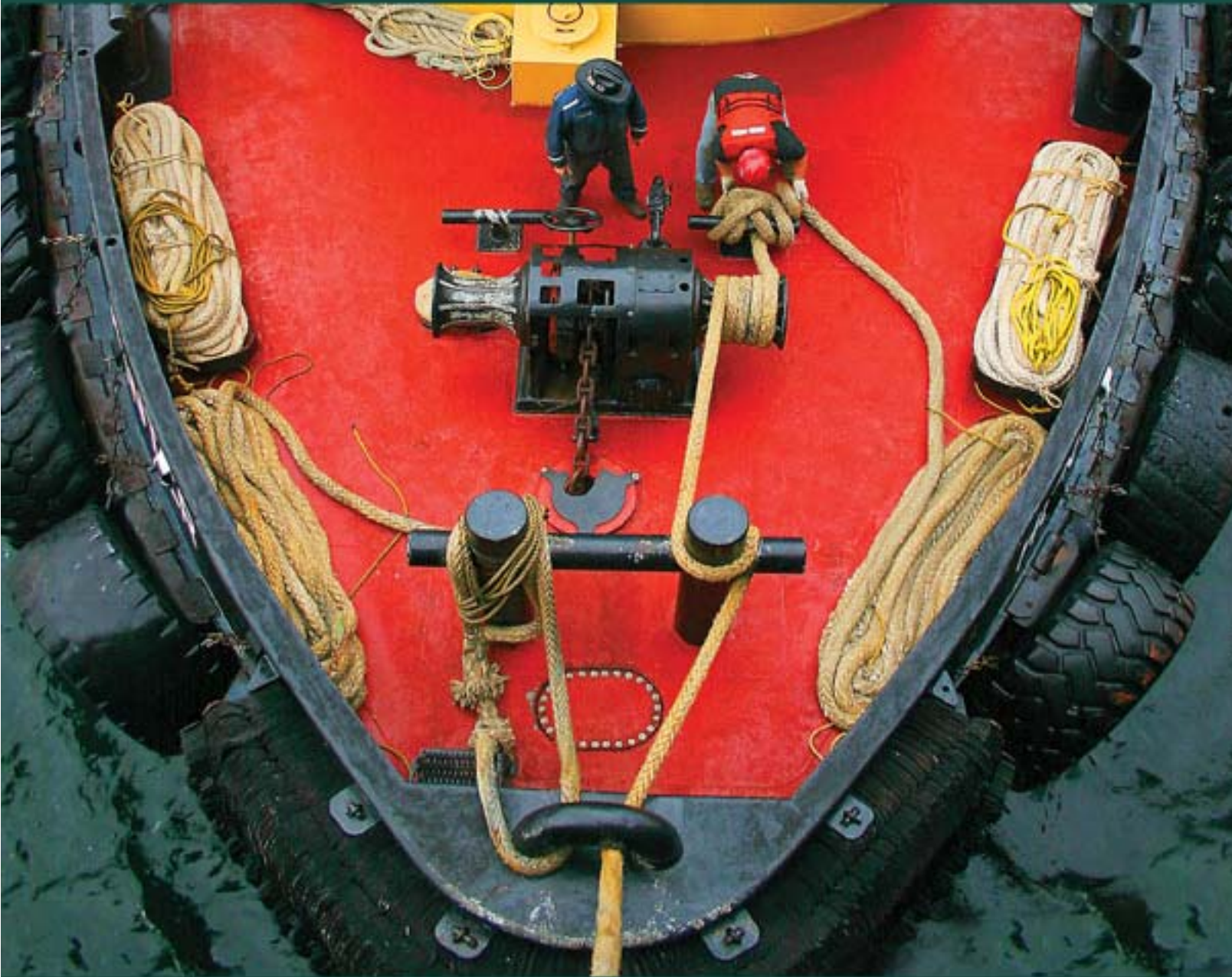


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# Seattle Industry

Summer 2004

The Voice for Industry



## TUG OF WAR:

**Battle for the Homeport**

**Plus, Mayor's Industrial Action Agenda**



SAVE  
MONEY

SPEAK UP

SOLVE  
PROBLEMS

# Maritime and Industrial Summit

June 30, 2004  
Bell Harbor Conference Center  
1:00 - 5:00 p.m.

Mayor Greg Nickels has announced an **action agenda** to help support industrial employers. The summit is your chance to learn more about the program directly from Mayor Nickels, ask questions and suggest other steps government can take to better support our family-wage job base.

The summit is being convened by Mayor Nickels and City Councilmember David Della.

## SUMMIT AGENDA

### 1:00 - 2:00 p.m. **Seattle First Resource Fair and Networking Event**

More than 70 free and low cost services are available to help Seattle industrial firms save time and money. Seattle First is a new program that can help you take advantage of these resources.

### 2:00 - 3:30 p.m. **Industrial Panel Presentations and Discussions**

Hear what it will take for leading Seattle industrial firms to prosper and grow and what government can do to help address these needs and issues.

### 3:30 - 5:00 p.m. **Break Out Sessions**

Meet one-on-one with key city department directors and staff members to discuss specific issues impacting your business. Representatives will also be available from the Washington State Department of Labor and Industries and other regulatory agencies.

**Seattle First**

**SUMMIT HOSTED BY**  
Viking Bank

**SUPPORTED BY**  
Manufacturing  
Industrial Council

Duwamish TMA

Seattle Marine  
Business Coalition


BINMIC Action Committee

North Seattle  
Industrial Association

ECOSS

 **VIKING BANK**

  
MANUFACTURING INDUSTRIAL COUNCIL

 **City of Seattle**

 **Environmental  
Coalition of  
South Seattle**

 **DUWAMISH  
TMA**  
Duamish Transportation Management Association

**Admission Free • RSVP by calling 206-762-2470**

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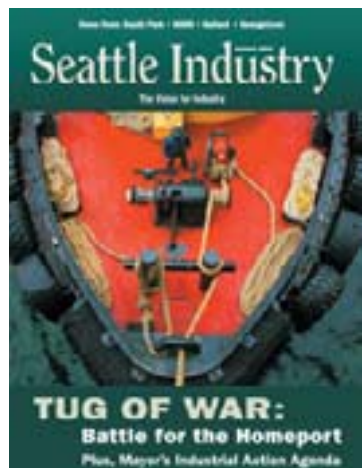
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Crowley Marine tug *Hunter* guiding Hanjin freighter *Barcelona*.  
Photo by Steven Clark

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**Seattle Industry was established  
with start-up support from the  
South Downtown Foundation.**





# What's UP

## In This Issue

### Why We Count

Seattle Mayor Greg Nickels recently initiated a new effort to support the city's industrial base and for all the skeptics wondering why any elected official would do such thing in the fourth year of the new millennium, allow us to offer a few billion reasons why.

Actually, the reasons number 28.5 billion. According to a recent study, that's the estimated dollar value of business revenues generated in Seattle in 2002 by industrial firms. The same businesses paid approximately \$38 million in city B&O taxes and nearly \$50 million in sales tax revenue while providing 122,000 jobs at an average annual wage of just under \$50,000.

Not bad for an economic sector written off for dead by some and not a bad introduction to the present issue of *Seattle Industry* magazine.

### Maritime Matters

Another recent study showed Seattle is probably the best Norwegian port south of the 58<sup>th</sup> Parallel. It is also a port facing significant threats from real estate redevelopment, bike path fanatics and a withering array of government regulations. We examine the history of Seattle's maritime base and the special role in its growth played by the Norwegian-Americans. The package starts on page 8 and includes an amazing first-person account of Seattle's wooly days and Port Townsend's wild times as seen through the eyes of Norwegian ship hand in 1902.

### Working Stiffs

The maritime report continues on page 32 with features about longshoremen and ship pilots. You don't even want to know how much money these guys make. You probably also don't know how hard their jobs are. Reporter Steve Clark learned about these jobs by sending time in the cab of a cargo crane and on the bridge of the Hanjin freighter, *Barcelona*.

### Ground Zero

King County taxpayers helped build the Duwamish waterway and the Lake Washington Ship Canal to support maritime industries. Now, businesses that want to grow along those waterways are pinched by all the constraints of trying to operate maritime businesses in the Big City. Bigger, more visible properties like Terminal 46 get all the press coverage in the debate about the future of Seattle's waterfront, but smaller properties along these waterways are also at stake, as you'll learn starting on page 26.



## Seattle First

Not all is gloom and challenges. "Seattle First" is a program that exists solely for the purpose of helping you fix problems and save money. Seattle First can plug you into more than 70 free or low-cost services. It can also connect you with staff from government agencies assigned to help you solve problems. Revolutionary! The program is part of the Mayor's initiative to help industry and is cosponsored by the Manufacturing Industrial Council, which also owns this magazine. But, hey! Even if we were objective about the program – and we aren't – we would still have to conclude it's a good step in improving the local business climate.

## Mayor Steps Up

An old saying holds that no good deed goes unpunished. Let's hope it doesn't prove true of the new efforts by Mayor Nickels to champion the cause of "family-wage" employers. The effort marks a refreshing change at City Hall, but confronts real challenges starting with the unresolved issue of what we're going to do about the Alaskan Way Viaduct.

## Learn More at the Summit

Judge the city's new industrial initiative for yourself at the Maritime and Industrial Summit convened by the Mayor and City Councilmember David Della on Wednesday, June 30, at the Bell Harbor Conference Center. The event will include a resource fair that will highlight free and low cost services. It will include presentations about pressing issues by business owners and managers. It will conclude with opportunities for business people to talk one-on-one with city department heads and other key government managers. See page 2 for the details. RSVP by calling 206-762-2470.

## All Fall Down

Truck routes running up and down 2<sup>nd</sup> and 4<sup>th</sup> Avenues in downtown Seattle. Truck access points into Ballard closed. Tugboats and barges towing garbage and other essentials across Elliott Bay. Commuter traffic and delivery trucks backed up for miles. And that's the good scenario!

Check back in September to learn more about the contingency plans now being formed for how we'll live without the Alaskan Way viaduct. It could fall down. It could be rebuilt. Both options could prove positively ruinous. Learn more in the fall issue of *Seattle Industry*.

**Seattle**  **First**



# TUG OF WAR

## Battle for the Homeport

A land lover's journey to enlightenment about Seattle maritime industries can begin with just two numbers. One is 20 million, the other is four billion.

In 2002, the Port of Seattle estimated it took in \$20 million less in revenue from its seaport facilities than it spent on its seaport operations and some viewed this as a good reason to pursue new uses of Port property paying higher rents.

But the \$20 million looks different in the context of the second number. Four billion is the estimated dollar value of all the economic activity generated in 2002 throughout King County by marine businesses based in Seattle, most of which would not be here but for the marine facilities built, owned and maintained by the port.

20,000,000 is .5 percent of 4,000,000,000.

Now, quickly: think of a taxpayer investment that pays a greater return.

We can't. The red ink might be a legitimate cause of concern for Port bookkeepers and the misinformed people who don't see much value in the Port to begin with, but for the rest of us, the Port's marine operations remain a cause more for celebration than concern. But don't bother waiting to hear the PR campaign proclaiming this good news: there isn't one.

PR efforts are cranked up instead to promote the notion that important chunks of Seattle's marine industrial lands should be converted into condominiums, sports arenas, retail shops and other things nobody really needs but which some people just can't live with out.


Adding ignorance to injury, in one recent rezone application, the case was made that a rezone of industrial lands near a marine center would open the way for "knowledge-based" industries.

And that would be knowledge-based industries as opposed to ... well, what exactly? Stupidity-based ones? It's enough to make you wonder how the poor dumb clods in industry tie their shoes each morning, let alone generate billions of dollars in regional economic benefits.

Seems some people forget which side of the lefsa our butter is on. To help clear up the confusion, *Seattle Industry* offers the following Special Report on maritime industries.

The report includes on-the-job features about longshoremen and ship pilots, two knowledge-based occupations that generate great





## Demography and geography combined to make Seattle one of the great seaports in the world. Now, the home port is in peril.

wages while providing essential public services.

The report concludes with a “Ground Zero” look at growing knowledge-based maritime businesses that are constrained by a changing city landscape and a worsening regulatory environment.

In future issues, *Seattle Industry* will continue to examine other issues and topics involving maritime industries in a knowledge-based effort to keep track of the tug of war for the homeport.

The whole effort begins right here with a look back at how we arrived at this curious juncture in the economic development of our region. And for the sake of our many readers who work at not-knowledge-based industries, we will state...the...thesis...slowly:

### SEATTLE IS A SEAPORT

In fact, because of an unusual combination of demography and geography, Seattle is one of the more remarkable seaports in the world. The economic value of the seaport was recently documented by two researchers engaged in knowledge-based activities at the University of Washington, Paul Sommers and Derik Andreoli.

Sommers and Andreoli were commissioned by the City of Seattle Office of Economic Development to examine Seattle’s marine business community in the framework of a concept called “economic clusters.” This concept holds that unique productivity advantages are enjoyed by related businesses that grow up in close proximity to another.

Clusters are good things. Evidence of a cluster suggests an economic activity worth hanging on to and from an economic cluster perspective, Seattle’s maritime community is unrivaled on the US West Coast.

Measuring jobs in ship and boat building, ship repair and waterborne transportation, the UW researchers identified about 4,500 such jobs in Seattle. That’s nearly double the 2,500 jobs in those industries found in Los Angeles and Oakland *combined*.

Data from other sources show that Seattle’s leadership in the fishing and seafood industries is even more pronounced. Fishing cycles may come and go, but one constant is that Alaska and the North Pacific provide fish on a massive, continental scale and hardly anyone seems as able to fish Alaskan waters as well as fisher folks based in Seattle. The dominance is historic and continues to this day.

Six of the 15 largest seafood companies in North America are based in Seattle, according to *Seafood Business Magazine*, and the



**More than 470 marine businesses in the city provide 22,000 marine-based jobs. The jobs pay an average wage of almost \$70,000 per year.**



North Pacific Fishing Fleet based in Ballard typically accounts for somewhere between 30 and 40 percent of the *entire* US domestic fish harvest. And as the world's appetite for seafood grew over the past 20 years, employment in seafood processing throughout King County grew from 560 jobs to more than 4,300 – an increase of nearly 670 percent.

During that same period, Seattle's market share of West Coast container cargo traffic shrank dramatically because of enormous growth in California ports, and some smart moves by our friendly rivals in Tacoma and Vancouver BC. These trends have been amply covered in the news media. All perfectly true. However, the casual reader might come away from this information with the impression cargo traffic in Seattle is on the decline, and that's not true.

Container traffic in Seattle *grew* in the past twenty years from 1 to 1.4 million units per year. Container traffic is one of

the Port's most profitable enterprises and predictions are Seattle traffic will increase more in the future because of continued growth in trade and constraints on additional growth in southern California and the Bay Area.

As for other types of cargo, it is estimated by the US Army Corp of Engineers that tugboats make about 10,000 trips each year on Puget Sound, while barges and ships on the sound each year carry 20 million tons of cargo. The load includes 193,000 tons of lumber, 27,000 tons of newsprint, 57,000 tons of glass, 7,000 tons of copper and 12,000 tons of aluminum.

As for food, the traffic includes 33,000 tons of wheat, 1 million tons of soybeans, 365,000 tons of vegetables, 307,000 tons of meat, 29,000 tons of coffee, 40,000 tons of booze and 2,000 tons of cigarettes and other tobacco products.

All this activity generates a whole lot of employment not only on and around the ships, but in related occupations ranging

from electricians to welders to architects. For instance, Sommers and Andreoli found there are 100 lawyers in Seattle who specialize in marine law. That is by far the largest such cluster of maritime lawyers on the coast and one of the biggest in the nation.

Put it all together, and the UW researchers identified more than 470 marine businesses inside the city limits providing 22,000 marine-based or related jobs. The jobs pay an average wage of almost \$70,000 per year. Add in the usual multipliers and, the study concluded, maritime industries in Seattle account for about 45,000 jobs and more than \$4 billion in revenue throughout King County.

Present such a scenario to most communities and the response might be "Eureka!"

In ours, the reaction seems to be "huh?" Or, "Wtr. View." Or, "Cool! Bike Path!"

Healthy as the Seattle marine cluster is, it is also in jeopardy. In interviews with dozens of maritime business owners and managers, the UW researchers found that many of them feel hemmed in by all the rezone talk and residential encroachment, some are besieged by recreational activists, others face changing market conditions and nearly all are subject to a withering combination of overlapping government regulations.

What does it all mean? On some key issues, rezone advocates and rezone foes can probably all agree. It's all about location, location, location. To which we would add three more factors: Norwegians, Norwegians, Norwegians.

Seattle's Scandinavian influence may seem as out of date as the KING TV Klubhouse with Stan Boreson, but the





plain truth is, for a small country with very few people, Norway has had an outsized impact on international maritime industries for two millennia and there is no place below the 58<sup>th</sup> Parallel that this is more true than right here.

With that in mind, we move on to our first lesson in Seattle Maritime 101.

## Maritime 101

### Lesson One: MISTY VEIL

Seattle's maritime community is attached by a major root to the most northwestern corner of northwest Europe, a hardscrabble scrap of land where a significant segment of shoreline curls so far north it looks out onto the outskirts of the Arctic Ocean. In the period after the fall of the Roman Empire, this area and nearby environs provided home bases for a group of tribes collectively known as "Vikings" who refined an early knowledge-based industry that was later officially named "Piracy."

Vikings were also known as "Norsemen," an early term for "Norwegians." Vikings were famed and feared for their amazing capacity to travel hundreds, even thousands of miles across open seas in large, sturdy, very efficient rowboats. This technology had the added benefit of developing good upper body strength among the crew, an important tactical advantage in a military era dominated by the use of large battle axes and clubs.

Vikings discovered North America hundreds of years before Columbus. They also kicked off the development of Russia. But the Viking economic cluster was cen-

tered primarily on the castles, towns and monasteries of England and the European mainland where they pursued livestock, jeweled goblets, genuine silver flatware, gold coins and women in flimsy night-clothes. This was all historically documented in an informative, yet entertaining movie of the 1950s that starred Kirk Douglas and a former exotic dancer named Misty Veil.

Now, there is no evidence the Vikings ever came to Puget Sound. Then again, there is no evidence that they *didn't*, and maritime lesson number one is: don't ever underestimate Norwegians when it comes to anything having to do with rowboats.

### Lesson Two: THE AGE OF DISCOVERY

Maritime explorers began poking around the coasts of modern day Oregon and Washington in the 16<sup>th</sup> and 17<sup>th</sup> centuries. "Exploring" was an early knowledge-based industry and the knowledge the explorers were seeking was the location of a short-cut through or around North America that would avoid the need to take an enormous loop around the southern tip of South America. Spanish explorers referred to the wished-for bypass route as the Strait of Anian. English explorers called it the Northwest Passage and they believed it was located in a region called "New Albion."

British Captain George Vancouver was the first explorer to find Puget Sound, which he named for a member of his crew, Peter Puget. Vancouver's enthusiasm for the waterway dimmed when his advance scouts discovered the passage ended in a region now called "South Puget Sound."

Discovering he was in stuck in a cul-de-sac, Vancouver quickly turned around and set sail, looking again for "New Albion."

Vancouver never found the Northwest Passage and the whole concept was later dismissed as a myth until a real Northwest Passage was discovered in 1905.

It is an ice-packed, but passable channel that appears in summer months off the north coast of Canada. The discoverer was Captain Roald Amundsen, who somehow sailed a 70-foot schooner east-to-west through the passage, winding up on the Arctic side of Alaska. Before this discovery, Amundsen had earned international fame for surviving with his crew for 13 months while the hull of their ship was frozen in an Antarctic ice flow. He also became the first man to reach the South Pole and the first to fly over the North Pole.

Amundsen was, of course, Norwegian.

### Lesson Three: VANCOUVER'S FJORD AND 100S MORE

While Puget Sound failed to provide what Vancouver was seeking, it proved vastly more valuable than the actual Northwest Passage. Russian Czars waged wars to win warm water ports that don't compare with Puget Sound and it was probably only due to historic good fortune that portraits of President Putin don't hang today in Seattle-area school rooms

The Sound is 90 miles long. It is sheltered by the Olympic Mountains from ocean storms. It is full of great harbors and inlets that provide scores of safe moorages. That makes it a mighty poor place for great



shipwreck stories and a mighty good place for marine commerce.

Puget Sound is also very deep. That means the Sound requires little dredging to keep its channels clear for shipping, an important advantage over other port areas where more serious dredging is required.

The depths illustrate the fact Puget Sound is, technically speaking, a “fjord,” a term used to describe deep, narrow bodies of water carved by glaciers. “Fjord” is an old Norse word that translates roughly as: “Home.”

Norway has hundreds of fjords, so many they provide the country with more than 12,000 miles of saltwater shoreline even though the entire nation is the same size as New Mexico. It’s hard to think of anything in New Mexico that is 12,000 miles long, but in little old Norway, there are 12,000 miles of ocean waterfront.

What’s lacking in Norway is arable land. Less than three percent of the country is suitable for farming and much of it isn’t very good farmland. So, for generations, large percentages of ambitious Norwegians have looked to the sea for sustenance and economic opportunity.

As Norway industrialized at a snail’s pace in the 19<sup>th</sup> century, America was booming, its vast prairies were beckoning and the lure proved irresistible. The great Norwegian migration was on.

Of course, a similar migration was underway in other parts of Scandinavia and other parts of the world, but the Norwegian one was distinctive. It was unusual because Norway was so small, (Norway has half the population of Sweden), the rate of migration was so high, the destinations became so specific, and the skills of the migrants were so tailor made to their new homes.

Norwegian farmers found Nirvana in the rich farmlands of the upper mid-west. Sea men and fishermen mostly moved to one of two places on the West Coast, the bay area encompassing San Francisco, or Puget Sound. At first, the flow to Puget Sound was just a trickle, a handful of settlers creating new settlements in areas such as Poulsbo and Stanwood.

Andrew Olesen joined the trek in the 1880s as the momentum was gathering. His family saga was recorded in a history book

**Puget Sound is also very deep. That means the Sound requires little dredging to keep its channels clear for shipping, an important advantage over other port areas where more serious dredging is required.**



researched and written by Seattle author, Michael Skalley. The book is named, **“Foss - Ninety Years of Towboating.”** It’s a great book full of insights into the experiences of a pioneer family who helped make Puget Sound marine industries what they are today.

### **Lesson Four: GETTING WARMER**

Olesen was born in 1855 and grew up in Skirskoff, Norway. His father’s name was Ole-Ole Thorvaddsen and in the Norwegian “old-school” way, Andrew’s last name was formed by adding the letters “s-e-n” to his father’s first name.

As soon as he was old enough, Olesen shipped out on a brig, working as a cook on a sailing ship hauling ice to Liverpool from Oslo. Later he became a ship carpenter and worked on vessels making frigid freight runs from Norway to Murmansk on the Arctic side of Russia. Another voyage took him all the way to Australia and back.

In the late 1870s, in Oslo, Andrew met a girl, Thea. They agreed to marry and move to the US. Olesen went first, hiring on as a hand with a ship headed for Quebec. From Quebec he headed for the large Scandinavian community that by 1880 had already grown up in St. Paul, Minnesota.

In St. Paul, Andrew discovered two things: a) St. Paul in the wintertime wasn’t much warmer than Norway, and b) just about everybody had a dad named Ole. Scores of St. Paul’s residents had the last name “Olesen” or some variation of it.

To separate himself from the crowd, Andrew changed his name to “Fossen,” which is Norwegian for “waterfall.” Later, he shortened the name to “Foss,” which is Puget Soundian for “tugboat.” But it was not only his name that would set Andrew apart from the crowd. So would his wife, Thea.

### **Lesson Five: WHATEVER THEA SAYS, JUST DO IT**

Andrew went to work as a carpenter and twice saved up enough money to send it back to Oslo to pay for Thea’s passage to St. Paul. But the first time he sent the money, his brother Iver showed up instead. He saved up again and sent the money home, but this time his sister Kristina showed up instead.

Now, Andrew no doubt loved his brother and sister, but probably not in the same way he cared for Thea. Upset by her failure to appear, Andrew began saving up a third time, vowing he would soon go back to Oslo and bring her over himself. Not to



worry. Thea showed up soon enough, explaining she had wanted to pay her own way over with money she saved from her job as a housekeeper. In his book, Skalley notes Thea “was determined to pay her own way... Andrew now knew he had a competent, independent and self-reliant girl ... a case of all’s well that ends well.”

Well, yes ... but not exactly.

Andrew had a hard time making ends meet in St. Paul. He also disliked the cold and he missed the sea. He became intrigued by stories he heard about a distant city where it seldom froze, located by a fjord that was nearly as good as any back home, but much, much warmer. The city was Tacoma and in 1888 Andrew and Thea resettled there with their three children, living in a float house.

Andrew had built the house with logs and timbers that he scrounged for free from the shoreline. He moored the home on the city’s growing waterfront, a half mile from the nearest running water, which was a small stream. As author Skalley notes, “the float-house was not much – but it was their own and rent free.”

Unfortunately, free rent proved no bargain. Thea soon caught typhoid fever and nearly died. Two of their infant children had to be rescued after falling in the bay. Andrew worked hard, but he didn’t make much money. At one point, he went off for a few months to build a house on the Olympic Peninsula and when he returned, he learned that prospects for the Foss family had taken a sudden, dramatic upward turn.

While he was on the Peninsula, Andrew earned \$32, but Thea had made \$41. She did it by purchasing a used rowboat from a neighbor for \$5, painting it, then selling it for \$10. She had then reinvested the \$10 in buying more used rowboats, which she also spruced up and when Andrew returned she was renting out rowboats to

picnickers and others who wanted to take rowing excursions on the sound.

Now, Andrew was a knowledge-based fellow and he was smart enough to know it was time for him to give up the contracting business and team up with Thea who proved to be a whiz at just about anything involving boats and money.

The Fosses built more rowboats and were soon able to move to a bigger, better float home where they started a day-and-night boat rental company. Andrew’s brothers joined him and they started building bigger vessels in a shipyard he created on the beach.

The rental rowboat industry would later fade as the use of bicycles and automobiles rose, but by then the Fosses had diversified into many other business lines.. They started a successful delivery service selling groceries and other supplies to ships in the bay. They started a tow service, an essential need for sailing vessels in the tricky winds of Puget Sound. As the children grew old enough to help, the family secured a US post route, and the kids delivered mail by boat between Tacoma and Seattle.

Then Andrew started designing more powerful tugboats capable of pulling giant rafts of logs. Pretty soon, Foss tugs were work-



**Thea and Andrew Foss:  
Norwegian pioneers.**

**The rental rowboat industry would later fade as the use of bicycles and automobiles rose, but by then the Fosses were running a successful delivery service selling groceries and other supplies to ships in the bay.**

ing all up and down Puget Sound, and up to Alaska, and across the Pacific to Hawaii.

## **Lesson Six: SCANDINAVIAN NAVY**

Thea and Andrew could not have found an area or time better suited to their combined talents than the one bustling around Puget Sound where the booming economy was fueled by the drive to harvest the incredibly rich first-growth forest that grew to the shoreline, along with mining, farming and later, the Alaskan gold rush.

An enormous merchant fleet was required to support these activities and it was eventually comprised of 400 ships that hauled lumber, coal, passengers, groceries and other goods between Puget Sound, California, Alaska and Hawaii. The fleet was dubbed the “Scandinavian Navy” because the crews were so populated by Swedish and Norwegian sailors seasoned at handling ships.

As the commerce grew, Andrew and Thea came to be known by their employees as “Father” and “Mother” Foss. They hired hundreds of Norwegian men over the years and the employees lived in a dormitory next to the Foss family home. Thea cooked meals for 30 men at a time and helped plot business strategies while Andrew supervised the shipyard where Foss vessels were built and repaired.

Thea also managed to raise four children and tended a large yard of farm animals that included dozens of chickens and a family cow, Annie. Annie was fed a steady diet of pancakes and mooed on cue when passing vessels blew their steam whistles.

By the time Thea Foss died in 1927, she had become a community legend. Her funeral was the largest that had been

conducted until that time in Tacoma. Two of her sons, Andrew Jr. and Wedell, shared their family stories with a friend who turned them into a series of short stories that appeared in the *Saturday Evening Post* magazine.

In 1933, the stories were converted into a movie called “Tugboat Annie” featuring Marie Dressler as a two-fisted female tugboat captain operating out of a northwest port city named “Secoma.” The heroine bore no resemblance to Thea, but the movie was a hit. Ronald Reagan starred in one of the sequels and the movies were later turned into a television series shown in Canada and England.

Today, the Foss Maritime Company of Seattle has about 1,000 employees and it operates out of bases up and down the coast, with its headquarters and shipyard on the Lake Washington Ship Canal, an eight-mile-long body of water that leads to the next chapter in our history.

## **Lesson Seven: BIG DIGS**

In 1873, Seattle lost out to Tacoma in the competition to become the first terminus for the new Northern Pacific Railroad, but almost from the start, Seattle’s settlers knew they had assets not available to their rivals to the south or nearly anywhere else. These assets were Lake Union and Lake Washington, and the possibility of linking them with the sound to create a network of inland canals and freshwater lakes that would provide enormous new development potential along with nearly 100 miles of moorage areas free of the corrosive impacts of saltwater.

The first large scale effort to achieve the vision was launched in the early 1900s with the goal of cutting a canal through

Beacon Hill to connect Lake Washington with Elliott Bay. This private effort failed but lent momentum to a project later funded by King County taxpayers to straighten the lower Duwamish River into a navigable waterway.

With the failure of the southern route, civic leaders shifted the focus north where at Shilshole Bay, a shallow inlet already permitted high-tide passage into Salmon Bay for shallow-draft boats and barges. The plan was to turn this passage into a canal connecting the sound with Salmon Bay, Lake Union, and eventually, Lake Washington. A county bond measure was passed, the federal government agreed to share costs, and the effort was launched with the new locks opened in 1917.

Before the locks opened, the Port of Seattle built a dock in Salmon Bay for fishermen that later became home base for the city’s fishing fleet and a major hub for Alaskan barges and vessels seeking winter moorage.

These facilities helped turn Seattle into the primary center for marine activity on the Sound and one of the leading ports on the West Coast, as well as a national center for Scandinavians seeking jobs in timber, fishing, construction, farming and mining.

In the 1920 census, Seattle recorded a major jump in the number of Scandinavian residents, with 24,000 Scandinavian born residents, most of whom lived in or near Ballard. The two largest groups by far were Swedes and Norwegians, with the Norwegians dominating the fishing industry.

## **Lesson Eight: BIG WIGS**

Two of the most influential elected leaders in state history were Henry “Scoop” Jackson, and Warren Magnuson, US Senators who between them represented state interests and residents in the US Congress for an era of nearly 50 years, running from the 1930s to the 1980s. Jackson became a national leader on defense issues and was for a time considered a Presidential contender. For his part, Magnuson was a public policy omnivore responsible for some of the most far-reaching domestic legislation of the 20<sup>th</sup> century, addressing topics that ranged from public health to civil rights to

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**With the failure of the southern route, civic leaders shifted the focus north where at Shilshole Bay, a shallow inlet already permitted high-tide passage into Salmon Bay for shallow-draft boats and barges.**

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In the late 1940s, when the Port of Seattle couldn't generate enough local funding to develop Sea-Tac airport, Magnuson found \$12 million to kick-start the project.



**Scoop and Maggie: Yep, Norwegians.**

the environment and consumer protection.

Jackson and Magnuson were also both – you guessed it – Norwegians.

Jackson's parents, Peter and Marine, originally had the last name "Gresseth."

Magnuson's parents were originally named – well, nobody knows. It's believed he was the illegitimate child of a young woman in the town of Moorehead, Minnesota. He was raised by a Norwegian woman, Emma Magnuson, who owned and operated the "Nickleplate" saloon in Moorehead, and who regularly cooked up one of Magnuson's favorite dishes "klob," a Norwegian dumpling made with flour, potatoes and pork or herring.

Jackson carefully tended his Norwegian roots throughout his career. He was a regular participant at Norwegian community events and often served as an honored guest at the annual ceremonies in Ballard to mark departures and returns of the fishing fleet. He was also a leading champion for statehood for Alaska and Hawaii, two old cornerstones for the Scandinavian Navy.

Magnuson didn't participate much in

Norwegian activities, but he was gangbusters on issues of economic development for Norwegians and everybody else.

He helped secure the federal funds to complete the network of eastern Washington hydro dams. He was a key advocate for the great Alaskan International Highway.

In the late 1940s, when the Port of Seattle couldn't generate enough local funding to develop Sea-Tac airport, Magnuson found \$12 million to kick-start the project. Maggie also found the federal dough necessary to conduct world fairs in Seattle and Spokane.

He also pushed through legislation that established the 200-mile limit to push back the Soviet trawlers that invaded Washington coastal fishing waters in the 1960s. He also co-sponsored the landmark Stevens-Magnuson treaty that divided up the Pacific catch between the US, the Soviet Union and Japan.

Magnuson was also outspoken in his belief that Washington's future was tied to Asian trade and its one-day sailing advantage to the Asia. He said so even when it

was politically unpopular to do so. He argued for strong relations with Japan both before and after World War II. Even at the height of the Cold War, he publicly favored trade and normalized relations with communist mainland China.

Magnuson's advocacy for Asian trade created a supportive climate for such activities and helped encourage Seattle port officials to take the risk in the early 1960s of investing in new container cargo facilities to replace the traditional practice of handling cargo "break bulk." At the time, the move was seen as a gamble. In the ensuing years, it paid off big as the port grabbed a disproportionate amount of West Coast container traffic and served as the primary shipping port for military supplies and equipment bound for the troops in Vietnam.

## **Lesson Nine: PATCHES PALS**

In the 1960s, the city's marine and Scandinavian characteristics were reflected in many ways, including the annual "Seafair" celebration and the enduring popularity of Ivar Haglund (Swedish dad, Norwegian mom). Ivar was a local restaurant owner, comedian, PR artist and folk singer who became a Seattle icon through radio and television ads.

The maritime and Scandinavian themes even extended into the lineup of afternoon television shows for children. One featured Captain Puget, a nice guy with a sailboat who showed cartoons. Another featured King's TV Klubhouse with Stan Boreson, a funny, accordion-playing host who told lots of fish jokes and was visited all the time by goofy Scandinavian relatives such as Uncle Torvald.

A third show featured JP Patches, a clown who lived at the city dump. JP was a little edgier than the other two, a little funnier, and his "Patches Pals" eventually left the others in the dust, and here's the rub. Captain Puget and Stan Boreson were shows that could have taken place only in Seattle. A clown who lives at the garbage dump — even a funny one — could be Anywhere, USA.

In 1983, "Scoop" Jackson died. In 1985, Ivar Haglund died. In 1989,



**Warren Aakervik: Third generation Norwegian-American.**

"Maggie" followed and as the years began to pass, Seafair continued, but maritime industries slipped off the civic radar screen even though they remained key elements in the state economy.

In 2003, 20 years after "Scoop's" demise, while listening to the State Legislature debate a measure that would impact maritime businesses, it occurred to Andrew Johnsen that the debate did not seem very well informed. He felt it reflected a general lack of awareness of maritime activities.

Explains Johnsen, "I said to myself, 'Wait a minute. We're missing an awareness of the whole underpinnings of our economy. It's like ignoring stockyards if you live in Kansas City. We have billions of dollars in trade moving through our ports and thousands of jobs are tied to it. It's how our economy is wired, but we

take it all for granted."

Johnsen was aware of marine issues because he is employed as the transportation policy adviser to Governor Gary Locke. In that role, he serves as a member of the state Freight Mobility Strategic Investment Board, a body that deals with marine-related freight issues.

There's that, plus he's Norwegian.

Johnsen's grandfather was a cabin boy from Norway who jumped ship in Port Ludlow on the Olympic Peninsula while serving on a freighter that visited Puget Sound. His grandfather settled in and loved America so much, he returned to Norway so we could return to the US as a legal immigrant. When he returned, he became a citizen and spent the rest of his career as a merchant seaman.

Johnsen's father did not follow in the grandfather's footsteps, but he remained

in the general economic cluster, going to college and pursuing a career as a fisheries biologist.

Johnsen the youngest went into political science. Cabin boy to gubernatorial adviser in three generations. Not bad. Johnsen used his position on the governor's staff to help organize a public "summit" on marine trade last fall in Seattle. His goal was, and is, to increase the visibility of maritime trade issues and the summit helped, identifying 19 "big" and "small" picture things that could aid maritime businesses.

## **Lesson Ten: BIKE PATH!**

Warren Aakervik is Norwegian, but like most Americans, he doesn't think or care much about his ancestry. But he thinks and cares a lot about his community and his business, and as the owner of a fixed fuel marine facility on Salmon Bay in Ballard, he's part of an exclusive club.

If you want up to 3,000 gallons of fuel for your yacht, there are quite a few places to go. If you want more than 3,000 gallons for your fishing boat, there are just four fueling locations in the entire state. One is a station in Westport on the coast. One is on Harbor Island in Seattle. The two others – Aakervik's Ballard Oil and a nearby competitor – are both on the north side of Salmon Bay in Ballard, along the eventual route of the planned Burke-Gilman recreational bike path.

Aakervik believes the recreational bike path will create liability issues that will drive him and his near by competitor out of business, leaving no fuel station in Salmon Bay and only one other in Puget Sound.

He's failed in efforts to lobby for an alternative route for the Burke-Gilman that would permit recreational bicyclists to



**Explains Johnsen, "I said to myself, 'Wait a minute. We're missing an awareness of the whole underpinnings of our economy. It's like ignoring stockyards if you live in Kansas City. We have billions of dollars in trade moving through our ports and thousands of jobs are tied to it. It's how our economy is wired, but we take it all for granted.'"**

**Andrew Johnsen: Another son of Norway.**



travel through Ballard without jeopardizing the maritime community, and he's frustrated city officials either don't understand the need for such an alternative route – or don't want to because of all the votes and brie-cheese campaign fund-raising parties represented by the folks in spandex.

But on a recent afternoon, Aakervik was not speaking out about the Burke-Gilman. He was expressing his concerns about high fuel prices and the fact the big oil suppliers were charging considerably more for fuel in Seattle than in New York City. He said one customer who recently bought 100,000 gallons for a fishing trip estimated "he will have to catch 3 million pounds of hake just to pay for his higher fuel costs."

Did someone say, "big oil?" Hmmm.

### **Lesson Eleven: OPEC? UFF DA!**

A great deal has changed in Norway since the great migration started – and some things haven't.

Given the country's small population size, it remains a major player in world maritime industries. It possesses the world's 12<sup>th</sup> largest merchant fleet with 715 ships. It is the 10<sup>th</sup> largest fish producing country in the world, barely trailing competitors as large as Russia, India and China (and by ancestry claiming a good share of the catch by the United States). Amazingly, it holds these big market shares while possessing a population of just 4.5 million people, nearly a million less than the state of Washington.

More amazing, perhaps, is the fact Norwegians are engaged in much work

of any kind.

In a wonderful twist of historic fate, in the early 1970s it was discovered Norway is sitting on a bigger pool of oil than anyone west of Riyadh or Moscow. It is now the third largest oil exporter in the world. Petroleum has become a major employer and the oil profits are invested in a national trust fund that serves as a hedge against the time when the oil runs out. At the end of May, that fund totaled \$133 billion. It is believed it will reach \$200 billion by the year 2010.

Once among the poorest countries of Europe, Norway is now among the wealthiest in the world, with living standards and per-capita incomes as high as anywhere. But while the prosperity brings great benefit, it also brings big anxieties about its negative impacts on Norwegian society.

The wealth comes during an interesting milestone in Norwegian-American history. In the most recent US Census, the number of Norway residents and Americans of Norwegian ancestry were just about equal, 4.5 million each. Professor Odd Lovoll both studies this topic and lives it.

He lives in Northfield, Minnesota, where he is retired professor at St. Olaf's College where he taught Norwegian and history. He is also on the faculty at the University of Oslo where he teaches US History. One of his students in Oslo is pursuing her doctorate based on a study of "Scoop" Jackson.

Born in Norway, Lovoll grew up in Ballard where his father established the family home after World War II while working as a halibut fisherman in Alaska. After graduating from high school, Lovoll re-

turned to Norway and earned his first degree. Today, his adult son is raising a family in Minnesota while his adult daughter is raising a family back in Norway.


Historically speaking, of the Norwegian migration to Puget Sound, Lovoll said it was a great example of a people transporting themselves and their culture to a different locale ideally suited to their work skills and past experiences. The sea continued to provide a living. The scenery was familiar and comforting. Lovoll's own memories are bittersweet because his older brother Magnar, died in 1950 when washed overboard on a fishing trip with his father.

He remembers the Ballard of his youth with affection. "There were Scandinavian people everywhere in Ballard," he said. "In Ballard, we lived in a Norwegian-speaking world."

Now, much has changed, not just in Ballard, but in his first home, Norway. He has a friend who is an old politician in Norway. The friend is a crusty old guy who represents the Agrarian Party and he's well-known for great quotes. One of his best referred to Norway's policies on inflation, of which he said, "It's like pissing in your pants to keep yourself warm."

The old politician is now greatly concerned that the new wealth is ruining Norway. Of this situation, Lovoll's friend says: "Norwegians are at their best in adversity and at their worst in prosperity."

Doesn't sound too good for the homefolks in Oslo, but as slogans go, it's not a bad one for the Norwegians battling to maintain Seattle's maritime industries. ■



**In the  
early 1970s it was discovered  
Norway is sitting on a bigger pool of oil  
than anyone west of Riyadh or Moscow. It is now  
the third largest oil exporter in the world.**



## Tales from the “Scandinavian Navy”

Otto M. Bratrud was born in Vestfold, Norway in 1879. He left home as an apprentice seaman at age 15 and stayed at sea for the next 57 years, traveling most of the world's oceans, visiting scores of ports, and spending extended periods based in Australia, Hawaii, Alaska and Seattle, where he finally retired as a ship captain in 1952.

He recorded his experiences in a first-person account called “Beating to Windward” that is available on the web site

of the Norwegian-American Historical Association in Northfield, Minnesota. Excerpts follow.

### LURE OF THE USA

“It was called ‘America fever’ and it left few untouched. My great grandmother’s four sons had left for America and the prairies of Iowa and Minnesota. Their letters to their mother were filled with glowing descriptions of their life, the number of bushels produced to the acre, and so forth ... In every store window and in other public places color posters were displayed by

the different trans-Atlantic steamship companies with flags flying; in the background were scenes from rural America, the wheat growing waist high, gleaming white farmhouses, bright red barns, and herds of cattle about ... These were the magnets that loomed large.”

### HIS FIRST SEA CAPTAIN

“Our captain came from Tjomo, an island lying close to Tonsberg, where every, yes, almost every male person is a sailor or a fisherman. They have the reputation for being tough, hard characters, the ‘blue-noses’ of Norway. I was to learn quickly that our skipper was one of these... I had not



seen (him) on the ship during the week or more that we lay in Gothenburg. He had been too busy with drinking and dissolute living ashore to come near the ship. I was to learn that rum was the principal liquid that crossed his lips.”

## **HIS INTRODUCTION IN 1902 TO PORT TOWNSEND**

“Port Townsend was quite a place in those days, the harbor crowded with sailing ships of all sizes and nationalities... Ships bound for foreign ports also picked up their crews there and the place had earned an odious name for the most barefaced exploitation of seamen by the despicable crews of boarding housekeepers and their even more disreputable minions, the runners. The latter boarded ships upon their arrival from the sea, and by plying the unsuspecting sailors with bad whisky and sweet words, induced them to go to their respective boarding houses when they had been paid off from their ships. Then followed a few days of ‘pleasure’ and the sailor, before he was aware of it, found himself on board another ship, minus his pay from the last one. ‘Shanghaiing,’ it was called, reduced to a fine art by those human leeches.”

## **HIS ARRIVAL IN SEATTLE IN 1902**

“When we stepped ashore from the ferryboat, it was raining, and how it rained! We had to cross a number of railroad tracks, dodging railroad cars being switched back and forth and locomotives incessantly ringing strident bells... Seattle

## **“When we stepped ashore from the ferryboat, it was raining, and how it rained!”**

in those days was a wild and wooly town, wide open it could be called. Gambling of all sorts was operating the clock around – roulette, faro, blackjack, craps, any and all kinds of games of chance – and there were dance halls, saloons, and dives of the lowest types. Crusades against this, against all that was indecent, were put on by the forces for civic betterment and we were treated to parades of men and women carrying banners denouncing the corruption and singing hymns, even invading the black hell.”

## **ON THE GOLD-RUSH DRIVEN SEATTLE ECONOMY**

“On street cars and from across the street men would call to each other: ‘How much did you make on that Lake Union deal? How much on your Wallingford holdings?’ The boom was on and everybody rode it, high wide and handsome. I did not know what it meant: real estate - what was that?”

## **“SCANDINAVIAN NAVY”**

“In the coastal trade between Puget Sound and California Ports, and on the Hawaii run, I learned to know many officers and men, and I often heard of the ‘Scandinavian Navy,’ a term applied to a fleet of lumber-carrying vessels on these runs that at one time numbered about 400... (Of his Scandinavian skippers) I remember particularly John Nord, a Swede, of the

*Alaska*, and Captain Nystrom, also a Swede, of the *Ruth Alexander*. But there were so many Johnsons, Petersons and Olsens on the coast from 1900 on that they had to have some special well-earned handles to their names. There were *Dogface* Johnson, *Jib-boom* Olsen, *South-east* Hansen, *Hands and Feet* Lindstrom, and many others, a picturesque lot, all of them.”

## **A “MUSH” FROM VALDEZ TO FAIRBANKS**

“We bought the few things we would need and started hiking to Fairbanks over the Richardson Highway, a distance of 375 miles. “Mushing” they call it in Alaska. We figured it would take us about 19 or 20 days. The mountain ranges ahead looked awfully formidable, making us quail with sinking hearts, but it was go ahead, put one foot before the other, and we’d get there in time. (There) were roadhouses along the Richardson Highway (so) we were assured of food and lodging...Occasionally a rabbit in his winter coat would leap across our trail, and once we saw a thundering herd of moose on their way northward... Once a young woman passed us on skis; she had a big Newfoundland dog pulling her and she made very good progress. We overtook her at the next roadhouse and we learned that she was Norwegian. She was going to join her uncle at a placer mine on one of the creeks.” ■

## **The Special Report includes information from:**

- Foss: *Ninety Years of Towboating*, by Mike Skalley, 1981
- Seattle’s Marine Cluster: *Characteristics, Trends and Policy Issues*, by Paul Sommers and Derik Andreioli, April 2004
- “Promise Fulfilled,” by Odd S. Lovoll, University of Minnesota Press, 1998
- Warren G. Magnuson, and the *Shaping of 20<sup>th</sup> Century America*, Shelby Scates, 1997, University of Washington Press

## **Plus, these websites:**

- Norwegian-American Historical Association, Northfield Minnesota.
- Historylink, the On-Line Encyclopedia of Washington State History
- CIA – The World Fact Book

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## Importers, Exporters Rank Port of Seattle #1 in Customer Service

**The Port of Seattle was rated number one in customer service among U.S. ports in a poll conducted by Marine Digest and Cargo News, a national maritime industry trade publication.**

More than 1,200 importers and exporters were polled during the months of July, August, September and October of 2003. The poll asked respondents to rank ports based on productivity and reliability.

"This honor is a reflection not only of the hard work put in by Port staff over many years, but also of the superior service provided by our carriers, terminal operators, longshore workers and other transportation service providers in our harbor," said Port of Seattle Commissioner Patricia Davis.

Added Port of Seattle CEO M. R. Dinsmore: "We are fortunate to have some of the finest maritime and transportation industry companies in the world operating here. Those companies and the people who work for them are critical to the global competitiveness of our port and of our regional economy."

Over the past decade the Port has invested nearly \$700 million to expand and upgrade container terminals and transportation infrastructure. State-of-the-art container cranes, dedicated truck overpasses, dockside rail yards and railroad grade separation projects throughout the region help to speed the flow of cargo.

"The Port of Seattle has made some serious investments in its infrastructure and its future as a viable container port," said Ed DeNike, Senior Vice President of SSA Marine, a Seattle-based transportation services company and operator of one of the Port's container terminals.

Rounding out the top five ports for customer service as determined by the poll, in rank order, were: Port of New York/New Jersey, Port of Long Beach, Port of Los Angeles and Port of Tacoma.

Several Port of Seattle customers and tenants also placed highly in the poll. APL, NYK Line and Hanjin Shipping were ranked among the top five international ocean carriers. Crowley Maritime and Matson Line earned places among the top five domestic ocean carriers. SSA Marine and APL were in the top five marine terminal operators.





Pat Redmond, president and CEO of Viking Bank, believes the bank's mix of the old and new (old fashioned banking relationships and the latest technologies) accounts for its phenomenal success.

## The Vikings are Coming

When we're asked to jump through hoops to get a bank loan, most of us don't think to start our own bank. But Dr. Thorpe Kelly did. Twelve years ago, the local obstetrician decided it was time a bank put his business needs first. And apparently it was just the medicine for local businesses. Viking Bank—born in a parking lot in Ballard—is now one of the fastest growing financial institutions in the Puget Sound region.

Viking Bank continues to make its mark by building old fashioned banking relationships, but now it also enhances its services with the latest technologies. Inside see why so many local business owners are discovering this blend of the old and the new is just what the doctor ordered.



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When Puget Sounders think of Viking Bank, many still envision a little bank in Ballard. But that's as dated as the image of Scandinavians as Vikings. What the bank does have in common with its legendary namesake is it knows how to get around. Viking Bank has quickly grown from a small outpost in Ballard to six thriving branches throughout the greater Puget Sound region.

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"We hit on something 12 years ago," explains Dr. Thorpe Kelly, founding director and chairman of Viking Bank. "People were looking—and are still looking—for a bank that is set up to serve them, rather than some big bank bureaucracy."

It all started when Kelly sought a loan for his successful practice. "I was running six figures through my local branch but they still couldn't okay a simple loan," he says. After spending half a business day going to the bank's downtown office to meet with a 24-year old loan officer, Kelly came to the conclusion that he needed a bank that valued his time and the business he had worked hard to build. He proposed his idea to a group of local business leaders, including Dean Ellis, who had recently led the start up of another financial institution. In just 80 days, Viking Bank was born. "That's the fastest a bank has ever been set up," Kelly says with obvious pride. After the organization process and syndication of \$3 million in stock, Viking Bank opened its first branch in Ballard on July 1, 1992. During 1993, Viking's first full year of operations, total assets grew to nearly \$25 million. "Our timing was good," says Kaare Ness, founding director and vice chairman of Viking Bank. "There wasn't anybody around who could make good, local decisions."

With a decade of megabank mergers and acquisitions, timing continues to play a role in the bank's success. Statistics show that each time customers are forced to learn new bank procedures from new branch personnel, there is another exodus to the region's community banks. Viking Bank, in particular, has reaped the rewards of big bank backlash. "We've been very fortunate to attract good people who know how to serve their local communities," continues Ness. "Our folks tend to stay with Viking Bank for a long time, and that's made a big difference."

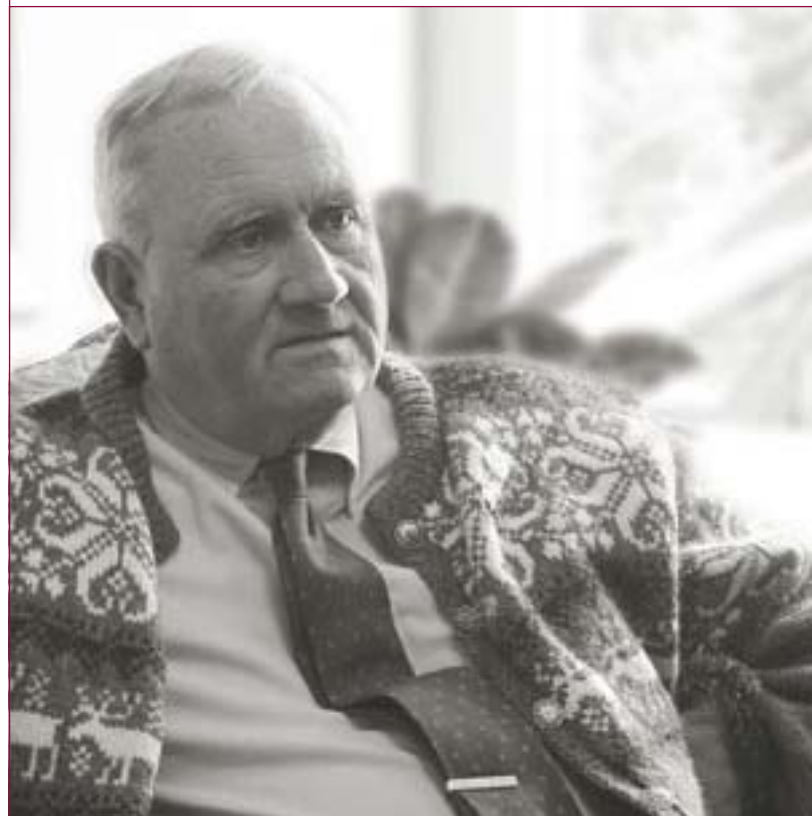
## Banking on Know How

Viking Bank's board of directors is comprised of the same business leaders who founded the bank a dozen years ago. "We are all self-made business people," observes Kelly. "And we all feel strongly about supporting the communities where we've built our businesses and raised our families."

Viking Bank's board, and its management, reflects a diverse array of business backgrounds, but they all know what it takes to build a business from scratch. For Kelly, born in Brooklyn to a teacher and principal, the road began with an emphasis on education. Both he and his brother earned scholarships to Harvard University. After receiving his medical training, Kelly shipped off to Korea, with a brief stop in Seattle. "I decided then that if I made it back from overseas, I'd settle here," he says. Over the years, he built a multi-office practice and investment business, serving the community as an ob-gyn for 40 years.

Kaare Ness is one of two first generation Americans among Viking Bank's founders. He began his fishing career as a deck hand in Norway during the Nazi occupation, and came alone to Massachusetts in 1955. He bought his first boat in 1964 and named it Viking Queen. After moving west and helping to launch the crab fishing industry, there were many Viking boats to follow—Royal Viking, Pacific Viking, Viking Explorer. Finally, in 1992, came Viking Bank. Over the years, Ness founded Kaare Ness Enterprises and partnered with Chuck Bundrandt to form Trident Seafoods, one of the world's largest seafood companies.

"I think one of the things that distinguishes Viking Bank is the level of business expertise among its leadership," says Pat Redmond, Viking Bank's president and CEO. "Just about everyone involved in running this bank knows what it takes to build a business, to try and make payroll, to pay taxes, to compete in a tough market. And that's reflected every day in the way we serve our customers."



**Viking Bank was the brainchild of local obstetrician, Dr. Thorpe Kelly, who continues to serve as chairman of the bank's board of directors.**



Chuck Irish, owner of Irish Foundry in South Seattle, agrees. "I moved from a big bank because they just couldn't respond to my business needs," says Irish, whose innovative foundry business is one of the few in the county that employs the art of lost foam casting. "The folks at Viking Bank have taken the time to understand my business. They are truly invested in my growth and success."

## A Bank for Each Community

When Viking Bank started out, it served the needs of its immediate community: Ballard. That meant an emphasis on the maritime industry. "This was a great opportunity for us," explains Redmond. "While it's true that the industry has faced a lot of challenges over recent years, it's emerged very strong. If you understand the maritime industry the way we do, then you're able to participate in its growth. But can you image a banker headquartered in Charlotte, North Carolina, trying to figure out the Northwest fishing industry? They just missed the whole thing." Over the years, Viking Bank has supported the members of the local fishing industry through business advocacy as well as financial services. Redmond was the only banker to publicly support the Crab Rationalization Plan, which created a quota system promoting fishermen safety, long term fisheries management and economic stability.

After several years operating exclusively in Ballard, Viking Bank began significant expansion. Nineteen ninety-six was a watershed year. In June, it expanded with its second full-service branch in Fife, an industrial area well-suited for its business banking specialty. In August, the bank's founding president, Dean Ellis, retired. Redmond came aboard, fresh from running the Washington corporate banking operations for First Interstate Bank, which had just been acquired by Wells Fargo. At the end of 1996, the bank's total assets had grown from \$45 million the previous year to \$65 million.

"We knew our style of banking would work in a lot of different regions, particularly those with strong maritime or industrial markets," explains Redmond. "From the start, Viking Bank has been built on the belief that businesses need bankers who know how—and have the authority—to make solid banking decisions based on the individual demands of that market. The trick is finding, and keeping, seasoned bankers for each location—professionals who know what it takes to help their particular customers succeed." Redmond cites the continuing wave of bank mergers and acquisitions as a source not only of customers for Viking Bank, but also experienced employees. "A lot of good bankers long for the way it used to be—when they knew their

When asked what has surprised him the most about his experience with Viking Bank, co-founder Kaare Ness cites how quickly the bank has come to so many communities. And that rate of growth does not appear to be subsiding anytime soon.



customers personally and had the authority to really serve them. The further the big banks get away from that, the more good bankers vote with their feet."

In the fall of 2000, Viking made its third expansion with a full-service branch opening in the South Seattle industrial area. In April 2001, Viking opened a full-service branch in Poulsbo and the next year it opened two more branches, one in Tacoma and another in downtown Bellevue. By the end of 2003, Viking had grown to more than \$250 million.

When asked what has surprised him the most about his experience with Viking Bank, Ness cites how quickly the bank has come to so many communities. And that rate of growth does not appear to be subsiding anytime soon. Both the bank's board and management see substantial opportunity for continued expansion.

"Our goal is not to just come into a community and provide the usual financial services: our goal is to help those communities grow," states Redmond. "When business is good locally, then it's good for the bank." As a result, Viking Bank has begun to establish advisory boards in the communities it serves. It recently created the first one in Kitsap County, with a board comprised of local business leaders and headed by Kelly. "The board will focus on encouraging the success of businesses throughout Kitsap

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**Our goal is not to just come into a community and provide the usual financial services: our goal is to help those communities grow.**

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County, especially in rapid growth areas like Poulsbo and Silverdale,” said Redmond.

The difference in Viking’s approach to banking is reflected in its branch offices. For instance, its newest office in South Seattle features a community conference room that local organizations can use for meetings. In the lobby, two Internet stations are available for customer use and a state-of-the-art plasma TV displays current news, a stock ticker and weather forecasts.

## Technology for the Little Guy

In addition to delivering the expertise of seasoned bankers in each of its locations, systemwide Viking Bank provides all the services usually found with the megabanks, plus a few more. “Technology is the great equalizer,” says Redmond. “We’re able to provide all the most convenient services, like online banking or ACH batch processing. In fact, we probably have the capability to more quickly adopt technologies that have been proven to improve our systems or our customer service because we’re not tied down to big, expensive legacy systems,” he explains. “With all the mergers among the big banks, they’re fighting just to get their systems to talk to each other. In the meantime, we’re able to offer services like online mortgage approval, which is rare even among the largest institutions.” ■



**Viking Bank’s board of directors is unchanged since these business leaders founded it a dozen years ago:**

**Thorpe M. Kelly, M.D.**, founding director and chairman; managing member Kelly Family Partnership

**Kaare Ness**, founding director and vice-chairman; president, Kaare Ness Enterprises; director, Trident Seafoods,

**Warren Aakervik Jr.**, founding director; president & CEO, Ballard Oil Co.; president, Aaleca Leasing Co.; vice president, Pacific Fisherman, Inc.; secretary/treasurer, Totem Air Corp.; director, Manufacturing Industrial Council

**L. Richard Greenwood**, founding director; partner, Greenwood-Ohlund and Company CPA (retired)

**Ferenc Nagy**, founding director; owner, Apollo Properties Co.; owner, Ballard Retirement Center (Ballard Manor)

**Gary W. Smith**, founding director; owner, Vascular and Surgical Imaging Company

**Barry R. Sonne Sr.**, founding director; emeritus executive, Marine Division of Interbay Foods, Inc. (retired)

**Current Senior Bank officers on the board of directors include:**

**Patrick D. Redmond**, president and CEO

**Richard A. Mulcahy**, executive vice president

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# Mayor Nickels Steps Up For Industry

## NOW COMES THE HARD PART

Capital Industries couldn't be happier with City Hall. Since suffering a major fire in January, the metal fabricating company in Georgetown has received visits from city staff trying to anticipate and fix problems. A demolition permit that usually takes two months to process was produced in two weeks. Reconstruction is ahead of schedule.

Capital is not only recovering from the fire – it plans to expand.

An architect for Capital, Jason Dardis, works on construction projects with local building departments throughout the region. "This experience is like night and day," he said. "The service has been absolutely beyond my expectations."

Across town on the Lake Washington Ship Canal in Ballard, Western Towboat is also expanding. But its experience with City Hall was 180 degrees to starboard from Capital's.

A permit for a new storage building took three years to secure. The permit came with a requirement that Western build a landscaped area within its storage yard. The public won't have access to it, and Western doesn't want it, but a city employee decided city code requires the landscaped area, and so it must be built. The whole permitting experience led Western co-owner Ric Shrewsbury to conclude his company isn't wanted in the city. "The people at the city seem to think they'll make more money if all this property is turned into condos."

Which experience more accurately illustrates the attitudes of our City Hall? The great service extended to Capital? Or the mystifying mindset afflicted on Western Towboat?

The questions require an approach that combines optimism and realism.

The staffers who are helping Capital fix its problems are part of a new industrial "action agenda" recently announced by Mayor Greg Nickels. With this step, Nickels became the first mayor in memory to stand up for the city's industrial business community. And that's good.

Better yet, the staffers assisting Capital can help you, too. City business advocate Kris Effertz can be reached at 206-684-2499. Industrial permitting coordinator Roque Deherrera is available at 206-615-0743. Some aspects of Capital's case are unique because of the emergency conditions resulting from a fire, but Effertz and Deherrera are available to help your business deal with problems and issues involving City Hall and they are providing assistance to some of your colleagues and competitors even as you read this.

These two troubleshooters are part of a program called "Seattle First" that is also part of the new city initiative. Seattle First can help you locate other troubleshooters dealing with other agencies up to and including the Washington State Department of Labor and Industries. Seattle First can also help you gain access to more than 70 free or low cost services designed to help Seattle



businesses save money. This is not BS. Some Seattle businesses use these programs to save tens of thousands of dollars, but most business owners and managers don't know that most of the services exist.

For more information about Seattle First, call 206-762-2470. That's the number for the Manufacturing Industrial Council of Seattle, a non-profit industrial business association that is co-sponsoring Seattle First with the city. The MIC also publishes *Seattle Industry* magazine. Its members helped design the Seattle First program. Seattle First is also supported by the Port of Seattle and Viking Bank.

But every story like this has a "but" part to it, and here comes the realism part mentioned earlier.

Before you finish reading this paragraph, the Alaskan Way Viaduct could be rubble, and the fact is some people believe this wouldn't be entirely bad. Once the dust settled, the way would be cleared to redevelop the central waterfront. The resulting traffic jam would be so awful it would force more people than ever before to abandon their cars for public transit. These people are of course "out to lunch." Unfortunately, they also "do lunch" and if



**Mayor Nickels with Capital owners David and Ron Taylor.**

you think they are without influence at City Hall, you haven't been paying attention.

Then there are the attitudinal issues at the root of things like the landscape requirement for Western Towboat. Who would think that's a good idea? Well, some people view successful industrial businesses as blighted, momentary obstacles on the path to a cleaner, greener, prettier Seattle – you know, sort of Edmonds South. And some of these people work for the city and other government agencies.

Troubleshooters are great, but they are necessary because there are troubles to begin with.

The Mayor's initiative is a good first step, but there is a long way to go to make Seattle a better home for industry and the effort will require active engagement by industrial companies that demand better services, better decision-making and smarter public investments.

Future issues of Seattle Industry will keep track as the story continues. ■

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# Ground Zero

Public debate about the future of the seaport focuses on two highly visible properties. One is Terminal 46 near the professional sports stadiums in the SODO area. The other is Interbay, the industrial tract and railroad yard between Elliott Bay and Salmon Bay in north Seattle. But while these properties absorb the attention of the news media and policy makers, a daily battle to maintain the maritime community takes place along the freshwater byways created by taxpayers decades ago to support Seattle maritime industries.

The Duwamish Waterway and the Lake Washington Ship Canal combine to create a collective Ground Zero for efforts by maritime businesses to stay in Seattle - and even grow here. Not that it's easy.

The following articles highlight the issues constraining four successful busi-

nesses that flourished in Seattle and want to stay here.

### **KVICHAK MARINE** *Growth Factors*

You think of rock bands starting out in garages, not boat builders. But in 1981 Jim Meckley and Keith Whittemore set up shop in a one-car garage in north Seattle to build customized rudders, keels and other parts for racing sailboats. They loved to race sailboats and had met each other in high school while racing boats at the Seattle and the Corinthian Yacht Clubs.

Meckley and Whittemore financed their start-up business with their earnings as crewmen on commercial fishing boats in Alaska. They soon acquired a

third partner, Brian Thomas, another racing buddy from high school days, and in 1983, their tiny business grew into one that required a two-car garage.

In 1984, the company moved into an old laundry in Wallingford - about the size of a six-car garage - and the partners began making sails for racing boats and equipment for commercial fishing boats.

In 1987, they incorporated as Kvichak Marine (pronounced Kwee-jack) and began building aluminum gillnet boats designed for Bristol Bay, Alaska, where the Kvichak River empties into the north Pacific. They built and sold 35 fishing boats and about 165 other vessels before moving west on the ship canal to the modern production plant where Kvichak now makes aluminum boats and hulls of many shapes and sizes.

The company typically has eight to 12 boats in production at any given time. On a recent spring day, eight boats were under construction or ready for delivery. One was an enormous yacht bound for the



**Sailing buddies:** Kvichak partners Keith Whittemore, Brian Thomas and Jim Meckley.



## Seattle land expensive and is getting no cheaper.

Bahamas. Two were pilot boats. One was a fire boat for LA County. Another was a 54-foot boat built for California State Department of Fish and Game. One was a rapid response boat for the US Coast Guard. Two were oil recovery “skimmers” for the US Navy.

The company expects additional growth and may soon expand its production facilities. Whether expansion will take place in Seattle or some other area on Puget Sound is an open question. Kvichak partner Brian Thomas recently enunciated the factors that would go into the decision.

Consideration one – and two, according to Thomas – is worker availability. “We need a well-trained, qualified labor force that can get to our facility and do the work.” Because of high housing costs in Seattle, most of Kvichak’s production workers live outside the city with growing numbers commuting from towns as far away as Whidbey Island and Puyallup. The growing commute distances are worrisome, Thomas said. “If you have to drive one and a quarter hours just to get to work, you’re going to eventually get another job.”

The next consideration, Thomas said, is the availability of affordable land and/or buildings. Seattle land is expensive and is getting no cheaper. Affordable buildings will be hard to find. “We don’t have to be here in Seattle,” Thomas said. “But we have to be close to the water. Other sites are available around Puget Sound and on the Columbia River.”

The last key, Thomas said, is proximity to vendors. “Manufacturing needs a critical mass to really work and as long as the critical mass of suppliers is in place, that will be the glue that binds the manufacturing community together.”

Put it all into the hopper, shake it up good, and the tumbling dice add up to ....well, for now, Seattle.

Seattle is still centrally located to the largest concentration of skilled workers in the state, but Thomas believes there is a “glass ceiling” that will limit worker availability in the future. But when it comes to proximity to vendors and all the necessary support services, Seattle can’t be beat. Kvichak can find all the supplies

it needs in Seattle except for fire extinguishers and some seats. “The upside in terms of Seattle suppliers is tremendous,” Thomas said. “We go local when we go to shop. Ninety percent of what we buy comes from Seattle.”

Last, there is the factor that the three owners of Kvichak all grew up here. “That keeps us close,” Thomas said. “We’re three Seattle natives who love Seattle and if we had our druthers, we’d stay right here.”



**“We need a well-trained, qualified labor force that can get to our facility and do the work.”**

## WESTERN TOWBOAT *Growing Pains*

Unfortunately for those who might want to see Kvichak grow here instead of some place else, we now come to the unfortunate case of Western Towboat, Kvichak's neighbor on the ship canal. Western Towboat has become a poster child for all that can go wrong with permitting at Seattle City Hall.

Today Western Tow Boat is a successful tow and barge business with a customer base that extends from Seattle to Alaska and throughout the Pacific Ocean. Like Kvichak, the company began in humble fashion, founded by a Seattle resident named Bob Shrewsbury.

Shrewsbury served in the Coast Guard during World War II and also worked for Foss Maritime of Seattle and Crowley Marine, two big tugboat companies. In 1948, he went into business for himself with a single tugboat that he moored at various locations around the Seattle waterfront, while operating his business from his home in north Seattle. He used a bedroom for an

## Western Towboat has become a poster child for all that can go wrong with permitting at Seattle City Hall.

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office and his two-car garage was converted into the repair shop for his single boat.

In 1976, Shrewsbury bought land along the north side of the Lake Washington Ship Canal and moved his business there. In 1982, Shrewsbury and his sons began building their own tugboats. Today Western operates a fleet of 18 tugs and five barges, the most recent tug launched on June 28 in honor of Bob Shrewsbury Sr.'s birthday.

The company is owned today by Shrewsbury's sons, Bob and Ric. About three years ago, they decided to construct a new storage building to support the growth of their business, and the company applied for a building permit.

There then followed a sequence of events which culminated in a decision by the city building department to issue the

building permit, but only on condition that the Shrewsburys build a landscaped area inside the company's storage yard.

Ric Shrewsbury says that when he first heard of the landscape requirement, he said, "You have got to be kidding."

Nope. The landscaped area is supposed to be 20 feet by 60 feet. It has to have a specified collection of plants. The public will not have access to it and Shrewsburys don't want it, but their building permit requires them to build and maintain it.

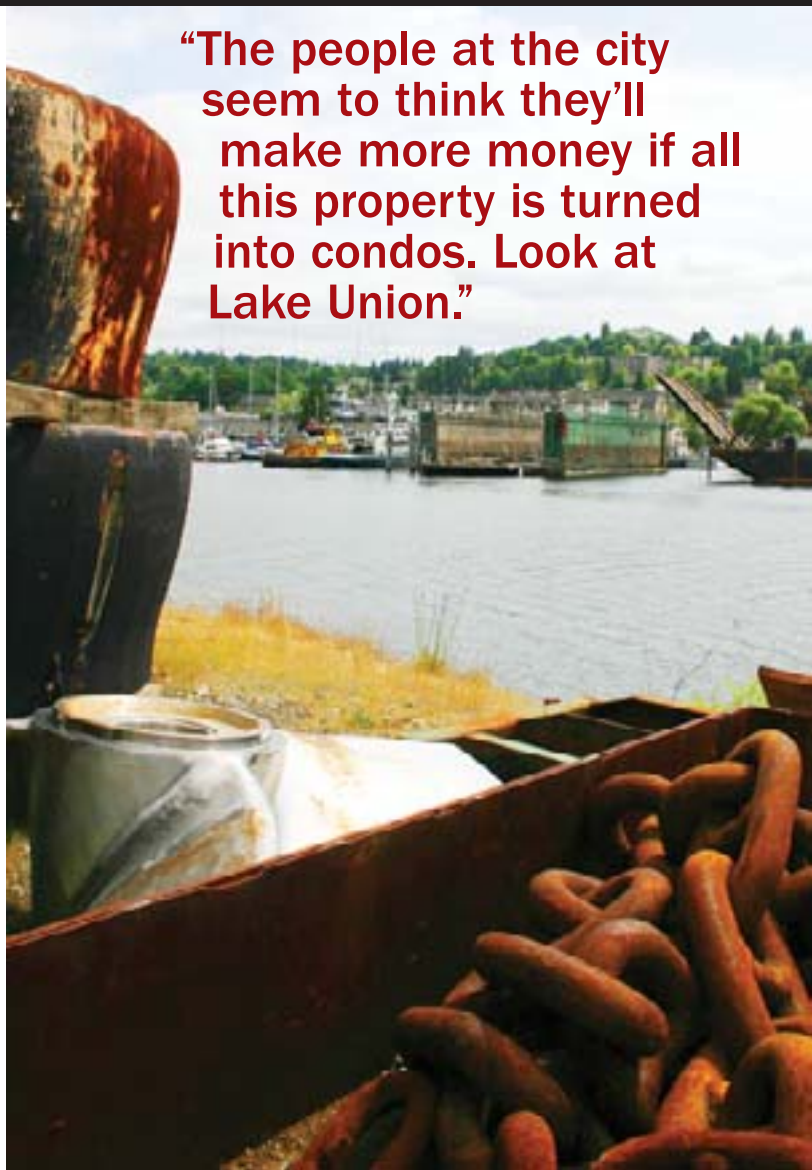
Western Towboat might be able to get the requirement removed if it reapplied for the permit. Burned once, the business is not especially eager to take another try. Adding insult to injury, the landscaped area will be on a slice of city property that Western Towboat has leased from the city for \$3,500 per year since the family bought the property in the 1970s.



**Ric Shrewsbury: How will his garden grow?**



**"The people at the city seem to think they'll make more money if all this property is turned into condos. Look at Lake Union."**



Ric Shrewsbury cannot understand how the city can ask him to make such an improvement on property he's already paying the city money to rent. "What is the money going for?"

His business is also located near the Burke-Gilman recreational bike path, a project that has become symbolic for Ballard industrial firms of the city's lack of interest in their future.

A city grant application filed a decade ago to seek federal funds for the bike path promised that the route would be lined with "interpretative signs" in honor of the industrial businesses that once flourished along the trail "to ensure the memory of the corridor's historic heritage is not forgotten."

However, industrial businesses along the trail route were, and are, alive and kicking. In fact, many are key players in one of the most robust seaports in the United States.

Based on his experience with the permit application, Shrewsbury has concluded the city has lost sight of this. "The people at the city seem to think they'll make more money if all this property is turned into condos. Look at Lake Union."

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## **FOSS MARITIME** ***A Neighbor Complains***

Foss Maritime of Seattle is a storied tug-boat company with nearly 120 years of history on Puget Sound. It's corporate headquarters and shipyard are located on the south side of the Lake Washington Ship Canal next to Seattle Pacific University.

The shipyard employs dozens of workers in 10 different unions. The work force includes welders, painters, boilermakers, machinists and mechanics. They tend to the Foss tug fleet and do contract work on other vessels. They sometimes make a lot of noise.

Eight or nine years ago, a nearby resi-

dent – one person – complained to the city and then started a petition drive to restrict Foss operations. The company hired an acoustics engineer. The complaining neighbor was provided with sound monitors to measure noise levels. The company agreed to curtail its noisier shipyard operations after 10 p.m. and continues to monitor its noise levels.

"It helped a lot," said shipyard manager Jim Stewart. "I'm glad we did those things. The complaints dropped off considerably."

But, it makes you wonder: what if two neighbors had complained?

## **MANSON** **CONSTRUCTION** ***Pier Pressure***

Manson Construction is based on the Duwamish Waterway, far removed from residential areas and neighbor complaints. The company was founded 100-years-ago by Peter Manson, a Swedish immigrant who started the company with a single little pile driver. Today his company is an international business with 400 employees and customers from Micronesia to the Gulf of Mexico.

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**A nearby resident – one person – complained to the city, then started a petition drive to restrict Foss operations.**





## In Seattle, Manson drove the pilings for the Alaskan Way Viaduct and the Elliott Bay Seawall.

Manson Construction specializes in marine construction and has been a part of some of the most technically audacious projects on the water. In Seattle, Manson drove the pilings for the Alaskan Way Viaduct and the Elliott Bay Seawall. In Hawaii, it built a channel bridge with the largest draw span opening in the world. In Long Beach, California, it dredged 3.5 million cubic feet of sea floor for construction of a new terminal and in Everett, it helped create a massive new homeport for the U.S. Navy.

But there's one project that proved too big for even Manson to tackle, and that's overcoming the regulations that now apply to the company's home base on the east side of the Duwamish Waterway.

Manson depends on heavy equipment to do the digging, dredging, and pile driving that are the company's stock in trade. Much of the company's inventory sits on the Duwamish in the form of floating derricks, barges, towboats and tenders. Moored to a pier, the equipment lays beneath the shadow of "The American," a six-story gantry crane that slides back and forth along the dock where the floating gear is moored.

The big crane provides maintenance for Manson's floating equipment but it is running out of room along the dock. The company came up with the idea of connecting two piers they own, allowing for more dock space for maintenance, but the state wanted over a quarter of a million dollars in mitigation fees for disrupting the fish habitat. Manson deemed the project too costly, but as long as it continues to grow, the problem of where to find a facility to provide maintenance will only get bigger.

"It certainly does make moving to a facility you can expand and develop more attractive," said Pat McGarry, a Manson vice president and northwest area manager.

State regulations aren't just tying up Manson's expansion plans. They are also forcing the company to stop working for long stretches of the year.

State permits for on-water construction aren't available for much of the year. The idea is to protect fish habitats but the regulations essentially leave Manson's northwest construction projects idling from February to July. During this period, some employees must be laid off. The rest of the year there is a backlog of work, and often months of overtime.

"It started off lasting just a few weeks," McGarry says about the fisheries closures that are now nearly six months long. Yet he's unequivocally upbeat about the company's location. "Manson is good for Seattle and Seattle is good for Manson," he says. ■

## Ship Pilot Steady As She Goes

By Steven Clark

It's 2 a.m., pitch black, when a sleek red pilot boat pushes away from the dock at Ediz Hook. The 2200 hp water jets make a throaty rumble and the few lights in Port Angeles disappear in the distance. Don Soriano and four of his fellow ship pilots are on the last leg of their commute to work. They sit behind the skipper in the pilot boat, bouncing in unison as the boat chases radar blips into the Strait of Juan de Fuca and the night.

About ten minutes later, a target takes shape. Outside the window, white letters 20 feet tall emerge from the darkness: HANJIN. They are painted on a black hull that fills every window at the front of the pilot boat. The skipper calls out "Hanjin Barcelona," like it's a bus stop. Soriano puts his newspaper in a backpack, pulls on his coat and heads for the bow.

The pilot boat slows and comes along the big ship so there are only a few feet between them. From here, it's impossible to make out the length of the *Barcelona*, her side a continuous length of steel so long it disappears into the dark.

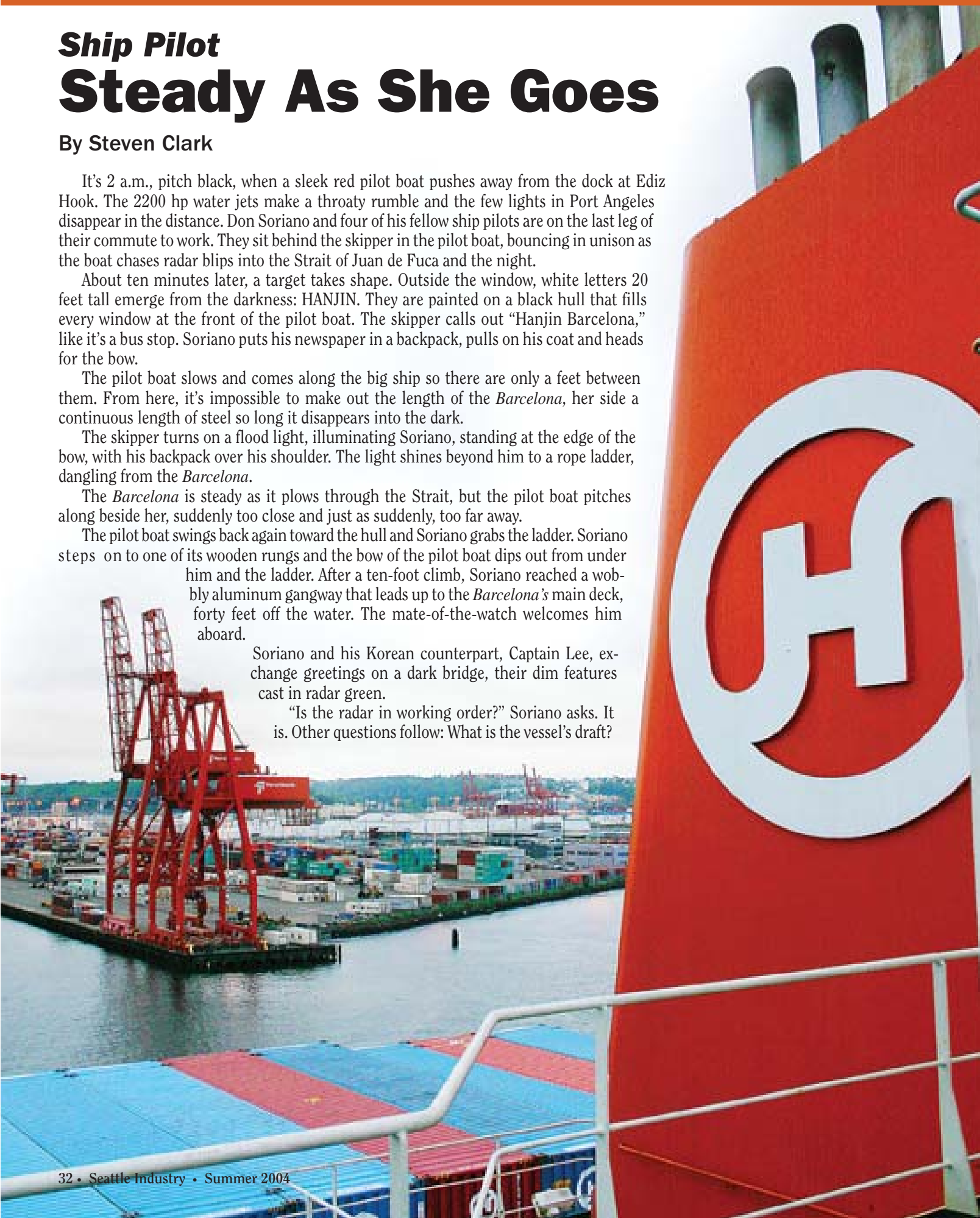
The skipper turns on a flood light, illuminating Soriano, standing at the edge of the bow, with his backpack over his shoulder. The light shines beyond him to a rope ladder, dangling from the *Barcelona*.

The *Barcelona* is steady as it plows through the Strait, but the pilot boat pitches along beside her, suddenly too close and just as suddenly, too far away.

The pilot boat swings back again toward the hull and Soriano grabs the ladder. Soriano steps on to one of its wooden rungs and the bow of the pilot boat dips out from under him and the ladder. After a ten-foot climb, Soriano reached a wobbly aluminum gangway that leads up to the *Barcelona's* main deck, forty feet off the water. The mate-of-the-watch welcomes him aboard.

Soriano and his Korean counterpart, Captain Lee, exchange greetings on a dark bridge, their dim features cast in radar green.

"Is the radar in working order?" Soriano asks. It is. Other questions follow: What is the vessel's draft?





How long does it take to get to maneuvering speed? Is the bow thruster working?

This is the only interaction the two men will have. Soriano hands Captain Lee a bundle of local newspapers and Lee disappears into the gloom. From now until docking, the quartermaster steering the ship will take orders only from the pilot.

Communication on the *Barcelona* is severely efficient, like the ship itself.

"Starboard 0-8-0," Soriano says. The quartermaster repeats the command and changes course. *Barcelona* responds gracefully, taking a new heading almost without the sensation of movement.

"Starboard 080 sir," the quartermaster confirms.

"Starboard 080, Thank you," Soriano finishes.

Soriano is a member of one of the most elite organizations in the Washington State maritime industry. For 18 years, he has been a Puget Sound Pilot. There are only 51 of these pilots, responsible for successfully navigating almost 4000 ships in and out of Puget Sound each year.

Puget Sound Pilots can make as much as \$200,000 a year and get one of the rarest of perks for mariners, being able to go home after work. But only very experienced captains licensed on commercial ships need apply. If there's an opening, they must pass the state pilots exam and 100 evaluation voyages before they get the job.

Then there's the responsibility of being a pilot. This morning, for several hours, Don Soriano will be responsible for hundreds of millions of dollars in machinery and cargo he has never seen before. He'll be responsible for preventing an environmental disaster, and for the lives of people he doesn't know, on boats he can't see.

It's a heavy burden – more than 60,000 tons. The container ship *Hanjin Barcelona* is a giant box, filled with smaller boxes. Below her decks, she could fit a thousand 40-foot containers. Above decks, about a thousand more can be piled high in rows and columns.

There's a pleasing symmetry to the ship that's overshadowed by her size. Stood on her stern, *Barcelona* would be the second tallest building in Seattle. She is thirty yards wide at her widest. Her 55,000-horse power engine is four stories high and has consumed more than 1300 tons of fuel since she left South Korea, over a week ago.

The pilot's profile is visible against the bridge window when he looks out beyond *Barcelona*'s girth. The view is of a world of blues; lighter sky, darker water and near black landscape, dotted with lights.

"You worry about small boats that don't have their lights on. Maybe little yachts," Soriano says as he stares out past the shadowy right angles of cargo that line *Barcelona*'s deck.

Pilots like Puget Sound because of its deep channels and sheltered seas but these features are popular with other mariners too. This popularity becomes one of the pilots' biggest challenges. The waters of the northwest host several thousand cargo ships each year, tens of thousands of tug and barge trips, the largest fishing fleet in the United States and more than 150,000 ferry crossings. And then there are the countless recreational boaters. Soriano must watch out for any and all of them.



**The waters of the northwest host several thousand cargo ships each year, tens of thousands of tug and barge trips, the largest fishing fleet in the United States and more than 150,000 ferry crossings.**

Container ships are deceptively fast – they are capable of more than 25 knots, making them among the fastest ships on Puget Sound. This presents a danger for boaters crossing shipping lanes, or worse, the naïve sailboat captains who assume commercial vessels must yield to boats under sail. Ships of the *Barcelona*'s draft can't move out of shipping lanes without the risk of running aground. More significantly, at her present speed, it would take *Barcelona* two miles to stop.

This morning the radar is clear but for the *Oosterdam*, a 900' long cruise ship also under the charge of a Puget Sound Pilot. *Oosterdam* is impossible to miss in the night, even three miles out. She looks like a great Christmas tree, on its side.

Don Soriano spends the night peering out of the bridge glass, issuing course changes he knows by heart, in an exacting tone impervious to drama or mystery. The trip goes exactly as planned and *Barcelona* glides into Elliot Bay at dawn.

As the ship heads for her final destination at Terminal 46, the mood becomes more tense. Captain Lee is on the bridge again, pacing back and forth, hands jammed in his pockets while a cadre of junior officers follows in his footsteps. Elliot Bay is busy, even at 5:30 a.m., and the *Barcelona* will need to dock. Traffic and land are two things container ships usually try to avoid.

But Soriano's disposition never changes. He gives commands from the starboard bridge wing that turns *Barcelona* 180 degrees and leaves her parallel to her berth, a few ship lengths away.

A few minutes later a tug appears from behind Harbor Island,



making a frothy wake as it muscled its way across the bay towards *Barcelona*.

The Crowley *Hunter* performs the last engineering miracle of the morning when winches synch the two vessels tight and the little tug pushes its much larger partner to the dock with no more fanfare than a distant thud.

A Hanjin officer shakes Soriano's hand and gestures the pilot to another rickety aluminum gangway, this one graciously extending all the way to the dock. As the pilot steps off, a dock bus stops to pick him up. He climbs aboard and heads home under the shadow of the largest container cranes on earth.

Container ships will only get bigger. A recent study suggests vessels capable of carrying three times as much cargo as *Barcelona* may be economically feasible. Puget Sound will be one of the few places in North America where these super ships can go. And Puget Sound Pilots will be there to meet them. ■



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# Longshoremen The Hook and the Hammerhead

By Steven Clark

Few occupations are as famous as longshoreman. Significant dates in their history carry names like “Bloody Thursday”. Their work groups are called “gangs.” Their logo is an up-raised cargo hook. But if the profession began in myths and legends, it exists today in a world that looks like the set of a science fiction movie. They no longer work with hooks, but with steel tools as big as skyscrapers, doing the heavy lifting of 21<sup>st</sup> century world trade. With enough overtime, they can make \$120,000 a year, but it can take years to get there and life isn’t easy on the docks.

Leonard “Peppy” McDonald starts his day at the ILWU union hall, tucked under the Alaskan Way Viaduct. It’s an old building that feels older. A photo of ILWU founder Harry Bridges hangs on the wall along with pictures of union rallies with fired-up crowds. Soap dispensers pour pink, granulated soap that water turns into a cleaning paste. A meeting is going on and everybody in it looks like a retired football player.

McDonald walks upstairs where the jobs are listed on a pegboard with names ranked top down, by seniority. All the guys upstairs know the name McDonald. His name is near the top of the pegboard. He started in 1964 loading supplies for the war in Vietnam. His father worked the docks, as did his brother. His grandfather was moving freight before that.

“It was all hand stowed back then. You could be on a job two weeks,” he says, pointing out the details in old black and white photos of the waterfront. In those days, cargo traveled as “break bulk,” that came in pallets and bags and boxes. Longshoremen had to bring the cargo out by lashing it to cranes, carrying it by hand – or by hook.

Containerization changed all that. The standardized cargo sizes meant cargo handling gear could be standardized too. Once the standards were in place, the race was on to make larger and faster ships and equipment for handling the containers.

The container revolution was taking place all over the world and four years before Peppy McDonald became a longshoreman, it hit the west coast ports. But ILWU president Harry Bridges saw it coming.

In 1960, Bridges and the ILWU agreed to the Modernization and Mechanization Act. The act allowed ship owners to bring container technology into west coast ports and eventually lead to a decline in longshoremen’s numbers. In Seattle alone, membership in ILWU 19 declined from over 2400 members in 1960 to





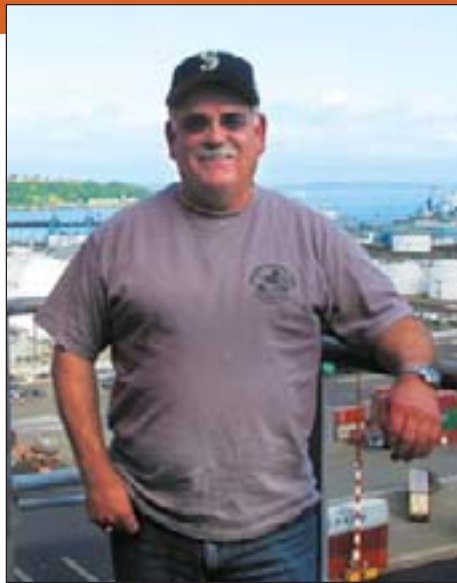
less than 600 today. In return for these concessions, longshoremen were guaranteed a 35 hour work week and control of dockside hiring. "We should accept mechanization and start making it work for us, not against us," Bridges said of the deal.

Today gantry cranes are at the center of that work.

McDonald will work today on Terminal 18 in a huge orange crane 300 feet high, weighing more than a million pounds. A 15-foot ladder on one leg of the crane leads McDonald up to a platform and an elevator that looks like a sawed off telephone booth. McDonald rides the elevator 12 stories up to a catwalk that leads to an operator's cab. If you're not squeamish about heights, the walk to the cab offers great views of downtown. If you are squeamish, you'd probably grab the thin railing and not let go.

Longshoremen call the cranes "Hammerheads," though this one is affectionately known as "Number 72". Inside the cab, McDonald sits down in the operator's chair with a window in front of him and a glass floor below his feet that permits him a view of the dock, trucks and people below. From 135 in the air, they look like small toys.

To one side of the operator's chair is a computer monitor that displays the weight of each container. To another side is a panel of switches, lights and two actuators that MacDonald will



Leonard "Peppy" McDonald

use like joy sticks to manipulate big, rectangular steel rack that hangs below his feet, suspended from cables. McDonald begins to work the actuators and the rack swings into action, shrinking in size as McDonald drops it down to a container waiting below on the bed of a truck.

When the rack gets to the container, there's a faraway echo of metal clanking against metal. Then pins from the rack lock into eyeholes at each corner of the container. The container's weight flickers on the monitor of the computer. The cab is equipped with a radio and a voice crackles

from it telling McDonald where to stack the container.

McDonald follows the instructions, lifting the container off the bed of the truck below him, and then the cab, rack and container begin moving along beneath a giant orange boom that extends over the ship next to the dock.

The NYK Santa Barbara is a small containership as these things go, essentially a mobile warehouse, with stacks of containers and empty spaces for more. On first glance, it's easy to miss the men on board, walking between the steel canyons, securing the loads with heavy steel pins. McDonald is dangling a 40 ton container above the blue hard hats and people below.

He never takes his eyes away from the load. "You make a mistake with something like this and something gets really screwed up or someone gets hurt," he says, as the container dangles over the ship. McDonald lowers the load into a black container-shaped hole and the rack comes out empty. The cab heads back under the crane legs across the dock, ready to lift another container.

Working the hammerhead requires a lot of looking. Everything is small beside the crane. It's like a giant baby

**When the rack gets to the container, there's a faraway echo of metal clanking against metal. Then pins from the rack lock into eyeholes at each corner of the container. The container's weight flickers on the monitor of the computer. The cab is equipped with a radio and a voice crackles from it telling McDonald where to stack the container.**





playing with blocks, not minding the world around it. So operators strain and crane their necks, looking for anything that might possibly cross the path of the hammerhead. Stress and bad backs are part of the job so operators usually work two hours on and two off.

"It's like being a football player. Some people pick it up real fast and some guys don't make the grade," McDonald says. He trains men on the hammerheads when he's not moving the cans himself.

The work on the docks is dangerous but some men wait years for the opportunity to get where Pep McDonald is, with his third generation heritage and his space age hammerhead. It's hard to get on the docks, but once you do, you're not going any place. "Oh you'd never leave," McDonald says, "not unless you retire or get killed." ■

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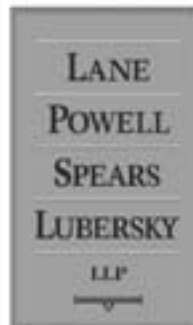
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