

SHIPPING MEN FEAR NEAR EAST LOSSES

Serious Confusion Results Here From Arab-Israel War and Egyptian Notice

Events in the Eastern Mediterranean have caused serious confusion to American shipping companies serving the area, it was reported yesterday.

Operators, facing confiscation of cargoes, or at least diversion to northern Mediterranean ports, are looking to the State Department for a solution.

A 250-ton Haifa-bound cargo was seized in Alexandria Tuesday aboard the Norwegian freighter Nordkyn, and the following day sixty-nine Zionists, including forty-one United States citizens, were debarked from the passenger ship Marine Carp in Beirut and interned by Lebanese authorities.

John F. Gehan, vice president of the American Export Lines, the largest company serving the area, announced yesterday that one of its ships, the Exemplar, recently unloaded 1,500 tons of Haifa-bound cargo in Naples to insure against its seizure in Alexandria, the next port of call.

He added that the freighter Exchequer, which left here yesterday with 1,500 tons for Haifa, among other cargo, probably would leave the Israel-bound merchandise at Naples.

Risk of Seizure Seen

Mr. Gehan declared that vessels run the risk of seizure by either Jews or Arabs and that his company had queried the State Department as to what would happen in the event of the attempted seizure of one of its ships.

The cargo situation was brought home to shipping companies here by the Maritime Commission, which distributed without comment a notification from the State Department advising owners and operators of an Egyptian warning covering shipping destined for Israel.

The Egyptian Foreign Office in Cairo notified the United States Embassy there that ships loaded with munitions and war materials are beginning to arrive at Israel for "Zionist terrorist gangs." The statement said the shipments endangered the peace of the Arab states and that Egypt could not allow its continuation at a time when its armed forces have entered Palestine to "establish order and security and to put an end to the massacres being committed there." It added:

"The Royal Egyptian Minister of Foreign Affairs therefore requests the embassy of the U. S. A. urgently to draw the attention of its Government to the positive dangers at present existing for every ship, whether merchantman or transport, approaching the Palestinian coast where it would be exposed to the measures that the Royal Egyptian Government finds itself immediately obliged to take in order to insure the security of its troops in Palestine."

No Freight for Israel

The Greek Line, another company operating in the area, with a fleet of forty-two vessels, announced it would not accept freight for Israeli ports and would drop its scheduled calls at the ports of Jaffa and Haifa.

The Stevenson Line, however, said it would continue to operate and pointed out that the freighter Elin Horn was scheduled to sail Monday direct to Tel Aviv with a cargo of food and equipment for Israel.

Other reactions to the Mediterranean conflict in recent days have been the action of the Egyptian Government in banning the use of code or cipher in messages to the country and the effect on insurance underwriters.

Operators have been advised that even the use of code names in messages to Egypt had been banned and that in the future the full name of both the shipping company and the consignee must appear on freight manifests.

Cargo insurance underwriters reacted by withdrawing published quotations on cargo to Egypt, Lebanon, Israel, Syria and Trans-Jordan. Until further notice, they said, rates would be on a day-to-day basis.

Among lines serving the Mediterranean are the Stockard Steamship Company; the Isthmian Steamship Lines; Barber Steamship Company; Torm Steamship Company; American President Lines; Funch, Edye & Co.; Isbrandtsen Steamship Company; Kerr Steamship and the A. L. Burbank Company.