

# The Philippine Ports Terminal

By H. W. Titus

*Luzon Stevedoring Company, Inc.*

**F**EW of the harbors of the world were planned, except by the Creator of the Universe. The ports within harbors were constructed by men, using the materials at hand and improving on them as much as possible within the limits of their resources and intelligence. The port of Manila is no exception. Manila Bay as we know it is a geo-physical fact. The port as we know it is the product of the labor of many races of men culminating in the modern facilities enjoyed before the destruction wrought in the course of the last war. A port such as Manila is the creation of many different elements: the ships that bring cargo or take it away; the men who unload the ships or load them, known as "stevedores"; the forces of government, regulating the inflow and outgoing of cargo, known as the "customs"; the dock handlers and their equipment in the form of cranes, forklifts, piers, and warehouses which constitute the "terminal"; the so called "customs broker" who acts for the importer or exporter as his agent; and finally the importer or exporter himself, who represents the basic factor in the port. There are of course many other factors in the development and existence of a port. In many localities railroads are of primary importance, and elaborate rail-sea facilities are set up, as in the major ports of the United States. Motor transportation is becoming of greater and greater importance, and careful thought must be given to providing adequate facilities for handling cargo to and from trucks. There are other factors too numerous to mention, such as the services of lighters, which are of greater or less importance depending on the natural condition of the port. By the word "Port" in Manila we have come actually to mean the Terminal with its physical equipment of slips, piers, warehouses, and roads and its personnel of dock workers, police, and checkers.

As the physical environment and social and economic frame of reference vary considerably between harbors, so does the manner of control and ownership of port facilities vary widely between ports. Particularly in the United States, some ports and terminal facilities are owned or held on a long lease by steamship companies. In other ports the railroads may own piers or warehouses. In some ports private individuals or operating companies control port facilities. It has come to be generally considered desirable, where possible, for the control of all deep-water frontage to be vested in the public as represented by a major area of government. Ports, it is thought, should not have to depend upon the goodwill or the individual interest of any private concern or combination to develop business. The development of traffic and the solution of its problems, have come to be regarded as one of the permanent functions of the port itself. In some localities this trend has necessarily been slow. In others, some governmental entity such as the New York Port Authority has had to be developed to hasten the trend. In Manila we are fortunate in having the ownership of the South Harbor port-area vested in the central government. The Government has not, as a policy, leased deep-water frontage to any individual or corporation, which has made for the development of coherent policies and plans made consciously in the public interest. The national government, in the Port of Manila, thus becomes the port terminal operator and has developed what is known as the "ar-

raastre plant" or "arraastre service". "Arraastre" means simply, to handle, or perhaps more literally, to drag, and refers to a handling-service between the ship and the importer or exporter. The charge which is made for this service is called the arraastre charge and is collected on a tonnage basis. The return from the arraastre goes to pay the dock labor, water-front police, watchmen, and checkers, and for the maintenance of cargo-handling equipment and the general operation of the port terminal. The Philippine Government may, in the interest of efficiency and economy, contract with a private corporation to perform the arraastre service. That contractor, however, is in all cases simply the servant of the Government, and control of the arraastre plant itself is not permitted to pass from the Government. Perhaps because of this situation there seems to be a considerable amount of confusion, in the minds of veteran operators as well as those unfamiliar with Philippine port operation, as to the relationships that exist between the various elements which make up the Port and their respective responsibilities to the owner of a given piece of cargo in the coming in or going out of the Port. First, last, and always, the existence of any port including Manila is determined by the one individual who has created goods, which another individual, separated from him by water, desires to purchase for consumption. Ports exist for no other purpose than to facilitate that exchange. The various factors operating in the Port of Manila must constantly redefine their relation to this basic fact or fail in their several functions.

The first figure in the case of cargo being imported into a port, is the shipper from overseas. Upon him rests the obligation to see that the product is a valuable economic good and that it has been properly packed to withstand the normal handling to be expected. It has been held in frequent court decisions that neither a vessel nor its operator including the other transportation and handling elements in the chain, can be held liable if goods offered for shipment are not cased or wrapped in a manner to withstand the ordinary hazards of an ocean voyage.

The second element in the picture of cargo coming to the port is the ocean carrier. Upon the carrier rests the responsibility of accepting or rejecting cargo for shipment as properly or improperly packed, to see to it that the cargo is well stowed in the ship to protect it against the normal risks of the ocean voyage, and to discharge the cargo in good order and condition in the quantity received at the port of loading. The carrier's responsibility does not cease until delivery has been taken from the ship by the consignee or his agent or the terminal operator. In the case of the Port of Manila, cargo is normally accepted from the ship at the pier by the Philippine Port Terminal, or the arraastre plant, as it is called. The only exception in Manila is when delivery is taken at ship-side into lighters on a special permit covering this type of delivery and the goods are transported to some point on the Bay or on the Pasig River at the direction of the consignee. In all cases the responsibility of the ship ceases, as it is commonly stated, at the ship's tackle or that point at which the loading touches the pier, or a lighter in the case of the special ship-side permit.

For the purpose of accomplishing the work of lifting the cargo from inside the hold of the ship and swinging it over the side, the ships employ stevedores who work on the ship and are responsible to the ship. They are the servants of the steamship company by whom they are hired to do this work; the same in reverse action of course is true in loading outward cargo.

After the goods have touched on the pier, they become the responsibility of the port terminal. The port terminal provides checkers on the pier to check the number of packages received and the condition of the packages as they are discharged onto the pier. The port terminal provides labor with hand-trucks or forklift operators or tow-motors and warehouse-trailers to remove cargo from the apron of the pier to a safe place of storage until delivery is taken by the consignee. The port terminal must, while the cargo is in its possession, store it as safely as possible against weather damage and against pilferage so that the cargo may be delivered in the same quantity and condition as it was received from the ship. For that reason so-called bad-order cargo,—that discharged from the ship in damaged condition, and special cargo,—that of high unit value, must be segregated and kept in specially guarded areas, and given special examination when received from the ship and again when delivered to the agent of the consignee. Delivery of cargo is effected by the port terminal upon the presentation of delivery permits presented normally by customs brokers.

The next figure in the port to come into the picture, is the licensed customs broker normally employed by an importer to handle the getting of a delivery permit and the effecting of delivery of the cargo to the importer's warehouse. The customs broker, who must be licensed by the Collector of Customs after careful examination, is one of the important factors in the Port of Manila, today, because he is also normally the trucker who will remove the cargo from the area of the port terminal; upon him rests, in no small measure, responsibility to prevent cargo remaining on the piers and bringing about a needless congestion.

To go back a bit, when goods are received by the ocean carrier, copies of a bill of lading are given by the carrier as evidence that the cargo has been received for shipment. There must also be executed certain customs invoices to show the value of the cargo and its origin. These papers are forwarded by mail by the exporter to the importer, direct or through a bank. When these documents are received by the importer, he normally will take them to a customs broker of his choice after endorsing the documents properly, and the broker presents the papers to the agent of the steamship company to be countersigned and to the office of the Collector of Customs for payment of duties and taxes. The delivery permit is then approved by the Collector of Customs. This permit must be pre-

sent to the port terminal, where the arrastre fee collected on a tonnage basis, as already noted. The broker with his trucks may then present the permit at the pier and remove the cargo covered therein to the warehouse of the consignee.

The last figure in the picture is now reached, that of the consignee. It is the responsibility of the consignee of cargo coming to the port to know so far as possible what he has on the water, and, as soon as he has received the bills of lading covering his goods, to present them expeditiously to a broker and see to it that delivery is taken of his cargo as soon as possible after its discharge from the ship on to the pier.

It can be readily seen that if any of the above elements breaks down or fails to function properly, the whole port will suffer therefrom. In Manila, it is a matter for some self-congratulation on the part of all concerned, that the handling of the tremendous amount of cargo coming over the piers since the destruction which ended in 1945, has been accomplished with as little difficulty as has been experienced. The absence of proper covered storage on the piers, the lack of even the minimum essentials of mechanical cargo-handling equipment, and the chaotic situation with respect to credit and financial arrangements, to be expected following any war, made it extremely difficult to properly deliver cargo both for the steamship companies and the terminal. In the early period following liberation, consignees had virtually no warehouse facilities standing, and therefore could not take sufficiently rapid delivery of cargo, this giving rise to excessive damage to and pilferage of cargo in the terminal as the piers became more and more jammed with unclaimed cargo. The situation was considerably worsened by the extremely poor packing in which goods were shipped to this port from overseas.

However, as has been pointed out by many, that part of the initial rehabilitation covering the last two years has now been accomplished. Pilferage in the Port has decreased materially, improved covered storage is becoming available more and more to both the Port and importers, and new and improved terminal equipment is gradually coming into use. But the end is far from being in sight. The terminal must face the problems of reconstruction of the piers and the streets, and the construction of properly covered storage. During this period the already limited facilities of the Port will be further limited by the closing of facilities under repair or adjacent to new construction, such as in the case of Pier Nine. This calls for a high degree of co-operation on the part of each of the elements concerned. It means that the responsibilities referred to must be carried out as completely and as conscientiously as possible by all the persons involved, in order to develop in the end a modern, efficient, and economical port.

---

"As we enter the New Year, I trust that our people will feel fortified by our past achievements and will have stronger confidence in themselves and in our free institutions. We have set out our courses; we will follow that course with greater faith. We may change or alter our immediate objectives as we go along, but our ultimate goals should and will remain the same.—peace, justice, liberty, and the greatest good for the greatest number."

*President Roxas*