55,000 twenty-foot containers a year. It is handling less than one quarter of that now. The reason, says Byrne, is lack of rail service. Like Byrne's operation, many of Brooklyn's conventional “break-bulk” piers are also hampered by lack of rail access.

But the situation changed abruptly this summer. During an April visit, Governor Carey announced that the state had signed a \$9.9-million contract with the New York Dock Railway in Brooklyn to upgrade rail facilities along the Brooklyn waterfront. One element of the program would connect an existing waterfront rail system with the cross-Brooklyn line, effectively linking the docks with the rest of the world. Work on an initial phase of the project is complete and the state Department of Transportation says train traffic will be rolling very soon. At the same time, the Chessie System, a railroad, has just restored rail service to Staten Island.

On top of those developments, Goldmark of the Port Authority has announced that another \$300,000 of state money has been made available to subsidize the cost of transporting containers from New Jersey by truck. The subsidies are viewed as a temporary solution, to ease the problem until a more permanent container-transportation scheme is worked out. One plan

has envisioned special barges to float containers across from New Jersey.

All together, those recent actions mark an important change for the city side of the harbor: Someone is plugging New York back into the country.

John P. Laufer, an assistant commissioner in the New York State Department of Transportation who was a consultant to Scotto and who has been close to the development programs, says bluntly that “the single major factor” in the decline of the New York City waterfront has been rail service.

There is more good news for the New York City side of the port.

With an additional \$12 million from the state and some \$8 million from the city, ground was broken this summer for a modern, automated terminal in the Red Hook section of Brooklyn that will expand that borough's role in the mechanized container age. Planning Commission Chairman Robert F. Wagner Jr. says the container port will be part of a large-scale neighborhood revitalization program. Assemblyman Charles E. Schumer, a Democrat from Sheepshead Bay who has been virtually alone in Albany in speaking out on the port's behalf, says the project is vital to the borough.

“Containerization is the wave of the future,” he says. “The only people who use Brooklyn now are Ecuador-size countries that don't have the facilities [for container shipping]. If Brooklyn doesn't containerize, eventually we'll have no waterfront left. Some of it will go to New Jersey, but some of it will go out of the metropolitan area.”

The programs initiated this summer amount to tons of fresh ammunition for a beleaguered army. And if they succeed in bringing more freight and more work back to the city, they may well solve two problems at once.

For today, much of New York's labor force is idle, and in idling so many of its dockworkers, the New York-New Jersey port has had to pay dearly.

It seemed unimaginable, when the world's first containership sailed from New York in April 1956, that a shipping revolution had begun. But before long, the container vessels that followed her were being unloaded by 30 or 40 men overnight, instead of 100 men over a week. In the same way that airplanes had taken passengers away from steamships, the huge gantry cranes of containerized ports took the docks away from the backs and shoulders of

longshoremen. The longshore work force in New York numbered 31,000 in 1958. It fell to 24,000 over the next ten years, to 15,000 in 1973. Today, it is 11,800.

Not surprisingly, the International Longshoremen's Association came to view automated container operations as a matter of life and death.

In a series of bitter, protracted strikes, the union won from the shipping industry key job-security concessions—prominent among them guaranteed pay for 2,080 hours of work a year per man, whether there was that much work or not. Today, this guaranteed pay and other contract benefits are funded by an assessment of \$5.85 on almost every ton of cargo that passes through the port.

Scotto himself believes that the assessment is “counterproductive” but made necessary by forces beyond the union's control. (In addition to his work as a union leader and on behalf of the port, Scotto also finds himself answering questions from the FBI. He has been mentioned as one target of an investigation into waterfront corruption but says, “They aren't going to find anything because there's nothing to find. Personally, it's annoying to me.”)

George Panitz, a vice-president of the New York Shipping Association, describes the predicament of longshore work loss facing the marine industry, saying: “Unless you just want to throw them [longshoremen] out, what are you going to do about it?”

Yet Panitz adds, too, that a 60-day dock strike last year seems to have closed the competitive gaps in labor costs among East Coast ports by forcing other ports to raise their fees. In addition, as a result of the strike, the shipping industry set up a special fund to bail out ports with shortfalls in their benefit programs due to loss of work.

Every July Fourth weekend New York City stages a spectacular and glittering harbor festival. Perhaps you went to this year's; perhaps you will go to next year's.

If you do, remember that the Port of New York is not just something pretty that happens on July Fourth. If you want to understand the Port of New York, you must look beyond the glitter. You must imagine the port as a kind of maritime Paul Bunyan, a towering big-fisted workman. You must imagine him standing now and rolling up his sleeves, readying for the brawl. ■