

# AN INJURY TO ONE IS AN INJURY TO ALL



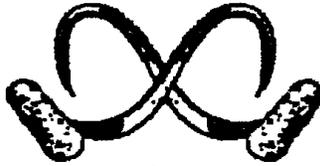
**PUBLISHED BY  
SEATTLE ILWU-PENSION CLUB**

3440 EAST MARGINAL WAY S.  
SEATTLE, WA 98134  
206.343.0504

## **EDITORIAL STAFF:**

ART MINK  
JON HALGREN  
DAVE CHADDOCK  
IAN KENNEDY  
PARKER JOHNSTON  
CURT CUNNINGHAM

**VOLUME 19 – No. 1**  
*Winter 2011*



## Meeting Dates

January	3
February	6
March	6
April	3

[www.rustyhook.org](http://www.rustyhook.org)

## The Ghost of Reed Smoot Haunts Congress

By Dave Chaddock

The last thing Stephen Roach saw when he entered a Senate hearing room on March 28, 2007, was a photo of Reed Smoot, Republican of Utah, who chaired the Senate Finance Committee from 1923-1933, and who co-sponsored the notorious Smoot-Hawley tariff of 1930, sparking a trade war that helped bring on the Great Depression. Since Roach was on a mission to testify against protectionism he says the photo “sent a chill down my spine.” And after enduring a first-hand taste of congressional “anti-China brinkmanship” in that hearing room, Roach had the feeling that Reed was winking at him as he “staggered out” (Roach, *THE NEXT ASIA*, 362-66).

If Roach had this reaction back in 2007, he would probably be even more deeply disturbed today, as popular columnist Paul Krugman is helping to stir up a hornet’s nest of anti-China sentiment. Krugman accuses China of “deliberately manipulating” its exchange rate by buying huge amounts of foreign currency. He says “China has been promoting its exports at the rest of the world’s expense.” The U.S., he insists, “has the right to demand a much stronger RMB.” And if China refuses this demand, Krugman adds, “It’s time to talk about trade sanctions” (NYT, 6-25) In another column Krugman cries that “U.S. policy makers have been incredibly, infuriatingly passive in the face of China’s bad behavior” (NYT, 10-1). And still again he refers to China as a “rogue superpower,

unwilling to play by the rules” (NYT, 10-18).

On the waterfront we are very much dependent upon trade with China so this question is very important to us. Is Krugman correct about China? I often agree with his columns but on this particular issue he seems to have a burr under his saddle that makes him gallop off in the wrong direction.

Roach knows China very intimately. He is currently based in Hong Kong as the head of Morgan Stanley Asia. He says that to implement the trade sanctions advocated by Krugman “would be an egregious policy blunder” In the first place he points out that the United States has a multilateral trade deficit with over 100 countries altogether, and although China contributes about 30% of that deficit, there is still a great deal attributable to other nations. Moreover, “squeezing the Chinese piece would simply redirect the deficit elsewhere”, and most likely to producers that would be even more expensive, and thus even further deepen the deficit.

In the second place, China is not going to give in to U.S. RMB demands in any case and if pressed too far it could retaliate in any number of ways. It is not going to give in because allowing the “significant sustained appreciation” called for by Treasury Secretary Geithner would have a devastating effect on the Chinese economy. It is an economy that was already significantly injured by the recent U.S.-caused financial crisis when many factory orders were cancelled. At Dongguan, for example, a city 35

*Continued on page 2*

*Continued from pg. 1*

miles NW of Hong Kong – when the crisis hit, exports plummeted by about 25%. Thousands of factories were closed (NYT, 9-16). Since that time, exports have rebounded, but now the U.S., by raising the cost of Chinese imports, wants to impose another such devastating blow. The Chinese feel they are being scapegoated for a U.S. problem they did not create.

When England dominated the world many years ago it was a lending nation. But now the U.S. dominates the world as a borrowing nation. And China is providing much of the funds for this borrowing by purchasing Treasury bonds, regarded worldwide as a safe investment. And this leads to another point made by Roach. It does not make much sense to tax one of your major foreign lenders. If we slap punitive tariffs upon China, says Roach, “I am reasonably confident that Beijing would instruct its foreign-exchange-currency managers to boycott the next Treasury auction” (Roach, 257).

Actually, if we look at the big picture objectively, it appears that the U.S. is posing a problem for the rest of the world by failing to live within its means. If it could have saved a bit it would be able to afford to pay for urgent needs like job training, education, and infrastructure (roads, bridges, and ports). Instead it opts for printing more money, creating bank account balances at the Federal Reserve, and holding interest rates near zero. Though all of this is supposed to be aimed at creating more jobs, it is not working. Large corporations are borrowing vast sums of money for next to nothing. But most of them are not investing this money.

Meantime investors seeking profits, unable to do well in low-interest U.S., have gone to developing countries in search of higher yields, where their hot money creates the threat of bubbles. Prices rising way beyond their real value and then collapsing are a greater threat in developing countries, as Ha-Joon Chang points out, because “financial markets are tiny relative to the amounts of money sloshing around” (BAD SAMARITANS, 87).

Again, it is not only China that is “manipulating” its currency. The Philippines, Thailand, Malaysia, Indonesia and Israel are described as “intervening furiously” in foreign exchange markets hoping to weaken their currencies (NYT, 10-21). It seems that most every country was trying to keep its currency competitive in order to spur exports. The finance minister of Brazil, Guido Mantega declared that the U.S. keeping interest rates at record lows was “one way of devaluing a currency” and that it was threatening

Brazil’s economy. He called it a “desperate action.” And he added that Brazil would do whatever was necessary to prevent its currency from appreciating (NYT, 10-4). And the German economy minister expressed his opinion that “excessive permanent money creation” was in reality “an indirect manipulation of an exchange rate” (NYT, 10-24).

A related issue makes the problem even worse. The U.S. dollar functions as an international reserve currency. More than 60% of the reserved currencies of the central banks around the world are in U.S. dollars. When the dollar depreciates in value, countries using greenbacks must spend more of them for the same amount of goods. Many found wheat, corn and cotton prices rising out of reach (BR, 11-4). Thus a policy designed to salvage the U.S. economy is putting other nations at risk. In this context Stephen Roach objects to calling Chinese RMB policy “manipulation.” Instead he terms it “a reasonable strategy to anchor the RMB to the world’s reserve currency, the dollar, in an effort to maintain financial stability” (NYT, 9-29 op ed).

In the long run China is going to rebalance its economy so that it will be less dependent on exports and will be buying less treasury bonds. It will give more scope to service industries and consumerism. Thus new opportunities will be available to make and sell goods and services to China.

But in the meantime we have a bit of “rebalancing” of our own to attend to. Here Mr. Roach is not our best guide. He is good at pointing out that China is a scapegoat but he also suggests that Wall Street is another scapegoat. His position at Morgan Stanley gives him a bit of a bias here.

*Continued on page 6*



## So Brothers and Sisters

We have a job to do, not just one or two of us, not just the pensioners and active brothers and sisters, but all who care about the world we live in and how well we live. Gather your family, relatives, friends and neighbors, then let our voices be heard.

Here in Washington State the Governor presented the Legislators with a budget that strips almost all the Social programs of all their funds to the point that they can't operate. Schools are being crippled by the cuts they have sustained over the last couple of years. The State system was once considered one of the better ones in the nation, Now they are ranked close to the bottom. Why?

Look at how our schools are funded, or to be correct, are unfunded. We need to change the system. Initiative 1098 was an attempt to do that, and should be the beginnings for a new initiative without the pitfalls.

We need to do away with our sales tax system that is regressive and puts the burden on the poor. And replace it with a income tax on the wealthy. That is the only way we can stabilize our government and avoid the great ups and downs that we have experienced up to now

The cuts in funding the programs for the poor, for kids, for the elderly, for medicaid, are not acceptable. So, get the word out, call, write your legislators, let them know how we feel.

Nationally we are even worse off. We are engaged in two endless wars and are rattling our sabers in an attempt to get involved in two more. Our President made out to be a great liberal while running for office, has turned out to be another pawn of the corporate elite. The Press has made him out to have made great strides with his lame-duck congress. Has he? What have we got, a health care bill that may help some get and keep insurance at a cost to all of us, that will make the Insurance Companies richer. He has passed an extension of the Bush tax cuts for the wealthy, for another two years. What did he get in return, extended unemployment insurance for those who are out of work (good,) but only for one year,(Bad.) He reduced the payroll deductions for Social Security, claiming it will put more money into the workers pocket. In reality, it reduces the moneys going into the Social Security Trust Fund, thus giving the anti Social Security forces more ammunition to do away with it.

This is just a beginning, we have to be aware and react. We have got to send a message to those who are trying to destroy the Working Class, "we're mad as hell and wont stand for it any more."

## Conversations with Harry

By Ian Kennedy

I flew down to meet with Harry just after the November elections. As I entered the Bar, I saw him sitting alone at the table with his glass almost empty, the pitcher was also well drained. As he looked up, I could tell he wasn't in the best of moods . " What are you doing down here? You should be home rallying the troops."

I gave him a questioning look, "What are you referring too?" I asked.

"Don't you listen to the news, or read it? He asked, in a very angry voice. " I'm talking about that damn government, and how those damned-ocrats gave the elections away and blew the one chance they had of pushing through some good progressive legislation. They had a strong majority in the House, and a sure 59 votes in the Senate. All they had to do was change the silly filibuster rule. They only needed a simple majority, they could have changed it to 55 votes from the 60 and the Republicans would have been happy at that. But no, they didn't want to touch it. And look what happened in you're state. You've been Eyemenized to the point the government has to strip all the funds from those programs that help the people that need help the most." Harry paused, drained the last of the beer from the pitcher and waved for another.

When the fresh pitcher arrived, Harry refilled our glasses, looked at me and shook his head, "I just can't believe Labor is standing still for this. They should be in the streets. The Capitalists have got to learn, if they don't share the wealth, they will lose, they must lose."

Sue, (Harry's favorite waitress,) put her hand on Harry's shoulder, " Are you all right Harry?" she asks, "Do you need some milk? you really have the strangest look, how can I help?"

Harry looks up, smiles, pats her hand that's still on his shoulder, "Thanks Love, I'm just upset with this government of yours. Don't you fret, I'll take it out on the kid here." Sue picks up the pitcher "another?" she asks. And Harry nods.

Harry turns to me, "So kid, what's going to happen? You're going to make a lot of noise, get people riled up, then nothing gets done, business as usual?" He sighs, "Just remember, that motto of ours doesn't just mean Union to Union, or brother to brother, but you to anyone who is hurting. Take that message back

*Continued on page 6*

## Anniversary of the Seattle Longshore Union

by Ron Magden

[As we approach the 125th anniversary of the birth of the Seattle Longshore Union June 9, 2011, THE RUSTY HOOK intends to honor people who set the table for all who have followed. There have been over 16,000 "A" men and women who have worked the Seattle waterfront. Each one has a story to tell. Below is the first installment].

One month after the birth of the Seattle Stevedores, Longshoremen and Riggers Union (SL&RU) a mysterious blast aboard the "Queen of the Pacific" took the lives of six charter members of the Union. That tragedy was the worst waterfront accident in the history of the West Coast.

It was five minutes before the noon hour on July 29, 1886, at the Nanaimo, British Columbia coal dock. The Seattle Union coal passers were winging coal into the corners of the hold. Suddenly, as a ton of coal hit the center of the lower deck, a clap shook the boat from aft to stern and a sheet of flame flashed upward from the hold to the upper deck.

The SL&RU coal gang composed of Hans Hanson, August Johnson, William Kade, William McDonald, Patrick Priestly, and William Robee were engulfed by the flames. As they were brought out of the hold, eyewitnesses saw their hair had been burned from their heads and faces. Their flesh hung in shreds. Their "cries were most heart-rending."

Beside the six longshore workers eight seamen were burned severely. Horse wagons carried the injured to the Nanaimo Hospital where three doctors worked around the clock trying to save lives. One by one, all of the longshore workers and three of the seamen died from the effects of the explosion.

A court of inquiry found the explosion to be an accident that could not have been prevented. The coal dust had ignited from spontaneous combustion. Ten months later another coal dust explosion occurred in the mine that had produced the coal that exploded on the Queen. This time 155 coal miners were killed. Again, an inquest found the second explosion also an accident.

On page one of the Nanaimo Free Press on August 7, 1886, appeared the following letter from the Stevedores, Longshoremen and Riggers' Union of Puget Sound, Seattle Branch:

Editor, The Free Press – We wish through your paper to express our heartfelt thanks and appreciation of the services rendered our comrades by the Citizens

of Nanaimo, following the recent accident on the "Queen of the Pacific." And should an opportunity ever present itself, the people of Nanaimo may rest assured that the Longshoremen of Seattle will endeavor to repay the debt that they so justly owe them.

F. D. Sprague, President

H. Storey, Secretary

The author of this article sought the graves of the six Seattle Longshore Union men for twenty-two years. He was told they were buried in the seawall near the dock, but there was no marker or record of burial. He checked cemeteries whenever he passed through Nanaimo. On a spring day in 2009 he was going row by row through the gravesites of the 155 miners killed in the second explosion. He came across a marker with impregnated coal dust. For no reason except a hunch, he scraped off two layers and discovered Hans Hanson's marker. He had been born in Norway 21 years before and was a charter member of the SL&RU. Though not marked well, the other victims were found nearby. The long search was over.

## Seattle Hatch Tent

By Jon Halgren

I was in the Gearlocker, generally working Monday to Friday. On Friday, Buck the boss said, on Monday, I would be helping repair rain tents. I knew they were used to protect cargo, workers and the ship, but I did not know anything about repairing the tent.

Buck said, "I will be showing you the tools and how to use them." Buck continued saying, "It is said, it always rains in Seattle, so the repaired tents are sent out one for each gang that is going to work the vessel. There use to be many short days due to inclement weather. If the tents are hung the longshoremen can put in full days." said Buck.

I realized all benefit from the tents, the longshoremen have greater likelihood of a full day of work and pay. Shippers, have less damage due to rain, the ship does not get an excess of water in the hold.

Monday morning as we started to work I asked Buck, "How did the Seattle Hatch Tent come to be?"

The General of the Northwest Military Transport Service, needed to find a way to prevent rain shut downs in the Northwest. "Why does work stop when it rains?" The General asked.

Before WWII if working below deck when the rain started, work would come to a stop. The men would

Seattle Hatch Tent *continued from pg. 3*

come out of the hatch, cover the hatch and wait.

This was for the protection of cargo and the protection of the ship. If it was believed the rain would continue men would be released. No more work, and pay would stop.

Military needed to move the military cargo for the pending military operations. WWII was not far off.

The powers to be started thinking. Is it possible? A tent would have to be strong enough to hang from some support and allow the cargo to be hoisted into or out of the hatch. What system could be used?

The blacksmith formed a device like an opening jaw with a roller for the fall to run thru. The jaw was fabricated so that the fall would fall away from the tent parts and not chafe support lines. The tent fabric was attached to the jaw and to the main 5/8" wire rope that would go from the left to the right or in the opposite direction.

It took several weeks to make the material sewn together to make a piece about 45' by 20'. The closed side was a closed, half semicircle almost closed at top and about 25' at the bottom.

The opening was toward the cargo coming onto the ship.

If it was storming and raining the boss would holler, "OK, come up and hang a tent." We would wonder if anyone had consulted the weather report.

When we started a break bulk, standing gear, ship, October to May we would speculate, four gangs and five tents ready on the dock, maybe adding a gang tomorrow.

The boss would say, uncover and go to work, no tents at this time.

When it rained hard, we might hear "Come on up and hang the tent." The boss would holler. Working together, the best time I remember doing it was 7 minutes, on a windy day the longest time was almost 60 minutes to hang the tent and return to working cargo.

The tents would get torn, tie lines would wear, and so today we are repairing.

On the work seat were some tools, a fid to help in opening the 5/8 wire, a palm, a bar of a type of wax, needles and thread the size of chefs string. First we would hoist the tent, rig the lifting line (which had four part handy billy's) Then the opening would be hoisted and needed repairs could be seen. It could take a week but repairs would be completed, then

# Final Dispatch

## PENSIONERS

- Gareth V. Bowen 19
- Ricardo L Cettolin 19
- Emanuel F. Hill 19
- John Allen A. Holler 19
- Clarence D. Hubbard 19
- Franklin A. Schur 19
- Norman W. Wivart 19

## SURVIVORS

- Pearl I. Bingham 19
- Margaret E. Chapman 52
- Callie Newton 19

the tent would be made up and put in the tent box, ready for the next use.

They brought together a sail maker, a person familiar with wire rope, a blacksmith (if forged steel would be used) and some longshoremen that could tell what abuse a tent would take.

When working on something new, it does take time. The military wanted to be able to work when it rained. They wanted the cargo to move.

Measurements were taken. Estimations were discussed as were the objective of having a hatch tent, strengths, weakness. Wind can sometime be a very strong force. Consideration was given to wind force in the Northwest.

The canvas used for the tents was dark and obstructed light. A major improvement was made with the development of plastic and the use of a material that was almost translucent. The new tent gave off light like a bank of lights at the ballpark.

What a change. The winch driver had light enough to read the newspaper.

The tent presented some safety concerns. In a wind-storm, the tie lines were blowing and wiping. You do not think that is dangerous but one longshoreman lost an eye, as a line wiped and the end struck his eye. Another time just as a brother was walking past a hatch, on the offshore side something gave way and the throat of the tent struck him in the shoulder and broke his collarbone.

We put the tent into its box. I could not help but think that the next time I see the tent I will have on rain gear and be getting wet.



## Correspondence

From BEVERLY J. CLARK, Seattle.

Please apply this check for dues and the remainder a donation to the Rusty Hook..

Thank you BEVERLY for the \$100.00 check. It is good to hear from you.

From BILL & DOROTHY LEWIS, Shoreline, WA

Don't forget the kids at Christmas.

BILL LEWIS

Retired Local 52

Thank you BILL and DOROTHY. for the \$250 check. The Old Timers have never forgotten the Kids, and won't again this time

From RON SCHUH, Orting, WA.

No message, just \$100.00 for the Rusty Hook

Thank you RON. We hope you are doing well.

From DALE HARKINSON, Seattle.

Check for \$80.00 for dues and the remainder to the Rusty hook.

Thank you DALE.

From BILL LASSITER, Seattle.

Check for \$40.00 for 2010 dues and remainder to the Rusty Hook.

Thank you, BILL.

From ROBERT BEAUVAIS, Local 52

\$100.00 for Dues 2010 - 2011 and Rusty Hook.

Thank you ROBERT.

From ROB & CLAIRE EVERITT, Nahcotta, WA

Hello and Happy Holidays to all you sisters & brothers: It is time to send my annual funds for my dues, and some left over for Christmas cookies for all. Claire and I have had a busy but pretty good year, working hard for our Democratic Party, and will not be taking any trips this fall and/or winter, Just relax a little more this time and enjoy the holidays.

I stay in touch with a few old timers, and enjoy the Rusty Hook. Keep up the good work.

Fraternally, ROB EVERITT #56880.

Thank you, ROB & CLAIRE for the \$100.00 check and especially for the welcome letter.

## The Ghost

*continued from pg. 3*

At a time when wages are very high in the financial sector, the best and brightest are lured away from more basic endeavors. Twenty-five years ago the slice of the economy taken by financial firms was about one seventh of the whole, but now it is about one fourth (Cassidy, "What Good is Wall Street?", NEW YORKER, 11-29). And as Robert Reich points out, Congress has largely been bought off "with a staggering amount of money from big corporations" lying "like a thick fog over the nation's capital, enveloping everyone and everything" (AFTERSHOCK, 111).

I can do no better than to recommend a new book by Lawrence Kotlikoff, JIMMY STEWART IS DEAD. Kotlikoff tells it like it is, in vivid prose. The bankers, he says, "have set up a system that works for them." They earn "big fees in normal times" and "when things go south" it is the public that takes the hit. Their top ranks "include a remarkably large number of fast-talking con artists, riverboat gamblers and highway men." The days of Bailey Savings and Loan are long gone. Now the local bank is part of a megabank caught up in a world of "exotic financial securities, computerized electronic trading, and enormous trade volume." The collapse of the industry, concludes Kotlikoff, who is a professor at Boston University and whose book is endorsed by a surprising number of well-known economists, "has exposed our financial system for what it is – fundamentally corrupt, incredibly fragile, and never again to be trusted"

Instead of addressing the real problem, our House of Misrepresentatives is making a big fuss about China and threatening to start a trade war.

## Conversations with Harry

*Continued from pg. 3*

to your brothers and sisters. Get them moving, hit the bricks." With those words, Harry gets up and walks out, he doesn't say so long, or pay the bill, doesn't look back, just walks out. I sit looking into my beer, wondering what should be done. How can I stir up the working class enough to make changes that will preserve our way of life. Can it still be done or is it to late?

Sue came back to the table, "Is Harry ok? he doesn't usually leave this early?" "He's upset, I'm sure he'll be his usual self when he comes back." I respond. Sue goes on to her next table to clean up. And I sit for the next half hour, trying to figure out what can be done. Pay the bill, with a good tip for Sue, and head for the airport.



Seattle ILWU Pensioner's Club Annual Luncheon  
 Thursday, May 26, 2011  
 White Center Eagles  
 10452 – 15<sup>th</sup> Ave. S.W.  
 White Center, WA 98146  
 Social Hour 11:00-11:45a.m.  
 No Host Bar  
 Guest Speakers 11:45-12:30  
 Lunch @ 12:30  
 Cost \$20.00

All Active members, pensioners, and family are invited to attend our annual luncheon. If you have never been to our Luncheon, this is a great opportunity to have lunch and visit with our pensioners, old friends, and buddies you have worked with for many years.

Tickets can be purchased at the Pensioner's Club @ Local 19 on Monday, Wednesday, & Friday between 9:00 am & 12:30 pm. You may also order by phone, 206-623-7461.

**SEE YOU THERE !!!!**

Please respond by May 23, 2011

---

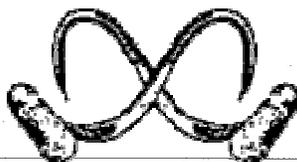
Seattle Pensioner's Club  
 3440 E. Marginal Way S.  
 Seattle, WA 98134

**NAME:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
 \_\_\_\_\_

**PLEASE SELECT ONE OF THE CHOICES PER PERSON:**

**PRIME RIB** \_\_\_\_\_

**CHICKEN BREAST** \_\_\_\_\_





## Seattle ILWU Pension Club

### President

Bob Rogers

### Vice President

Carl Woeck

### Secretary Treasurer

John Fisher

### Recording Secretary

Pete Kolloen

### Trustees

Dick Melton

Jerry Storvik

Ernie Williams

**ILWU Benefits Office – Nick Buckles, Director**  
**Jefferson Square 4700 42nd Ave. S.W. #551**  
**Seattle, WA 98116**

**206.938.6720**

THE RUSTY HOOK  
3440 E. Marginal Way S.  
Seattle, WA 98134

---

PRSRT STD  
U.S. POSTAGE  
PAID  
SEATTLE, WA  
PERMIT NO. 6631

---

RETURN SERVICE REQUESTED