

Announced on October 25th was what we believe to be the largest merger of firms in the steel producing industry since the formation of the United States Steel Corporation in 1901. Ispat International N.V. has agreed to acquire LNM Holdings N.V. (Mr. Lakshmi Mittal is chairman and controlling shareholder of both firms) and the resulting firm will be known as Mittal Steel Company N.V. Simultaneously, Ispat International and the International Steel Group Inc. announced that their boards of directors had unanimously approved a definitive agreement under which they will merge. The combined Mittal Steel will be "the largest and most global steel company in the world". This huge merger may well have implications around the Great Lakes in view of ISG's many operations in the area, and Ispat Inland's works at Indiana Harbor. ISG operates the former Bethlehem 1,000-footers STEWART J. CORT and BURNS HARBOR, while Central Marine Logistics Inc. runs the former Inland Steel fleet of WILFRED SYKES, JOSEPH L. BLOCK and the idle EDWARD L. RYERSON. Whether the merger will have serious affects on lake shipping patterns we do not yet know.

Although Canadian American Transportation Systems reportedly has found new investors for its Toronto-Rochester fast ferry service, and has made proposals to its lenders with a view to re-establishing the service, SPIRIT OF ONTARIO 1 remains idle at Charlotte. Meanwhile, however, work has been progressing on the construction of a permanent terminal building at Toronto, and the steel framework of the structure was up by the end of October.

Meanwhile, on Lake Michigan, Lake Express LLC shut down its Milwaukee-Muskegon fast ferry service for the season on October 31, two months earlier than scheduled. Slow bookings were cited as the reason for the early shutdown, but LAKE EXPRESS had missed an increasing number of trips during the autumn as a result of rough waters on the lake. The company is promising "upgrades in both facilities and on-board amenities" when the service resumes on April 30, 2005.

On September 27, the Cleveland-Cuyahoga County Port Authority announced that from proposals submitted by seven companies for a ferry service between Cleveland and Port Stanley, Royal Wagenborg had been chosen as the best candidate to operate the service. Much work remains to be done to get such a service up and running but Wagenborg hopes to begin service in 2006. Royal Wagenborg operates ferries in The Netherlands, and Wagenborg Shipping B.V. operates many freighters on salt water and into the lakes.

On October 20th, the C.S.L. ocean-laker BIRCHGLEN loaded an unusual 25,000 ton cargo of Taconite at Duluth. The cargo itself was not unusual, but its destination most certainly is. BIRCHGLEN will take the cargo out to salt water, through the Panama Canal, and all the way to China, for delivery to Laiwu Steel. BIRCHGLEN had been scheduled to undergo maintenance work at a Chinese shipyard anyway, and the taconite cargo was arranged during the summer strike at the Wabush mine in Labrador. That strike has since been settled but C.S.L. and the charterer decided to go ahead with the long voyage anyway.

As the month of October closed, two venerable vessels were at the Fraser shipyard at Superior. One was the Great Lakes Associates' 1925-built JOSEPH H. FRANTZ, which was in need of bottom repairs after a recent scrape in the St. Mary's River. The other was the Lafarge Corporation's 1904-built cement carrier J. B. FORD, which serves as a storage and transfer vessel at Superior, and which is in for hull maintenance and a much-needed paint job. Another recent visitor to the Fraser yard was Oglebay Norton's MIDDLETOWN, which needed bottom repairs after rolling a rock in the St. Mary's River.

Downbound in the Welland Canal on October 27 was the U.S.-flag tug CLEVELAND (a) JAMES PALLADINO (04). Her unusual transit had her bound for the Heddle drydock at Hamilton for repairs. The tug normally handles the stone barge CLEVELAND ROCKS on Lake Erie.