

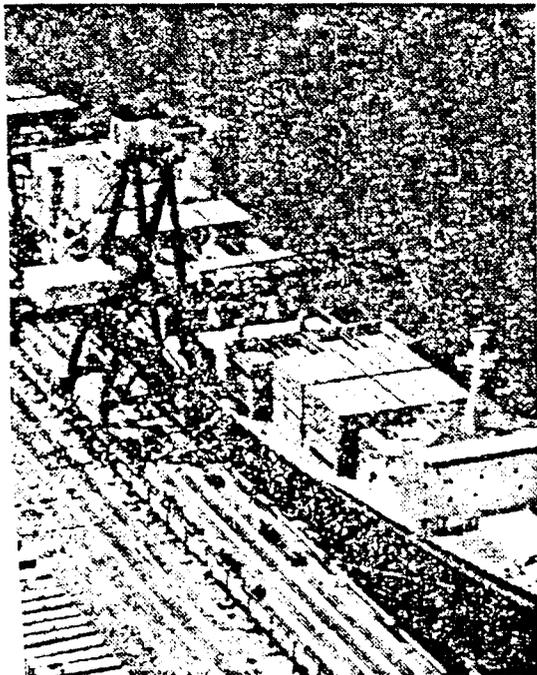
An expert's view of Port Problem →

By Herb Mills

First of two articles

With the opening of Pier 39, the longstanding and many-sided controversy over the Port of San Francisco has flared again with great intensity.

As in the past, the debate over the management of the port, its past, present and future, is replete with guarded allegations and vigorous in-endo. Some who have entered the lists also are distinguished by additional, but equally traditional maladies. There are those who are marked by a startling bent toward social banality. Others are noteworthy for narrowly conceived, albeit genuine and sometimes valuable, aesthetic sensibilities. Still others have an extraordinary predilection for deceptive, if sonorous, homilies. In line with our traditions, such maladies become



The editor's fifth —
not mine!
HM.

especially evident, too, when the discussion turns to the Port of Oakland, its evident good health and presumably rosy prospects.

Because of the bewildering swirl and licentious character of what has become our "Grand Debate," the consequences of the basic factor in this entire equation tend to be lost from sight. That factor is the productive capacity of modern maritime technology. New types of ships and a new longshore technology have vastly increased productivity. As a result — and this is the first of the consequences often lost sight of — conventional ships and longshore operations are doomed to an essentially marginal and interstitial position within the stream of international, waterborne commerce. Excepting in instances where there is a substantial tonnage of cargoes which (thus far) cannot be handled by new technology, the same may be said of any port which relies on such operations. Needless to say, neither San Francisco nor Oakland has ever been distinguished by any such cargoes, nor will they be in the foreseeable future.

On the other hand, a full and efficient utilization of modern longshore technology requires up to 20 times the acreage afforded by the finger-piers of the old Embarcadero. Thus, for example, when Sealand opened its Oakland operation in 1962, it did so on 13.5 acres. Within a decade, that was expanded to its present 60 acres. The Matson Terminal on Oakland's 7th Street had a similar development. It opened in 1968 on 43 acres. It now has 76. The same is true of Oakland's Middle Harbor Road facility. That facility opened in early 1975 with United States Lines and a former resident of San Francisco's Pier 80, American President Lines, as occupants. It began with 29 acres. It now has 45. Thus, to put the matter briefly and simply in terms of port development, land requirements of this order are the most immediate and fundamentally important consequences of the new technology.

As this factor came into the planning and development of the maritime industry, the development of "our" longshore industry — and hence of the ports around the bay — was increasingly determined by the topography and previous waterfront development of the entire Bay Area. This began to occur in the late 1950s. For the past 15 years, it also has been an overridingly important factor.

Due to its topography and prior development, the Port of San Francisco simply could not accommodate the new technology north of the Army Street Terminal (Pier 80), except by extraordinarily costly and disruptive extensions inland and/or into the bay. Conceivably, the Mission Rock Terminal (Pier 50), with its 13 acres, and the area north of it to China Basin could have been very modestly developed. However, the road and rail connections necessary for such a development would have been highly disruptive to the immediately adjacent areas. The same is true of anything which, at least in terms of level land, might have been developed on the other side of China Basin between the Third Street bridge and Pier 46, the southern end of the Embarcadero. It is still truer of any development which could have conceivably been carved out of the physical and commercial terrain north of Pier 46. At the same time, any development north of "the Rock" would have severed direct highway and rail access to all waterfront areas still farther north.

By contrast, Oakland's old Southern Pacific mole was in all respects attractive. As compared to the Embarcadero, it offered wide expanses of level and relatively undeveloped land. What developments there were could also be relocated at relatively little expense and little, if any, inconvenience. At the same time, and by reason of its water depths and tidal characteristics, land fill offered no serious problems from either an engineering or financial point of view.

The mole also was very attractive for another fundamentally important reason. As a general rule of thumb, the tonnage which would originate from or be destined to San Francisco or a peninsula location could at best be expected to reach 5 percent of the total tonnage. By the same token, the remainder would originate from or be destined to points east. Given this mix, it simply made sense (and money) to dray the San Francisco and peninsula cargoes across the Bay Bridge, rather than those from or to the east. To understand this, one need only witness the trucks and unit-trains of containers which roll into and out of the East Bay every day. In a word, there simply was nothing the management of the Port of San Francisco could do to alter the fact that it was located on a peninsula and that Oakland therefore offered much

better road and rail connections for almost all cargoes. It followed, of course, that this factor was also destined to adversely affect the facilities which San Francisco chose to develop — Pier 80, home base of the recently bankrupted States Lines, and Pier 96, home of the earlier Pacific Far East Lines disaster.

On the other hand, some of our pundits may find consolation in this: All but the last of these factors also were functioning in the East Bay. Thus, as many San Francisco piers fell idle and as Pier 80 and Pier 96 increasingly faltered, so, too, did the once bustling Grove Street Terminal of Oakland, Parr Terminal in Richmond, and Encinal Terminal in Alameda.

Needless to say, these factors are still functioning, but today they are increasingly functioning to Oakland's disadvantage. The congestion which has come from its success (and which of course could be foreseen quite some time ago) is now very serious. Indeed, it has long since prompted Matson to select the Port of Richmond as its site of further development. The advantages, once again: Large areas of relatively level and undeveloped land, the western terminus of two transcontinental railways, and excellent roadheads — which will no doubt be presently improved by a long-awaited freeway connection between Highway 80 and the San Rafael Bridge.

These factors have remained pervasive. As a result, they can be expected to occasion what promises to be the next explosive issue with respect to the Bay — the evident desire by some parties to develop the Emeryville "crescent" for maritime purposes.

Tomorrow: Other dimensions of the equation.

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The future of Bay Area ports

Following is the second of two articles.

By Herb Mills

When the future of Bay port development is considered, let's look at two or three other dimensions of the equation involved.

Both Oakland and Richmond have urged port development saying it will create jobs for the community. During the age of conventional ships and conventional longshore technology, this rationale for public support and public expenditure was sound. However, it is not sound today. On the contrary, research which is presently being conducted at UC-Berkeley on U.S. port development strongly suggests that the introduction of modern maritime technology brings a general decline in economic activity throughout the entire port area. The reason is simple: technology makes all of the labor-intensive enterprises associated with conventional technology largely redundant, if not totally so. Without making a brief for either the "Manhattanization" or the "Tahoeization" of the San Francisco waterfront, commercial and tourist developments are far more labor-intensive than modern longshore operations and such service and tertiary labor as they require. By the same token, and with the yardstick being the overall economic well-being of the parent city, the Port of Oakland is already overdeveloped. This consequence of port development should be fully appreciated and attended to in an area where officially there is nearly 100,000 unemployed men and women.

The community-wide impact of modern maritime technology has also been increasingly exacerbated in both northern and southern California by a related development, this is the on-going dislocation of the state's warehousing industry into Nevada. The reasons for this migration of jobs are several, but again quite simple. To begin with, Nevada is a "right-to-work" state with a long and virulent, anti-union history. It offers an almost totally unorganized, low-cost labor market. On the other hand, the new technology of the entire transport industry, the interstate highway system, and the introduction of computerized communications have increasingly allowed for a centralization of West Coast freight-forwarding, consolidation and warehousing in the Reno-Sparks and Las Vegas areas.

Another factor which also promises to undermine the maritime, warehouse and trucking industries of the Bay Area is entering the picture: the long-term prospect for two major West Coast port areas, Seattle/Tacoma and Los Angeles.

There are several factors in the Northwest equation. First, the Puget Sound is 250 miles closer to Japan than San Francisco Bay. This fact would be extremely important under any circumstances, but it is especially so with today's energy crisis and fuel costs. Second, that area has excellent rail connections into the Middle West and points east. Finally, it will be integrated into the warehousing complex of the Reno-Sparks area. While these factors promise to very deeply affect the future of Bay Area industry, it must be stressed that they are already functioning. Thus, and after a relatively slow start, Seattle is now discharging more containers than the Port of Oakland. By the same token, some of the container vessels which have traditionally called at Oakland's modern facilities have begun to by-pass the Bay Area altogether.

The circumstances of Los Angeles are different, but they may be equally crucial. To begin with, there is Southern California's immense population of consumers and producers. The ports of Los Angeles Harbor also offer excellent rail and truck connections into the Southwest and the Gulf ports, as well as the Middle West. Finally, the container vessels which are increasingly on the way or drawing boards will be too large for the Panama Canal. As a result, the land-bridge of Southern California will inherit an exceptional, two-way traffic.

The entire Bay Area has increasingly fallen victim to a far-reaching and immensely consequential technological revolution throughout the transport industry. Essentially, this revolution has either eliminated or dislocated the traditional interfaces of that industry. Given its magnitude and pace, it is especially unfortunate that the public, while attempting to deal with it, is relentlessly besieged by political and journalistic pundits. In the hope, however, that some of the Monday morning quarterbacks and some of the soothsayers may be parried, a number of observations should be offered.

In the face of such change, the management of the Port of San Francisco may have been relatively good — if possibly for many wrong reasons. By the same token, Oakland's management may have been relatively poor — if possibly for good reasons. In any event, and with respect to port development per se, it is absolutely ludicrous to single out individuals for either praise or blame. The fundamentals were inescapably rooted in the technology and its consequences; in prior development, typography, and geography; in our fragmented political system and parochial governmental units; and finally in the tradition so many seem to share — an aversion to any sort of socio-economic and technological planning.

It follows that the legitimate and important questions which have been raised about the leasing, development, and design of San Francisco's Pier 39 must be kept separate from those about its port development per se. Such questions are at best related to other problems the city may have.

As in the past, our grand debate has been inundated as it should and must be by "protectionists" of all manner of things: pelicans and cormorants, sea bass and anchovies, mud hens and sanderlings; settings with restful charm and marvelous uniqueness; pleasant, clean air vistas. There is widespread insistence on environmental impact studies. However, the champions of such studies are only rarely concerned about impacts on working people and their families. It also seems, at least on the docks, that for much of the press and for many politicians things get serious when a company goes belly-up. On the other hand, to give but one example, the longshoremen of the Bay Area have been an "endangered species" for quite sometime.

It is almost totally irrelevant to the vast majority of Local 10 members which of the Bay Area ports, steamship companies and stevedore company is most successful in the race for modern development. The reasons for this are twofold. For the most part, we work in all of the ports and for all of the area's longshore employers. Secondly, the results of such development are always the same for us — a reduction of our work opportunity and security. However, we have also contributed to all such developments. At a minimum, this contribution has consisted of a 50 percent

reduction in our membership and "underemployment" for most of us who remain on the docks. On the other hand, when we seek to cushion the effects or slow the pace of technological change, we, like other workers who attempt such things, are routinely charged in many quarters with trying "to stand in the way of progress." Given this, it should be stressed that States Lines and Pacific Far East — having fought the good fight for "progress" and having thereby done their level best to put us "out-of-business" — were forced to the wall by their more successful competitors. In this sense, then, they are simply the most recent of our many casualties.

A couple of final observations seem warranted, too. First, the recognition of China will occasion something of a boom in West Coast shipping, much of which will be underwritten by conventional maritime technology. On the other hand, no Bay Area port has recently sought to attract such conventional operations as still exist as aggressively (and successfully) as have the ports of Los Angeles Harbor. As a result, we can only hope that our community will secure a respectable share of that commerce.



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