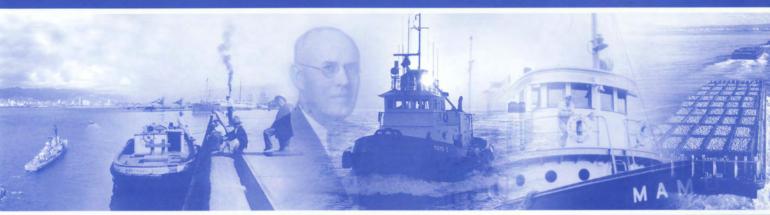
YOUNG BROTHERS: 100 YEARS OF SERVICE





CHAPTER 1

The Early Days — 1900-1913



midst sweeping changes in the way Hawai'i's maritime industry has grown during the last century to link all the islands and to the world outside, Young Brothers, Limited, has matured and prospered.

It was just over a hundred years ago that Honolulu Harbor, which for most of the 1800s had serviced sailing ships using double-hulled canoes or rowboats, was quick to take up the power launch to ferry pas-

sengers, mail and government officials on errands around the waterfront.

The year was 1900 when William and Herb Young arrived in Hawai'i to enter this promising new line of business.

At the turn of the century, Honolulu's waterfront was well known throughout the Pacific, being as the Territory of Hawai'i had been annexed to the United States in 1898, and its largest city was the port of call for vessels east- and west-bound. Ships came around the Horn laden with

general merchandise; vessels from the West Coast might be carrying produce or livestock, while those from Australia carried coal. In Honolulu, they would discharge their cargoes, then load up with sugar bound for distant ports. Interisland trade was serviced by local steamship companies with a combined fleet of eighteen vessels, plus a "mosquito fleet" of independent operators that owned interisland vessels.

That trade in the islands was flourishing is indicated by the dollar value of exports for 1899, which totaled \$22,628,741 and included such diverse items as coffee, goat skins, tallow, awa, curios, pineapples and the major export, sugar. Honolulu was becoming quite the modern town with four automobiles on the streets, an Opera House on King Street and a growing interest in travel to the neighbor islands, which was being promoted by a package trip to the Volcano for \$50, including steamer passage and all expenses.

The Young brothers weren't strangers to the harbor life that awaited them. The family hailed from San Diego—four boys, Herb, William, Jack and Edgar, and older sister, Edith. The family patriarch, John Nelson Young, had sailed through the Isthmus of Panama to San Francisco from New Brunswick in 1849, then skippered the schooner *Champion* for several years

along the West Coast, in addition to running other business enterprises. The boys must have inherited this nautical bent because, at an early age, they were hiring themselves out for fishing trips using a small skiff that they sailed around the bay. Herb learned deep sea diving by accepting several salvage jobs that required underwater skills and, in the summer of 1899, all four boys ran a glass-bottomed boat excursion at Catalina Island. After the season ended. Herb landed a berth on a schooner bound for the



Jack, Edgar and William Young in front of the boathouse, c.1905. Top left: The Hukihuki at Pier 2 before starting a day of shark hunting.

YOUNG BROTHERS: 100 YEARS OF SERVICE



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FOREWARD

Aloha,

In October 2000, Young Brothers celebrated 100 years of serving the people of Hawai'i.

In the pages that follow, we look back across the century to see the important role that Young Brothers has played in the maritime community of our island state. Though this is, in large part, the story of how our modern fleet of tugs and barges has grown over the years, the real drama revolves around dedicated employees serving their friends and neighbors with a transportation system linking all the islands. Through tsunamis and hurricanes, from clerk to captain, the employees of Young Brothers have been on the waterfront, moving supplies to where they were needed most. They have helped make Hawai'i the special place we call home.

It is with that spirit of aloha that I invite you to turn the pages that follow, and share our journey from 100 years ago to today—and on into the future.

Mahalo,

Glenn K.Y. Hong

President

Hawaiian Tug & Barge/Young Brothers



Akamai, which began operation in 1853. A year later, the vessel had to be retired from coaster service, but she continued as a towboat in Honolulu. In 1857, a steamship named Pele was brought to Hawai'i to be employed as a tugboat, quickly putting the Akamai out of business. Most of the freight between the islands at the time was carried on schooners owned by individuals.

During the 1860s, Hawai'i had the services of two steamers, the Kilauea and Annie Laurie, that carried passengers and some freight. Kilauea was owned by the Hawaiian government, but operated by Samuel Wilder.

Wilder expanded his fleet during the 1870s; in 1883 three of the independent interisland shipping groups incorporated as the Inter-Island Steam Navigation

A view of Honolulu in the early 1900s from the present Pier 1. Photo: Hawai'i State Archives.

Company. An understanding quickly developed between Wilder's Steamship Company and Inter-Island that minimized competition between them—each company normally visited only specified ports. By 1898, Wilder's owned eight ships, and Inter-Island operated ten vessels. Annexation of Hawai'i to the United States brought both steamship companies under requirements of U.S. law, creating unexpected vessel maintenance expenses and financial problems for both. Finally, after months of negotiations, the companies merged in 1905, with Inter-Island as the surviving organization.

Hawaiian Islands, and William decided to join him on what he would later call "the great adventure."

The first view of Honolulu that greeted William and Herb on January 19, 1900, revealed the tropical shores of a town numbering fewer than 45,000 residents. They had made passage on the Surprise, a two-masted schooner engaged as an interisland carrier to serve the Kona Sugar Company. Twenty-nine year old Herb had served as chief engineer during the tenday journey from San Francisco, while William, then age twenty-five, served before the mast. Beyond the seemingly tranquil shoreline, though, the city was in turmoil. For several days, Chinatown had been burning to what would become a smoldering ruin in an effort to rid the city of bubonic plague. The entire port of Honolulu was under quarantine, so the Surprise was ordered to remain at anchor at the quarantine station with the crew confined to quarters.

Under the circumstances—no possibility of going ashore and barely \$75 between them—the brothers



In the days before the power launch became popular, small rowboats would often be used to carry crew and supplies to and from vessels at anchor.

Jack Young once reminisced about arriving in Honolulu in 1900 with a few cans of fruit, a large trunk and only twenty-five cents in cash-too little to pay to have his trunk brought ashore. So he rustled up a spare rowboat and rowed in his own gear.

made the easy decision to continue their jobs aboard the Surprise. For the next three months, they hauled lumber, livestock and machinery between the islands, making sure that cargo picked up in Honolulu was heavily doused with disinfectant. By the end of April, the quarantine was lifted and the brothers went to work for Archie Young (no relation) on Oʻahu, operating the Waterwitch, a fifty-foot launch that they eventually incorporated into their own fleet to carry Customs officers out to meet incoming ships.

The company that was to become Young Brothers began as an enterprising series of small jobs utilizing skills that Herb and William added to along the way. A first, though unsuccessful, salvage effort was attempted while the brothers were still working on the Surprise. One of the first collisions recorded in Hawai'i had occurred about a mile and a half off Waikīkī when the steamer Claudine sank the five-masted barkentine Lahaina. The two brothers were eager to retrieve what was left after salvage divers hired by the Hind Rolf Company finally abandoned the operations. After working hours ended on the Surprise, they located the submerged hull, arranged for financial backing, borrowed diving gear and were ready to launch their own salvage operation. But when they rowed out to the location they had spotted a day earlier, the wreck was nowhere to be seen. Sometime during the night the 200-foot hull had moved out to sea with the current, they surmised, and had probably settled hundreds of fathoms deep in the channel.

A more successful venture was completed in August of the same year when Herb and William, calling their family business Young Brothers, secured a contract for making the *Dunreggan* seaworthy when it ran ashore off Diamond Head. This was a job that kept Herb underwater, refitting rivets that had been sheared off when the vessel hit the coral reef, while William assisted from within the hull. They also received their passenger license in August, so they could initiate a "bumboat" service and ferry passengers around the harbor.

By the end of the year, Young Brothers was becoming established as a small but prospering harbor business. William and Herb were hired to ready the launch *Manuwai* for seaworthiness when it arrived on

the bark Olympic in October, H.E. Cooper intended this gasoline launch for use as a yacht plying the waters between Honolulu and Pearl Harbor.

Their own launch, *Billy*, was being engaged to carry supplies and sailors to ships waiting at anchor outside the harbor. Early in the century, there was only a narrow opening in the reef, so sailing ships anchored outside where they had room to maneuver. They then came ashore in their own small boats or used launch services such as those provided by Young Brothers.



The Billy was the first boat purchased by William and Herb Young. It was a tiny five-horsepower run-about that was used for carrying supplies, c. 1906. The Billy, like other launches owned by Young Brothers, was sometimes used to carry sailors back to their ships after shore leave. Those were the days when rowdy boarding house operators along the Honolulu waterfront saw to it that sailors on leave were kept well supplied with gin. By the time the men's shore leave was up, a big bar tab would hold them as virtual hostages to the boarding house keepers. Ship captains, eager to set sail, would have to come ashore and pay what amounted to a ransom to retrieve their crews. Young Brothers would then be hired to ferry the men—drunk or sober—out to the waiting ships.

Younger brother Jack, age eighteen at the time, had arrived on October 16, 1900, to join the growing partnership. Youngest of all, Edgar, arrived in July 1901, but being only fifteen at the time, he attended Mc-Kinley High School before returning to California to study medicine. He didn't return until some years later to become a plantation physician in Makaweli, Kaua'i.

Through 1901, the brothers continued to secure various harbor jobs by running lines, delivering supplies and providing harbor tours. In those days, there might be from five to twenty sailing ships off Sand Island, sometimes tied up so close together that a

person could walk from one ship to the next. When a ship came in, the anchor line had to be run out to secure the ship or, alternately, if the ship was unloading, a line had to be carried to the pier. Eventually, the company also acquired the contract to tow garbage offshore each day and dump it. Young Brothers provided these kinds of services, operating from its boathouse built near the channel lighthouse.

The boathouse itself once was the destination of a rather large party of fifty ladies and gentlemen from the YWCA and YMCA, who hired Young Brothers to escort them around the harbor. After a water tour on the *Fun* and *Union*, the guests were taken to the boathouse for sandwiches and lemonade. It was later reported that the guests described the boathouse as a charming place that was decorated with fishnets. They also found the view through the Young Brothers' telescope to be quite entertaining.

One of Herb's early projects was to build a glass-bottomed boat that would carry paying spectators around Pearl Harbor, and could also be used to locate sunken wreckage. In October 1901, the *Pacific Commercial Advertiser* carried a short feature article that began, "The Young Brothers are at present building a boat fitted in the bottom with a cased pane of the finest plate glass procurable, one-fourth of an inch thick. This will be placed so that it can be easily removed, as one of the most important conditions for success is that the glass be perfectly clean." Although

the article concluded with Herb's expectation that the boat would be ready in about a month, history didn't recorded what happened to this project or why it was abandoned.

Another project that didn't turn out as expected involved using the freight compartment of the *Brothers* to transport fresh poi to the Hansen's disease settlement at Kalaupapa. With the weather conditions encountered, the hazardous landing and spoilage of the poi, the contract had to be terminated, and the *Brothers* was put to work as a tug instead.

The launches of Young Brothers were routinely contracted to pull off boats stranded on reefs or to rescue ships in trouble at sea. As examples, in 1901, the schooner *Mokihana* was towed back to the harbor from twenty miles out at sea when she lost control at the helm. The following year, six Japanese fishermen in a sampan were rescued when heavy seas in a sudden storm disabled their boat. Later that year, a novice seaman was sighted through the big telescope at the boathouse when he got lost trying to row to where a battleship was anchored.

In May 1903, the company entered a long-term contract with the Customs Service to use the *Waterwitch* as a revenue and patrol boat, taking boarding officers out to meet all incoming liners that arrived from foreign ports. Herb, now Captain Young, had the privilege of presenting the launch and first flew the Customs Service flag on May 25th.



Young Brothers' boathouse at Honolulu Harbor entrance, Sept. 15, 1902. Photo: L.E. Edgeworth, Bishop Museum.



Young Brothers acquired the Waterwitch in 1903, and operated the vessel as the official boarding boat for Customs and Immigration for twenty-eight years. Photo: Hawai'i Maritime Center/Bishop Museum.

The Waterwitch was a fifty-foot, sea-going motor launch that survived an explosion, a sinking, four engine replacements and more than forty years of continuous service for Young Brothers in Honolulu Harbor. Archie Young of the Von Hamm-Young Company had the craft built by Peter Swanson in Belvedere, California, in 1900 and brought her to Honolulu as deck cargo on the schooner Rosamond, arriving on October 3rd. The craft had a nine-foot beam, drew five feet of water and totaled thirteen tons.

In its day, the launch was considered the "finest private craft in Hawaiian waters." She could carry from twenty-five to fifty people, with guests having the use of a spacious cabin and the forward deck or stern, which were fitted up with lounging chairs. The cabin was luxuriously appointed with upholstered furniture, tables, lockers and Pullman berths for six people. An electric dynamo supplied lights to the cabin as well as all other parts of the vessel so that searchlights and pilot lights could all be operated with just the touch of a button.

Quite a party assembled for the Waterwitch's maiden voyage on October 6th that found the launch cruising the harbor, then speeding off to Pearl Harbor at twelve knots, under the command of Commodore Archie Young. A little excitement developed when they encountered the yacht Bonnie Dundee run aground on a coral shoal. Without hesitation, Young gave out the Waterwitch towline and dislodged the yacht, then towed her out to the mouth of the harbor where the line was cast off while grateful crew members waved their thanks.

Young Brothers acquired the Waterwitch in 1902, had the vessel completely overhauled, then operated her as

the official boarding boat for Customs and Immigration for the next twenty-eight years, often meeting eight to ten sailing ships a day. Jack Young Sr., in the 1940s, once reminisced "the Waterwitch has probably met more ships off port than any other launch in the world." His particular fondness for the boat could be traced to the fact that she was the only vessel among those he first sighted as he arrived in Honolulu in 1900 that was still in operation.

An almost legendary incident occurred in the 1930s when the boat exploded. A worker was cleaning the bilges in semi-darkness but couldn't see whether they were dry. So on impulse he struck a match, and the fumes set off the explosion. It was said the blast was so powerful that it hurled the whistle all the way over to the Federal Building at Pier 10, where it was recovered. The crew member sustained badly burned arms, but survived.

What with extensive repairs and rebuilding over the years, all that remained of the *Waterwitch* in her final days were the keel, stern and sideboards. Forty years after her maiden voyage, the launch's straight bow and undercut stern looked old-fashioned. The original forty-horsepower Union gas engine had been upgraded over the years to fifty- and then eighty-horsepower, ending with a hundred-horsepower diesel that could knock off nearly twelve knots. During her last decade of service, she became a pilot boat, and could sometimes be seen taking greeters out to meet liners.



roung Brothers shifted its boathouse to a location near the Myrtle Boat Club in 1903, resulting in a front row seat to competitions between ladies' rowing teams. Jack Young would often volunteer to set up buoys for the regattas. Here, at one such event in 1910, the Young Brothers' boathouse and launch can be seen in the background. Photo: Hawai'i Maritime Center/Bishop Museum.

The Young Brothers' boathouse was home to Herb. William and Jack, and was a structure well known on the waterfront as a center of information for everything going on in the harbor. In March of 1903, the Youngs moved from their first little boathouse on a sand spit near the lighthouse to a spot near the Navy Station, and commemorated the move by throwing a party for about 150 people. From a vantage point at the Diamond Head end of the entrance, near what would today be Pier 2, those on duty at the boathouse lookout could see every vessel leaving or arriving from as far as Pearl Harbor, thus the phone was constantly ringing with inquiries from newspapers, hotel operators and guests. The company was on twenty-four-hour call with the Customs and Immigration Service, so they also provided those agencies with arrival and departure news. A cook, several deckhands and launch men were kept ready to leap into action. Reportedly, the company's responsibilities to the two separate agencies were acknowledged by having crewmembers on the Waterwitch wear coats with one row of Customs Service buttons and one row of Immigration Service buttons.

The boathouse was established, like most of the waterfront dwellings at the time, by squatter's rights. In front were moored the company's boats, the small launches *Billy*, *Fun*, *Brothers* and *Hukihuki*, with the *Waterwitch* warped alongside. *Billy* was the first acquisition—with capital of \$86. The five-horsepower gasoline boat was purchased with the backing of Archie Young, who gave the brothers credit for the boat and a diving outfit. During the early years, *Billy* served them well by running lines for the ships and delivering supplies. The small launch was also sometimes used to take paying guests on boating parties.

The Fun had been purchased in 1901 by the Metropolitan Meat Market and operated by the brothers to deliver supplies. Young Brothers had gotten a delivery contract with Metropolitan, so eighteen-year-old Jack had the job of getting up at 4:00 a.m. to fire up the small eight-horsepower gasoline launch to make meat deliveries to ships in the harbor.

The *Hukihuki* and *Brothers* were added to the partnership in 1902 and, by May 1903, the *Waterwitch* had been turned over to the company by Archie Young, and subsequently was contracted out to the

Customs and Immigration Service. Jack Young qualified for his first engineer's license in July of that year. It was renewed nine times during his working career over a span of forty-five years.

While the three brothers were involved in their daily harbor activities, they came to befriend boat captains, passengers and interested bystanders who were fascinated by tales of sharks, and more particularly whether they attacked humans. This led to a small side-business in shark hunting that quickly earned William the nickname "Sharkey Bill." Fishing parties would be formed from among hotel guests, who were taken out on the Billy for a day of shark fishing.



The Fun was the smallest Young Brothers launch and, like the Billy, was occasionally used to take paying guests out for shark fishing. On February 4, 1904, Herbert Young caught a large grey shark off the Ewa side of the harbor. It measured fourteen feet long and, when opened, contained the remains of three pigs and a horse. The shark was put on display at the Navy wharf, and later preserved and sent to the fish commission as an outstanding specimen of the species.



Jack would get up at 4:00 a.m. to make meat deliveries around the harbor with the Fun, and then return to the boathouse two hours later for breakfast. Initially, the Fun was owned by the Metropolitan Meat Market and operated by Young Brothers, but by 1902 the brothers were able to buy the eight-horsepower boat and take over the contract to deliver meat and other fresh supplies to ships anchored in the harbor.

A ROYAL RESCUE

rom the lookout tower above the Young Brothers boathouse, it was possible to scan offshore waters using the big six-inch telescope that had on so many occasions figured prominently in the affairs of the company. One clear Sunday morning, sailing yachts were racing in Pearl Harbor when Jack, looking through the "spy-glass," sighted a capsized boat. It was the Princess, a yacht brought to Hawai'i from Australia by Prince Kūhiō, who, with other members of the royal family, was an enthusiastic sailor. Herb and William jumped into the Fun, along with Paddy Fitzgibbons, one of their boatmen, and motored out to where the Princess was rising and falling in the swells with her sails helplessly outstretched on the ocean. A grateful Prince Kūhiō and exhausted crew were pulled aboard the Fun, and then brought to the boathouse for a welcome of dry clothes and hot drinks amid their repeated thanks for a rescue well done. The next day, a letter from Queen Lili'uokalani was unexpectedly received at the boathouse and contained a generous check by way of official appreciation. The brothers were embarrassed by the largesse, figuring that the rescue was simply all in a day's work, but the matter didn't end there. Some weeks later, during ceremonies at an annual miniature yacht race presided over by Prince Kūhiō, the brothers were publicly recognized for their feat.

Shark jaws would sell for \$5 apiece and were prized as souvenirs for mounting and display by members of the party, while the fins were taken away to be made into soup by the many Chinese who frequented the wharves.

On March 19, 1904, the Waikīkī Aquarium opened, and William successfully applied for the position of manager, a job he held for a year. He also continued to help run Young Brothers until the demands of the business compelled him to return fulltime. The brothers had expected to get a bathing concession at Waikīkī, but when this didn't materialize, William decided to make a little extra money by harpooning a large shark to show at the County Fair, held in Honolulu each September. The Elks Club was in charge of the amusement concession, so for a booth rental of \$60, William set up a display of a shark packed in ice and charged ten cents a look. By the end of the week, he had collected \$1,500.

In the midst of the ongoing towing and Customs Service work, Herb also continued to contract now and again for underwater diving jobs. Some jobs involved scraping barnacles from the bottoms of ocean cruisers, or retrieving lost anchors. He also worked on

rebuilding a collapsed wall at the head of a Navy slip. One particularly risky job required him to descend 120 feet—possibly the diving record in Hawai'i at the time—to locate the anchor of the Arthur Sewell. Diving gear in those days required a heavy inflated suit and metal helmet, so such a dive was doubly difficult. With William and a Hawaiian diver named Panui tending the hoses and lifelines, the three were able to earn \$500 for the day's work.

Near the end of summer in 1906, Young Brothers was contracted to perform rescue and salvage operations on the Manchuria, a Pacific Mail Steamship liner that ran aground as it approached O'ahu from San Francisco. Herb had sold his interest in Young Brothers in 1904 and left the islands to pursue other maritime interests in the San Diego area, leaving the company,



The Young Brothers' company yacht Sea Scout in back of the old lumberyard of Allen & Robinson, now Pier 11, c. 1905. In the background are the Lucas Tower clock and the wharf. The Sea Scout went down off the Waianae coast during the 1920s when the captain was ordered in too close to shore by a passenger who claimed to know the waters well. The sail, engine and capstan were saved, but otherwise the boat was a total loss. Photo: Hawai'i State Archives.



The P.D.Q. ("Pretty Damn Quick") was one of the brothers' first small launches used to deliver supplies and run lines for incoming vessels.

and thus the rescue operations, in the hands of William and Jack. On August 22nd, the Manchuria mistook Mōkapu Peninsula for Makapu'u and ran up on the reef between Rabbit Island and Waimanalo Beach. First to reach the grounded ship were Inter-Island Steamship's Maui, the Waimanalo packet J.A. Cummings, and the tug Fearless, but their efforts to pull her off the reef were futile. The Young Brothers' launch Brothers was used to tow the anchor boats into position. After three weeks of difficult maneuvering, the Manchuria was finally freed. "So quickly and unexpectedly did the Manchuria jump off the reef that the tug Eleu, which was alongside, started to go with her and had to be cleared by Young Bros.' launch Brothers," reported the Pacific Commercial Advertiser.

In 1908, the long-standing relationship between Walter F. Dillingham and Young Brothers began when the company was contracted to handle Hawaiian Dredging Company's towing and boat work. Hawaiian Dredging was in charge of developing Pearl Harbor's military and coal storage facilities—a project that would last several years and lead to other towing and hauling contracts between the two companies. The business relationship between Dillingham and Young Brothers, forged during work on this project, would have special significance in the years to come.

The year 1911 signaled the beginning of a major

project for Young Brothers when it was awarded a contract by the Lord & Young Construction Company for towing and launching work on the Hilo breakwater. Early in the second week of February, the Hukihuki was dispatched to Hilo under her own steam to be used for towing barges loaded with rocks. The launch was expected to complete the journey in thirty-six hours. The breakwater was designed for rubble mound construction, and the contractor originally thought to purchase a launch for the rock-hauling job, but the Young Brothers' bid was so competitive, it was awarded the contract.

At the same time, the *Brothers* was being overhauled and beefed up to handle the growing volume of heavy work under Young Brothers' contract by replacing the original twenty-five-horsepower engine with a forty-horsepower engine. The *Mikiala* was purchased to also work on the breakwater project.

Jack Young was in charge of the work at Hilo and spent the better part of a year skippering the *Brothers* as it towed a scow loaded with rock to be dumped on the breakwater extension.

The breakwater assignment had special personal significance for Jack because he met his bride-to-be Alloe Louise Marr during his year in Hilo. They married on September 20, 1911. Upon completion of the breakwater project, the two returned to O'ahu to live.

Back in Honolulu, Young Brothers continued to work with Dillingham to complete the original dredging of Pearl Harbor. Therefore, it was not surprising that when Young Brothers incorporated on May 5, 1913, Walter Dillingham was one of the original stockholders. The company was named Young Brothers, Limited. Dillingham was subsequently installed as the company's first president, with Jack as vice president and general manager. A brief newspaper account in the *Pacific Commercial Advertiser* reported:

With the incorporation of the business of W.E. Young and J.A. Young, prominent launch and shipping men of the port, yesterday, a new \$50,000 corporation

joined the ranks of maritime organizations. The Young Brothers hold by far the greater part of the stock while others interested are W.F. Dillingham, J.H. Fiddes, H.B. Benson, C.H. Atherton, W. Purdy, and McCabe, Hamilton & Renny Co.

This array brings into the new company most of the small-shipping men of the port, including some of the former Miller interests. Eben Low, who now controls the best part of the "mosquito fleet," is one of the few not figuring in the amalgamation.

Until the 1920s, when huge volumes of fresh pineapples began to be shipped from Moloka'i to Honolulu, the Young Brothers' offshore towing business was primarily limited to the Honolulu-Pearl Harbor area. But with incorporation, the company had taken a step that was to advance it from an owneroperated bumboat and launch service, to its eventual position as the principal interisland carrier in Hawai'i.



PERIL ON THE HILO BREAKWATER

angerous conditions that developed during the Hilo breakwater construction were somewhat inevitable, given the unpredictable ocean swells and enormous load carried by the rock scow. A news article appearing in the Pacific Commercial Advertiser on December 25, 1911, provides some insights into the job of building the breakwater as the Young Brothers' crew experienced it:

"The sea had been rough for several days, and finally made it impossible to work. On Monday, the ... scow was taken out in tow of the Hukihuki, having on board about 125 tons of rock, which it was to dump on the bottom

"Here the substructure, which has been laid by Lord & Young, forms a kind of artificial reef over which the waves break in stormy weather. On the day in question, the breakers were thundering in at a great rate, and great combers were continually sweeping the deck of the scow.

"Nevertheless, the Hukihuki bucked through the swirling water, and she had just brought the scow over The Hukihuki with Captain Jack Young, standing fourth from the left in a checkered shirt. The arrow through the name on the bow was used in the Navy to denote a captain's "gig," Jack Young Jr. once explained. In later years Young Brothers used the name Huki on other tugs.

the substructure, though not in the exact place where the load was to be dumped, when trouble began. The heavy scow was let down, in the trough between two big waves, to such a depth that one of her edges struck the rock of the substructure with such a force that the timbers were splintered and broken, and the water began to pour in through the leak.

"All thought of depositing the load had to be abandoned, and the Hukihuki maneuvered the disabled craft out of the breakers. The scow was sinking so rapidly that it was impossible to save the load, and good Kapoho rock was jettisoned.

"By good seamanship the scow was towed to safety, where she is being repaired."

CHAPTER 2

Diversification and Pineapples — 1913-1929



n September 12, 1914, Miss Violet Atherton christened Young Brothers' new sixty-five-foot tug Makaala in a ceremony that would signal the beginning of the company's seagoing tug operations. From this day forward, the company would continue to expand until it dominated interisland cargo shipping.

The Makaala created something of a sensation with its 216-horsepower gasoline engine that, in its day, was reportedly the largest used in a tugboat under the American flag. Jack Young was intent on increasing the scope of the business, and had the Makaala built to handle towing work between Honolulu and Pearl Harbor.

In the days after incorporation, Young Brothers continued to serve the Customs and Immigration Service, ran lines, towed freight barges and handled other jobs around the harbor. In 1913, the *Pacific Commercial Advertiser* carried an article that lamented the passing of an old harbor tradition. It seems that on June 30, the pilot whaleboats—rowed by a crew of Hawaiian oarsmen with a pilot at the rudder—were phased out in favor of Young Brothers' gasoline launches. These vessels had been hired to take pilots out to meet sailing ships and steamers more quickly, though less picturesquely, according to the newspaper. The long whaleboat with its triangular sail was being replaced with a Young Brothers' launch that would be steered right up to the Jacob's ladder or gangway to

Inaugural run of the Makaala. The Makaala was engaged in a wide range of harbor duties and rescue efforts. On April 20, 1923, the four-masted lumber schooner Mary E. Foster was struck by the steamer Mauna Kea in the Kaiwi Channel off Makapuu lighthouse, and the Makaala and Mikioi were dispatched for the rescue. Below: Jack Young onboard Makaala during its trials, 1914.

deposit the pilot aboard in half the time.

Changes were taking place during the World War I period in Hawai'i that began to affect interisland shipping and Young Brothers' role in the maritime industry. As steam-powered vessels replaced sailing ships for open-ocean transport, Young Brothers needed to update its bumboat and launch business. Facing the need for more modernization capital than they could generate themselves, the brothers' incorporation, with the financial support of the Dillingham corporate family, started the company on a path of diversification



to keep up with the demands of the harbor trade, as well as render dockside support and interisland mobility to the Dillingham dredging and railway operations.

The Public Utilities Commission had been established in 1913 and, as its first order of business, made a feeble attempt to regulate the interisland trade monopolized by Inter-Island Steam Navigation Company. Young Brothers would emerge as a competitor to Inter-Island, as would another rival, the O'ahu Shipping Company, also incorporated in 1913 by Eben Low. His company, however, never became a leader in the coastal trade, where steamships serviced coastal landings throughout the islands. At the time of incorporation, Low remarked that freighting business in Honolulu had increased 300 percent and he foresaw a bright future—a prediction that the territory's economy seemed to bear out.

The aggregate value of merchandise reported passing in and out of the territory had been growing steadily over the years until, by 1917, it reached the sum of \$128,592,000, posting a gain of almost \$25 million over the preceding year. The importance of shipping in this equation can be seen by the number of coastwise or foreign vessels that were cleared for port

entry into Hawai'i during 1918-479 vessels, not including transports or bunker coal carriers.

Tourism had suffered during the war years, both from lack of accommodations and available transportation but, with the declaration of peace in 1918, expectations were high. Waikīkī boasted the Moana and Halekūlani hotels, with construction started on the Royal Hawaiian by 1925, where room rates were pegged at \$14 a night. O'ahu Railway was making daily excursion runs to Kahuku, including visits to sugar estates, pineapple fields and the elegant Hale'iwa Hotel, all for \$2.45 round-trip. Hawai'i's first Territorial Fair was held in 1918 at Kapi'olani Park, with a total attendance given as 92,000, which was a number far exceeding the city's population of 75,000.

Sugar production was still the agricultural mainstay, and remained fairly stable from 1913 to 1918 at about 525,000 tons a year, although the dollar value almost doubled to \$64 million because of wartime prices.

In the years that followed incorporation, it was necessary for the Young Brothers' fleet to continue growing in order to meet the needs of business that paralleled the expanding territorial economy. William

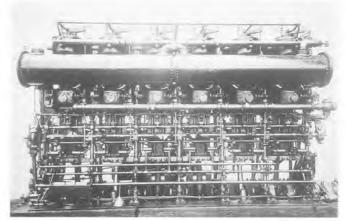


The Young Brothers' fleet, c. 1915, pictured from right to left: Mikiala (formerly the Breakwater out of Hilo) with Captain Bob Purdy on the bridge, Makaala, Helen (used at Kolo, Molokai), Louise (a harbor tug at Honolulu), Hukihuki, Pilot, Waterwitch, Sea Scout, Pronto, Brothers and the run-about Fun. Pier 2 is in the background. Photo: Hawai'i Maritime Center/Bishop Museum.

Young had stopped taking an active role in the operations of the company, preferring to pursue his fascination with sharks, and eventually left the islands for good in 1921 to become a well-known international shark hunter. He left Young Brothers in the hands of Jack, the last founding member of the company to remain in Hawai'i.

With Jack as the operating manager, Young Brothers followed up the success of the Makaala by having the Mikioi built in Oakland during 1918. The Mikioi was brought to Honolulu to do the harbor work of running lines, until she was eventually shifted into hauling pineapples.

Every steamship that came into Honolulu Harbor had a line boat, such as the *Mikioi*. In those days, tugs were underpowered and there wasn't much maneuvering space in the harbor, so a line boat would pull the ship's lines to the dock to establish the mooring. Even when shifting a ship from Pier 15 to Pier 9, a line would be left at Pier 12. The fear was that if a beam wind came up, the ship would go down. An added complication was that ships would be put in stern first. The *Mikioi* ran with a gasoline engine up until 1926,



The Mikioi was powered with a 500-horsepower double-acting Eastern Standard gasoline engine, here seen from the side.

when it was changed to diesel.

It was the introduction of a new crop, pineapple, that would dramatically increase shipping cargoes throughout Hawaiʻi and the business operations of Young Brothers. Beginning with 1,893 cases in 1903, the annual pack grew to one million cases in 1912 and reached nearly six million cases in 1920. The first crop was planted in the Kāneʻohe area, canned at Kahaluʻu

and then shipped to Honolulu. Plantations and canneries followed on Kaua'i and Maui until ten



The Mikioi was launched in 1918, then brought to Honolulu for the harbor work of running lines. In 1920, the Mikioi was inadvertently involved in a scandal when two sailing ships, the Falls of Clyde and Marion Chilicut. raced each other to Hawai'i. Captain Anderson of the Chilicut blamed his loss on the tug Mikioi, which he claimed had ignored his vessel and towed the Falls of Clyde first into Honolulu Harbor. When Anderson finally reached shore, he went after the victorious captain of the Falls with a gun and had to be restrained. In this photo, the Mikioi is pictured before her trials in Oakland, 1918.

companies had operations in full swing.

As good pineapple land became scarcer on the main producing islands, growers looked to the Big Island, Lāna'i and Moloka'i. Efforts on the Kohala and Hilo side of the Big Island weren't successful. But by 1920, the California Packing Corporation and Libby McNeil & Libby had established several thriving plantations on Moloka'i, including a site at Maunaloa on the western plain. On Lāna'i, similarly successful efforts were being realized by James Dole, who purchased the island in 1922 with the express purpose of growing pineapple.

Initially, plans were discussed for building canneries on Moloka'i and Lāna'i, but there were logistical problems. For one thing, labor on these islands was scarce during the main harvest in summer, whereas student cannery workers were already being recruited into Honolulu's labor pool during the school summer break. Secondly, it was unclear if enough potable water would be available during the three-month, summer, peak-canning season. Canners concluded that it would be less expensive to transport the fruit to Honolulu than build factories and maintain seasonal laborers on Moloka'i and Lāna'i.

The decision to move pineapples to Honolulu for canning created its own set of problems. The fresh fruit had to be moved quickly to avoid spoilage, yet carefully through the rough Kaiwi Channel to avoid damage. Both steamer and barge transport were considered, but the lack of deep draft harbors needed

for steamer docking and loading on Moloka'i and Lāna'i was a definite disadvantage that barges, which drew less water, would avoid. Barges were also easier to load, with less manpower required, making them less expensive. Furthermore, because the fruit had a primary ripening season during the summer months, building deep draft harbors for use only a few months a year wasn't considered the most cost-effective option.

Several temporary solutions were put into effect. In 1919, two sampans owned by Mapulehu Dairy—
Leleiona and Pualele — began hauling Moloka'i's pineapples to Honolulu. As the pineapple crop from Moloka'i continued to grow, steamer transport seemed to become more critical. A 1922 news story in the Honolulu Advertiser reported that in "1923 there will be 1,500 tons of pineapples to be shipped ..." The landing at Kamalō was used as a shipping point in the early 1920s but suffered from a shortage of harbor board funds to add equipment, such as cars and rails for the wharf.

In the meantime, a landing facility and wharf, privately owned by Libby, was developed in 1924 at Kolo on Moloka'i's southwestern coast to serve the Maunaloa Plantation. Young Brothers secured the contract to move pineapple barges both in and out across the harbor's six-foot bar to the sea-going tugs that waited offshore. Its harbor tug *Helen*, built in Honolulu, began this work in the early 1920s and continued until a 1946 tsunami inundated the facilities and terminated shipping from the landing. Kaunakakai



Kaunakakai Pier, Moloka'i, loading cattle on barge. Note tug Mikioi at right, 1919. Photo: Hawai'i Maritime Center.



In the 1920s, Honolulu didn't have a fireboat. Jack Young bought George Cooke's Leleiona to haul pineapples, then converted the "haole sampan" into a fireboat, operating it with a Young Brothers' crew for Honolulu Harbor. It was reported that the Leleiona, which means "Milky Way," was originally christened by George Cooke's daughter, who broke a bottle of milk over the vessel's bow. Photo: Hawai'i Maritime Center/Bishop Museum.

had also been used as a shipping point during this period and, after the tsunami, became the primary harbor for Moloka'i even though pineapples had to be trucked a longer distance.

When Kolo Harbor was first used, Libby maintained the range lights with kerosene lamps to guide boats through the channel into the harbor. The landing had no breakwater but was surrounded by a shallow reef. These were the days before radar. The depth and location of the channel were difficult to detect, so an operator lived at the harbor on twenty-four-hour duty to light the lanterns. Eventually, the lighthouse service put in a regular range to bring in vessels, and a buoy was put offshore to bring ships around the bluff and mark the harbor entrance.

By 1924, Young Brothers had successfully transported the entire summer pineapple crop from Moloka'i to Honolulu with the tugs Makaala and Mikioi, and would remain in control of the route for nearly seven decades. The Makaala completed her last tow of the summer season on September 19, 1924. The sampan Leleiona was incorporated into the Young

Brothers fleet that fall to carry the remaining post-season pineapples. The *Leleiona* was a seventy-five-foot "haole-sampan" design, powered with a large Fairbanks-Morse, four-cylinder diesel engine. The forward hold, located under the lifeboat, had originally been used as a large cold storage room for transporta-

tion of raw milk to Honolulu. There was also considerable deck space for other cargo.

During the same period, Young Brothers' main competitor for the pineapple trade, Inter-Island (now associated with Matson Navigation Company), was in the process of tying up the carrier service for Lāna'i, and would be established as the primary carrier for that island by 1927. This division of the pineapple hauling business would continue for two decades until Inter-Island—struggling with heavy financial losses and anti-trust suits—discontinued the shipping phase of its business in 1950.

As pineapple production increased, receiving facilities in Honolulu for the estimated 150,000-ton annual crop coming in from Moloka'i and Lāna'i were inadequate, so in 1924 the U.S. government began dredging an 800-foot-wide channel between Honolulu and Kalihi harbors. When the project wasn't completed in time to handle the bumper crop of 1926, the three pineapple companies themselves dredged a canal to Kalihi harbor and constructed their own wharf and turning basin.



Pier 15 is shown in 1918 with (left to right) the Mikioi, Mikiala and a rare photograph of a wooden barge (either YB-2 or YB-3) inboard. The two tugs avoided damage in a collision during October 1920 while they were towing the shipping board freighter, West Cajoot, from Honolulu to Pearl Harbor for repairs. At the point when the Cajoot was being moved up the channel, the steamship Claudine left the pier without waiting for the channel to be cleared, and tried to squeeze between the freighter and the lighthouse buoy off Sand Island. Without enough room to pass, the Claudine bounced off.

In the meantime, Young Brothers was busy building up a modern fleet of tugs and barges. The earliest barges used were wooden, but they developed problems when working at sea because they'd leak badly. They'd dry out, but once they became wet they'd swell again. Young Brothers started out by using wooden barges YB-1, -2 and -3. YB-1 and YB-2 would carry the Libby's steam crane, which discharged the pineapples at Pier 17. YB-3 was eventually converted into a drydock.

Acting on the success of the 1924 season, Young Brothers ordered a powerful new twin-screw diesel tug from the Baltimore Marine Railway Company of Seattle. Jack Young himself was aboard the tug, christened Mahoe, when she arrived at Honolulu on June 3, 1925, after thirteen days out with a 120-foot barge in tow. A Chamber of Commerce welcoming committee for the vessel was composed of Charles Frazier, Ernest Clarke, G.G. Boyer, Stanley Good, George Armitage, and Jack's cousin by marriage, Jack Guard.

The small steam schooner *Siletz* was also purchased in that year to supplement services to Moloka'i being handled by tugs and the sampan *Leleiona*. The ninety-two-foot wooden steamer had been built in 1923 at Kernville, Oregon, and was powered by a 160-horse-power diesel engine. In 1926, the *Siletz* was renamed

the Moi and put on a semi-weekly run from Honolulu to Kolo, Kaunakakai and Kamalō, providing a scheduled service that was Young Brothers' first move toward becoming the primary interisland carrier in Hawai'i.

By the end of the 1920s, thousand-ton barges had become standard equipment for carrying pineapples. In



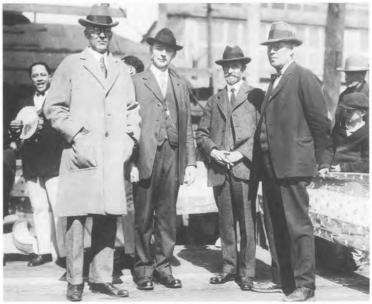
Mahoe in 1925. When Mahoe arrived in Honolulu at day-break on June 3, 1925, after her maiden voyage from Seattle, she was draped with a huge flower lei across her prow.



1929, the first Young Brothers' steel barge, YB-4, was towed out of Seattle behind the company's new 125-foot wooden twin-screw tug *Mikimiki*. This vessel was powered by a Fairbanks-Morse four-cylinder diesel engine that provided a total of 1,120 shaft horsepower. The engine design had so many excellent features that it was later adopted and widely used by the Army.

The steel barge design offered significant improvements over the older Libby barges, as

Top: The Mikimiki, built by Ballard Marine Railway Company for Young Brothers, was launched out of Seattle in 1929. Right: Jack Young (right) was present at the launching of the Mikimiki. Standing next to him is L.H. "The Duke" Coolidge, the naval architect who designed the vessel. Photo: Hawai'i Maritime Center/Bishop Museum.





THE "MIKI" CLASS TUG

he tug Mikimiki, designed by L.H. Coolidge and built by the Ballard Marine Railway Co. for Young Brothers Towing of Honolulu in 1929, was to have a major influence on the the towing fleets of the West Coast and Canada. The excellent performance of the original Mikimiki led to the adoption of her basic design for a large fleet of tugs produced for the U.S. Army Transport Service in West Coast shipyards for World War II service. Most of these tugs were sold by the U.S. government to commercial towing companies after the war and these tugs, of the so-called "miki" class, formed a large segment of the coastwise and offshore fleet until the late 1970s.

The original wood-constructed Mikimiki was 125 x 28

Launching the Mikimiki out of Seattle, 1929.

x 16, and was powered by twin Fairbanks-Morse diesels developing a total of 1,200 horsepower. At the time of completion, this power made her the most powerful tug in the United States. Upon her completion she made the voyage to Hawai'i from the West Coast towing the 140foot steel barge YB-4 in eleven days, sixteen hours and ten minutes. This worked out to an average speed of 8.5 knots, bettering the record of the earlier Seattle-built Mahoe by almost three days.

The Mikimiki spent her entire career working in the Hawaiian Islands, with an occasional tow to the West Coast included.

barges had no rake-in so they "took a shellacking" every time they were towed. Inter-Island's had blunt bows with no room for a man to stand and work. Moreover, if you lost the hawser, it was next to impossible to put someone on the barge, whereas with the newly designed Young Brothers' barge, a tug could get in close enough for a man to jump on the rake end. In any case, a man was always posted on a Young Brothers' barge to connect or disconnect.

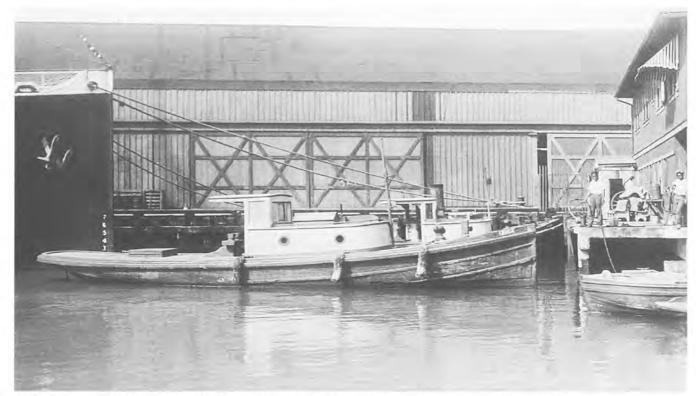
Another innovation in towing was initiated by Bob Purdy at Young Brothers some time around 1929. It involved towing two barges with one tug and became known as tandem towing. The system was pioneered because two barges were needed to go to Moloka'i, which had two ports to service in those days—Kolo and Kaunakakai. The idea was to drop one

barge off at Kolo and then carry on to Kaunakakai.

By the end of the decade, the efficiencies of hauling freight and fresh pineapples by tug and barge were becoming well-recognized—the advent of larger barges and tandem towing techniques had paved the way for a higher volume of freight carried by tug and barge. By the mid-1930s, steamship companies would be experiencing a decline in the tonnage of freight hauled that was offset by an increase in the number of passengers carried, though competition for cargo business would continue for two more decades.

Captain Bob Purdy stands on the bridge of the Mikiala, c. 1915. The quarantine station on Sand Island is in the background with a dredge (probably the California owned by Hawaiian Dredging) at top right. Photo: Hawai'i Maritime Center/Bishop Museum.





The harbor tug Louise is pictured at Pier 12, with the Hukihuki inboard, and the bow of schooner Haleakala to her stern. Young Brothers had a corner of Pier 12 for the small tugs and a corner of Pier 15 where the big tugs Mahoe and Mikimiki were kept. The fireboat Leleiona was also operated by Young Brothers and kept at Pier 15. Pier 12 had two stories—half office, half quarters for crews that had to live there in order to board tugs in the middle of the night.

JACK YOUNG JR. TAKES TO THE SEA

Jack Jr. was born John H. Young Jr. on June 13, 1913, and by the age of six was accompanying his father as he handled the tugs or organized fishing trips for hire. Most of Jack Jr.'s after-school hours were spent at the Young Brothers' boathouse at Pier 12 doing odd jobs, and he had learned to operate the launches before he was even out of grade school.

Jack Jr. apparently learned to love the sea from an early age, and as an incident in his young years indicates, learned to respect the dangers present as well. He was once out on a chartered fishing trip of the Sea Scout, the Young Brothers' yacht, when he got caught in one of the lines; he was never allowed to go out on the yacht again.

By the time he was in high school, he worked on the tugs each summer hauling and handling the pineapple barges every chance he got under the tutoring of Captain Bob Purdy. After he got his operator's license, he was in charge of the launches *Pronto* and *Elizabeth*, where one of his more exciting jobs was to "sweep for opium." When passenger ships would arrive from the Orient, it was a

common practice for smugglers to throw bags of opium over the side in a sack, and then cut the sack free before coming in to dock. The Customs Service would hire one of the Young Brothers' launches, put on a few of their own men, and send Jack Jr. out to drag the harbor bottom before accomplices on the shore could retrieve the drugs themselves.

One time, the Customs officer ordered Jack Jr. to put the launch up on a reef. "I refused," he said. "And (afterwards) I asked my father and he said, 'You do as they say. If they break it up they'll fix it.' So, then I took more risks."

On April 7, 1931, while still in high school, Jack received his first limited master's license that qualified him to operate steam or motor vessels up to sixty-five feet long, and serve as a pilot for Honolulu Harbor. With a crew of six, he operated the *Hukihuki* to run lines and shift barges around the harbor. In cooperation with the *Maakala*, they also docked the barges for both Young Brothers and Inter-Island at Pier 35, where pineapples were discharged from Moloka'i and Lāna'i, then moved the barges to Pier 15 or 16 for loading outgoing cargo.

TANDEM TOWING

All the captains at Young Brothers mastered tandem towing, though it was a particularly tricky maneuver to hook on and let go of the loaded barges. The barge destined for Kolo was towed with a twelve-inch hawser, and the other barge with a 1-5/8-inch steel wire. The hawser to the first barge went from the stern of the tug to the barge. The tow wire to the second barge went underneath the first barge, seventy-five feet down. It was reeled in and out from a steel drum with the towing winch.

When they got to Kolo, a tender and crew of three men came out to pick up the first barge. One of the most skillful tender operators that Jack Jr. ever knew was named Kazuo Sigawa, nicknamed Kaku. Running the pier for Libby's was Henry Palaka, doing all the hooking and unhooking. Jack Jr. once mentioned that Henry was "the strongest Hawaiian I've ever seen. He'd pick the line up with one hand." The job of the tender captain was to put

a line on one corner of the barge and then disconnect the hawser. The tugboat captain could then reel in the hawser and keep going ahead, veering right so that the long tow wire to the second barge wouldn't foul on the bottom. At the same time the tender captain went forward, veering to the left, until he was clear, and then put the bridle on the barge to tow it into the harbor. The tender captain would have to time the tow through the channel carefully, because it was so shallow that surf would sometimes break.

On the return to Honolulu, the wire would tow the heaviest barge, thus if the barge out of Kaunakakai carried the lowest tonnage, it would already be on the twelve-inch hawser. Coming up to the barge waiting at Kolo would require skillful timing in order to keep from hitting it. To complicate matters even more, the operation was done at night. Double tows would be taken away from the tugs at Honolulu Harbor, but for single tows they would just head on up to the pier themselves.



In 1931, the YB-5 was a steel barge built by Union Iron Works in San Francisco at a cost of \$65,000. The barge was 175 by 55 feet, and drew twelve feet of water.

CHAPTER 3

Ocean Tows and Rescues — 1930-1940



In the closing months of 1930, Young Brothers made maritime history by commissioning the construction of an all-steel tugboat that was widely acknowledged as the "finest and costliest the world has seen." The *Mamo*, meaning "successor, fish, bird" in Hawaiian, was completed by the Bethlehem Shipbuilding Company in Oakland, California, during the spring of 1931 at a cost of \$257,000. Jack Young went to the mainland in January to be present for the finishing touches. He also attended the trial run of the vessel as she made a few turns around San Francisco Bay, along with a party of more than seventy-five dignitaries from West Coast shipping circles that included shipbuilders, engine builders, insurance brokers, shipping magnates and transportation officials.

The Mamo was powered by two five-cylinder diesel engines that gave her a rating of 1,500 shaft horse-power. Captain William "Bob" Purdy was commander of the tug on her maiden voyage from the Bay Area to Honolulu, with John Costa as first officer and H.W. Davenport as navigator. When the Mamo passed the Diamond Head lighthouse at 7:17 a.m. on April 8, she



Top: The Mamo is shown nearing completion in Oakland, 1931. The Mamo was 130 feet long with a twenty-eight-foot beam, and had a twelve-foot draft. Above: The towing engine room of the Mamo. Shown is the H-bitt for attaching a second towing line. Instead of two drums, one barge would be attached on the H-bitt, one on the drum.

had set the notable record of ten days and fifteen hours, with two large steel barges in tow that were capable of carrying 32,000 boxes of fresh pineapples.

During this period Young Brothers was heavily

involved in transporting pineapples from Moloka'i to Honolulu. In 1930, the company handled 85,000 tons of pineapples, and expected to increase that amount to 140,000 in 1931, due in large part to the addition of the *Mamo* to its fleet of tugs and four barges.

As the third decade of the century opened, Hawai'i, like the rest of the world, was experiencing stagnation in trade conditions as a result of the stock market crash of 1929. Real estate prices were depressed, with few investors interested in speculation, and building construction for 1930 showed a falling off from the previous year by closing at \$7,254,042. Several substantial construction projects that were on the books for the year included Kamehameha Schools for \$880,995, the police station on Beretania Street for \$239,000, and the Kress Building on Fort Street for \$250,000.

By the mid-1930s, population for the state would edge up to 400,000, and regular trans-Pacific air service from California that was initiated in 1935 would revitalize the tourist industry in ways that would shape the destiny of the islands. Sugar production, still the main industry in Hawai'i, experienced its most profitable year ever in 1936. Through most of the decade, pineapple remained stable at levels consistent with those of the late 1920s.

Young Brothers continued its routine harbor services, with tugs such as the *Momi* shifting barges or running lines in Honolulu Harbor. Using the *Makaala*, ships would be docked or undocked, and the harbor tug would also relieve sea-going tugs of their second barge when they arrived with a double tow.

The company also expanded the scope of its sea-going towing and hauling business. In 1931, Captain Jack went to Portland with Bob Purdy on the Mamo to pick up the automobile ferryboat Multnomah for use in Hawai'i. To protect the ferry during the long crossing, the windows were boarded up and heavy planks were positioned to deflect heavy seas. Once in Honolulu, the ferry was renamed the Manu Wai (Sea Bird) and was put on the Honolulu to Pearl Harbor route as the Pearl Harbor Ferry.

Jack Young Jr. joined the company as a regular employee on November 11, 1933, after a training trip on the M.S. Potter for several months as an apprentice-

passenger. For his work on the *Potter*, he earned a wage of ten cents a month, but had to pay \$3 a day for meals—an expense he considered worthwhile toward documenting his experience for future licenses.

One of Jack Jr.'s first assignments for Young Brothers was to attend the dredge California by towing dump scows to sea while the channel at Kaunakakai was being deepened in 1933. The next year, he was day captain of the Mikimiki when the Navy was building the repair basin at Pearl Harbor, Hawaiian Dredging didn't have enough tugs for the job, so it was his responsibility to tow the mud scows out to sea and dump them. The work was divided into four shifts, with six hours on and six off. Jack Jr. arranged to work alternating twelve-hour shifts with Captain Sam Kahoano, so as to be able to sleep at home. Later in 1934, Jack Jr. made a round trip to San Francisco as second mate on the Mamo under the command of Captain Bob Purdy, and the following year made a second trip to tow the Mikiala to Honolulu.

The year 1935 would test the mettle of 22-year-old Jack Jr., when he had to take over the Mamo from seriously ill Captain Purdy, and safely navigate the vessel from San Francisco to Honolulu.



On February 4, 1936, Jack Young Jr. (seen on the bow) became permanent master of the Mamo until he was called into the Navy on July 7, 1941, serving for the duration of WWII. During the first five years under his command, the Mamo successfully performed rescue tows for seven disabled ships at sea. The tug was also used for harbor duty and was engaged to shift countless ships in various conditions and trim from pier to pier all over the harbor.

THE FINAL VOYAGE OF CAPTAIN BOB PURDY AS TOLD BY JACK YOUNG JR.



aptain Purdy had taken the Mamo to San Francisco to bring back a new barge, the YB-9. I went as second mate for the experience, and there was a navigator, Charlie Lamell. In those days, they only had one mate. With the captain, it was six and six, so with me going as second mate, the mates stood four and eight. There was

the navigator, me and the mate. Of course, the captain didn't stand a watch because he was too sick. But I'm getting ahead of myself.

I had brought my car up to San Francisco on the deck of the tug. Bob Purdy secured it on the afterdeck. [The springs were completely opened, you know, with the rolling of the tug, so I had the ollers grease the springs every other watch—when the car got to San Francisco it was well lubricated!] As it turned out, the YB-9 wasn't ready when we arrived so I had a crane lift the car off the deck and we took a few rides around the town. Captain Purdy never left the ship, but Roger Murray, the manager of Fairbanks-Morse, took some of us out for dinner and when we came back he was the one who saw the captain with his foot elevated above the basin in the cabin.

Apparently, the problem started with a corn that Purdy had tried to cut sometime before the trip. It had gotten infected, but nothing that Murray or I could say would convince him to see a doctor. My dad was in town at the time, settling up the financial details for the purchase of the barge, so we asked him to send a doctor to the Mamo. The doctor made an examination and said that Purdy would be all right if he stayed off his foot, so as we left San Francisco, Purdy only stayed up until we dropped off the pilot. Then he went down to his bunk and never left it again. He was so weak and sick that the mate, Bill Kaai, had to care for him, feed him and massage his leg. Oh, the smell became terrible.

We were bound for home but the mate couldn't take over command because he had never handled a tug. In those days, the mate only worked on deck because with such a small crew there was no one to spare. Charlie Lamell couldn't take over command either because he had never handled a twin-screw tug before. That left me. So I told Abenar Lepin to take care of the captain, and I'd take his watch—he had to stand eight hours at the wheel and I had to stand eight hours of watch plus eight hours at the wheel. The crew filled in for me on watch duty. I didn't have to order them; they just took care of it.

We were several days out when we sighted the Chichibu Maru en route to San Francisco, I wasn't very experienced, so I told the chief engineer to go full speed in the daytime when you can see what's going on, but put it down to 225 turns at night. I was afraid that if we lost the barge, say the wire broke, we wouldn't be able to do anything until daylight. We'd just have to try to lay to, and then take it from there. Anyway, by daylight we would be back to 245 turns, and it was at just such a time in flat calm that we saw the Chichibu Maru dead ahead. We had no way to report our position, no radio or anything, but actually I just wanted to ask them to send over a doctor or transfer the captain to go back to the West Coast. So I got the lifeboat ready and read the signal book. We didn't have a signal light, no flashing light at all, but we were going to use the searchlights to signal, "W" which means "medical assistance required." I went down to wake up the captain and he was furious when he heard my plan. He ordered me to report our position and that all was well, and we continued on.

The beautiful calm weather that we'd had out of San Francisco had shifted to rough seas when we sighted the Lurline overtaking us on her way to Honolulu. My dad was on board, and I tried to signal him by putting the flag at two blocks, all the way up. You see, if it was at half-mast they'd think the captain was dead, so I was trying to say that he was damn near dead. Anyway, the Lurline came up to us, but by this time we couldn't have transferred Purdy even if he'd let us. The seas were so rough that we couldn't even lower our lifeboat, and we didn't get another chance to try because, when I went down to tell the captain that the Lurline was overhauling us, he said to report everything was well.

Nine days, seventeen hours and thirty-nine minutes out of San Francisco, we arrived in Honolulu at 2:00 a.m. I wanted a crew to take the barge away, but there wasn't anyone available at that hour. So even though I'm a greenhorn, I did some maneuvering and sent word with the Waterwitch to get an ambulance and call my dad because the captain was almost dead with blood poisoning. Once at the hospital, his leg was amoutated above his knee. It was gangrene, they said, but he was doing okay. He didn't realize there had been surgery until someone told him he was mumu. It means that part of your body is missing. After that it seemed he just gave up. He died two days later.

There was a big funeral, then they took him out to sea. All the big ships in those days, like the Manukai and Maunalani, had beautiful whistles. They all blew in turn at the passing of an outstanding tugboat captain who had devoted thirty-three years to working with Young Brothers, Limited.



In the 1930s, Standard Oil Company tanks caught fire at Kaunakakai, so a fire engine was loaded on the YB-4 and towed over from Honolulu by the Mikimiki. Because it was an emergency, both Jack Sr. and Jack Jr. hopped aboard as crew. Jack Jr. acted as cook for the job. At Kaunakakai, it was necessary to pump salt water using the main, because the hose wasn't long enough to reach the pier. Photo: Hawai'i Maritime Center/Bishop Museum.

November and December of 1936 saw Hawai'i in the grip of a maritime strike that brought panic to islanders who suddenly realized how dependent they were on supplies that originated 2,400 miles away. By the end of October more than 500 men were involved in the ship tie-up at Honolulu. Crewmembers of vessels being held were anxious to work their way back to California, but they stood by union decrees. The deadlock that developed between ship owners and workers revolved, on one hand, around demands for

more pay and improved working conditions on behalf of employees. Ship owners, on the other hand, objected to control of the hiring hall by unions, contending their right to choose employees, rather than accept "the next in line."

Hundreds of tourists were compelled to overstay their vacations. Some local businessmen and tourists took passage aboard Japanese steamships, preferring to pay the \$200 fine imposed by the federal government (plus the regular fare) on foreign vessels carrying

passengers between U.S. ports, rather than wait out the strike. Others had an exciting barge ride on the YB-4 as it boarded passengers on and off the SS *Monterey* while it remained off port.

The shipping strike was settled early in 1937. Prices for fresh produce leveled off, and canned milk again appeared on the grocery shelves. Hawai'i began



An Empress Line ship leaves Honolulu after storm warnings. The assisting Young Brothers' tugs are (left to right): Mahoe, Mikimiki and Mikioi. enjoying a period of renewed prosperity as the territory climbed out of the Depression, but the lesson of maritime dependency had been hard learned and would forever linger in the minds of islanders.

Young Brothers had a long history of rescuing ships at sea, but the years 1937 to 1940 seemed to bring the company particular prominence as the leader in ocean towing, beginning with the rescue of the *Buffalo Bridge* in October 1937.

The next year, the *Dickenson* had to be towed in from Morro Reef, an atoll located beyond the French Frigate Shoals. The *Dickenson* was a cable tender that had run out of fuel while she was stationed there.

YOUNG BROTHERS TOURIST BARGE SERVICE

In November of 1936, the *Lurline* was already in port in Honolulu when the strike broke out, so when the SS *Monterey* arrived, no one wanted to have another ship tied up—the harbor was already full of ships. Discussions with the *Monterey* crew elicited a reasonable solution—the crew wouldn't walk off if the ship didn't tie up. Since the company didn't want to take any chance of being called a strikebreaker by bringing the *Monterey* into the harbor, they stayed outside and made arrangements with Young Brothers, Limited for the transfers.

At 4:00 a.m., Young Brothers brought its small barge, the YB-4, alongside and started helping the passengers disembark. First, there were 500 passengers to take off, then 500 passengers to board, and their entire luggage to transport as well. The operation lasted until 9:00 p.m., which was an exhausting day's work for the Young Brothers' crew, who were not only operating the tug and barge, but also handling all the luggage.

The amount of baggage to be off-loaded seemed to be far more than normal. Young Brothers had no stevedores, but their crewmembers were non-union so the ten-crew members assigned to the YB-4 took on the daunting job of loading and unloading all the baggage.

The passengers had their own share of discomfort. The YB-4 was a pineapple barge with an open deck that had stanchions so cargo couldn't fall off. But there was no room to sit down, so passengers and their luggage stood crowded together. In an effort to make the whole trip more festive, passengers were offered strawberry ice cream. Unfortunately, the ride was turbulent enough to create more than a few cases of seasickness, and the ice cream wound up all over everything.

Hooking up to the tender required skillful navigation because Morro Reef is twenty miles long and five miles wide, but so little above water that the roar of the waves never seems to stop.

Also in 1938, the USED Dredge McKenzie had to be pulled off the reef alongside the main Pearl Harbor ship channel. There was no damage to the vessel, which was a U.S. engineering dredge being used to dredge Pearl Harbor.

On May 7, 1938, the Mamo was called on to relieve the SS Steel Navigator of her tow, the SS Ensley City, by bringing her in to Pier 32 as the first vessel ever to be secured there. Ensley City had been picked

BRINGING IN THE STRANDED BUFFALO BRIDGE

of the Mamo and, barely nine months later, on October 26th, took the Mamo and crew out to locate the stranded cargo vessel, Buffalo Bridge. The ship had been purchased by a Japanese company, but had broken down en route to Japan from Seattle, so she started broadcasting her noon position each day, beginning with the coordinates of 30° 41' north; 144° 7' west—a position about 600 miles northeast of O'ahu. The Mamo didn't have a direction finder, but by dead reckoning under the navigation of Bill Anderson got to the position without ever sighting the stranded ship.

For several days Jack Jr. conducted a systematic search pattern, running twenty miles north and five miles east, then twenty miles south, without success, but still maintaining contact with the Buffalo Bridge, who continued to send her noon position each day. Finally, another Japanese ship, Azuma Maru, entered nearby waters, and the Buffalo Bridge did an about face by asking her to locate the Mamo. The Azuma Maru radioed Jack Jr. to meet her three miles east of the last noon position at 1800 hours—a rendezvous that went smoothly. Then the Mamo followed Azuma Maru to where the Buffalo Bridge was dead in the water. It turned out that the ship had been giving her position one degree out, which amounted to a difference of almost sixty miles. During the long days of searching, Jack Jr. had been offering a \$100 bonus to the first crew member to sight the ship, so as it turned out, no one got to collect on the reward. On November 27th the Mamo finally came in with the Buffalo Bridge in tow, and put her in at Pier 7 for repairs.

up 2,000 miles west of the Panama Canal with a broken crankshaft. The chief engineer had made an attempt to fabricate a crankshaft out of metal plates while at sea, but never got it to work. The *Mamo* picked her up off port and brought her into the harbor.

In 1940, Jack Jr. received national recognition when he rescued the disabled Greek freighter Carmar from a position 700 miles north of Oʻahu, then towed her through a winter gale for ten difficult days. An editorial of the day expresses sentiments of heroic service:

THE STATE OF THE S

When a fair to middling blow comes along, any seaworthy craft will weather it with ease. Even the confirmed landlubber will be on deck again after the first day. Such was not the case with the Carmar. Loaded with 7,000 tons of scrap iron, this ancient Greek freighter became a wallowing, leaden bulk when a storm drove against her 700 miles north of Oʻahu. Too heavy to ride the sea, she lost her rudder.

The story of the rescue, of how the tough little Mamo, bucking the seas, which repeatedly buried her, towed the ponderous Carmar safely to port will never be told completely. Only the men aboard her could do that, and to them it was just another job.

When Capt. Jack Young Jr., master of the Mamo, arrives in San Francisco, whither he is now on his way, he will be presented with a watch by the London Salvage Association in appreciation of that job. That is fitting, say Honolulu waterfront men, to none of whom was Capt. Young's feat surprising. His fine seamanship is too well known to them for that. Nevertheless, in this modern struggle of 'men against the sea,' Capt. Young has added another bright achievement to a list already long.







Top: Captain Jack Young Jr. at the wheel of the Mamo as permanent master after 1937. Center & below: Two views of the Mamo deck.



I hen the freighter Carmar was towed into Honolulu on January 13, 1940, she was not badly damaged, aside from the loss of her rudder, and there were no injuries sustained by the thirty-member crew or anyone on the rescue ships. The Carmar was a 6,269-ton vessel, 413 feet long that was flying the Panamanian flag. She left British Columbia on December 10, 1939, en route to Osaka loaded with 7,000 tons of iron, and encountered difficulty in the mid-Pacific when a heavy storm hit and broke off the rudder.

The first to answer the Carmar's distress signal was a Greek freighter, the Mt Hymettus. At the height of the storm, waves were breaking clean across the vessel while the Mt Hymettus tried unsuccessfully to make the tow, and finally left the Carmar on her own. A second vessel, the Aurora, also answered the call for help. This former Greek tanker was bound for Portland in ballast after discharging her load of oil in Japan. In the meantime, Young Brothers had been contacted by Lloyds of London to bring in the Carmar. Working for the insurance company meant that there was guaranteed pay for the job. Since the Mamo at that time was the only large tug that kept a full crew all year-round, any important job was done by her, so the Mamo, under the command of Captain Jack Jr., was sent out on the rescue.

Just getting to the rescue position was an ordeal. The Mamo headed into the gale dealing with one misadventure after another. First, a can of grease overturned, making the deck a slippery slide—it would be certain death for anyone trying to cross the deck in the rough conditions. This meant that the man at the wheel couldn't be relieved, since a man couldn't get on top without going on deck. At the same time, the after-hold was filling with water but, here too, there was no access without crossing the deck. So impromptu doors were cut and burned through the engine room and the crew's mess, even though the waves were pouring in "like

Niagara Falls."

When the Mamo reached the Carmar, the Aurora was in a fix even worse than the Mamo's, having lost her anchor and lines in a determined but futile effort to tow the Carmar. The captain of the Carmar was reluctant to have the Mamo try the tow, believing that two steamers were needed. Jack Jr. had never towed a rudderless ship, but because the Carmar still had propulsion someone came up with a feasible plan—the Mamo would take the tow, the Carmar would remain under steam and the Aurora would hook on the stern line as drag.

Coordinating the tow between the three vessels over the course of the ten-day journey was a problem that never got completely resolved because radio communication in those days was all in Morse code. There were times when all three vessels were going in different directions, or at different speeds that wound up tangling the lines. The Carmar and the Aurora had radio operators, but the Mamo had only one man who served as both a mate and radio operator, meaning that the station wasn't manned all the time. Then, too, the equipment had to warm up awhile before it could be operated, and there wasn't an automatic calling system.

As it turned out the Mamo's job was only half-done when she reached Honolulu. The Carmar put in at Pier 7, where she had a rudder jerry-rigged, but it broke off again barely two days out of Honolulu en route to the west coast for permanent repairs. So again the Mamo was called in for the tow. This leg of the tow had a different but equally frustrating aspect because the entire trip was made under following sea, making steering a particularly tricky job.

A representative of the Salvage Association, T.C. Warkman, was waiting in San Francisco to direct the repairs of the Carmar, and presented Jack Jr. with a gold watch of appreciation.

CHAPTER 4

War Years, Post-War Expansion — 1941-1952

In the weeks before December 7, 1941—the day the Imperial Japanese Navy attacked Pearl Harbor—the Honolulu waterfront was being quietly shifted to war-time status. Newspaper articles that described maritime activities had been discontinued, although a notice appeared on December 6th that mentioned vessels were being pressed into national defense assignments.

Young Brothers was winding up a year of steady

revenues, with pineapple hauling, harbor work and ocean towing providing the mainstay of operations. But that fateful day in 1941 changed everything—the Navy needed most of the equipment and personnel of the company for the duration of the war. Captain Jack Young, vice president and general manager of Young Brothers, Limited was made a lieutenant commander in the Naval Reserve, and assigned the job of tugboat commander for the port of Honolulu. When he was

MAMO GOES TO WAR

n the day Pearl Harbor was attacked, the Mamo was at Canton Island, dropping off a dredge under tow. She was immediately requisitioned to transport airline personnel to Samoa. By 1942 she was officially pressed into Navy service as the USS Mamo, YT325, under the command of Jack Jr., by then a senior lieutenant. He remained in command of the Mamo for nearly fourteen months, towing barges loaded with supplies on the Line Island run that included Johnston, Palmyra, Christmas, Midway and Canton islands. Twice, he towed six barges in tandem—a technique never before attempted. The military needed to have extra barges in the Pacific area, so the Mamo pulled empty barges in a piggyback arrange-

ment that had three barges in tandem with one each stacked on top.

The Mamo's supply run throughout the Pacific was unescorted, and fortunately submarines were never sighted. Two loads of Seabee equipment were towed to Canton Island, however, where both times they were pinned down and bombed. Canton Island has one big lagoon with two openings that can be navigated only during times of slack water, when the tide is changing. Otherwise, the current is impossibly fast and has driven more than one ship ashore. Since a vessel anchored in the lagoon couldn't come and go at will, the crew of the Mamo just stayed aboard during the bombings, and there were no injuries or damage. The barges used on this run

were the regular Young Brothers' barges, with the cargo loaded below deck, hatch covers put on, then the decks loaded.

The Mamo went on to pull countless Navy craft off beaches and tow disabled vessels into port. During the war years, it was her boast that she, herself, was never under tow. Her reliability was ably proven when she logged more than 23,000 miles in tows during a single year of operation.

In 1946, after four years of service, the vessel received her honorable discharge from the Navy. Skipper Jack Young Jr. received the *Mamo's* transfer papers from Lt. Woodrow (Woody) Havens. The vessel was then given a new coat of white paint, and returned to Young Brothers to resume her usual jobs of hauling pineapples and other towing contracts.



Trials of the all-steel Mamo attracted dignitaries from every corner of the maritime industry, who acknowledged the vessel as the "finest and costliest the world has seen."

discharged, he resumed his management duties at Young Brothers.

In the meantime, beginning in July 1941, Jack Jr. was called to active duty from his commission as ensign in the Naval Reserve. On the day of the Pearl Harbor attack, he was on duty and could see smoke from the burning ships. He had five tugs under his command, all operated by Navy crew, with responsibility for towing heavy anti-submarine nets into place to secure Pearl Harbor. The nets would hang down from huge wooden "targets," and would be opened and closed when Navy ships came and went. Even with the nets buttoned up, a midget sub could go under, so Jack's tug would be poised for ramming in the event of a sneak attack. During his four-and-a-half years of service, he received numerous awards for skillfully handling his crew and tug under fire during seven Pacific island invasions and beachheads.

With the end of the war, Young Brothers plunged into a period of expansion. Captain Jack negotiated to

THE LITTLE KNOWN LEGACY OF CAPTAIN JACK YOUNG



Captain Jack Young, 1882-1946. Photo: Hawai'i Maritime Center/Bishop Museum.

Jack Young became a member of the Masons in 1906, and dedicated himself to working on behalf of the fraternal organization. He was always interested in young people, and launched a drive to establish a Shriners Hospital on O'ahu for crippled children, then served for many years on the hospital board of directors. During harbor regatta days, he often took young patients out on a tug or barge for a seaman's view of the action. Over the years, Captain Jack had many pieces of hospital

equipment repaired free of charge at the Young Brothers' marine shops. In later years, he continued his involvement with youth activities by becoming regional commander of the Sea Scouts in a program designed to educate and train youngsters in sailing skills.

purchase two surplus tugs in Seattle, the Ikaika and Kokua. He also designed a sixty-five-foot tug, later christened the Kolo, which had a semi-tunnel for the propellers and a 210-horsepower diesel engine. The Kolo was being built in Olympia, Washington. Captain lack expected to confer with his naval architects about it in late October, and then witness its sea trials in November of 1946.

But tragedy struck when it was least expected. On October 23, 1946, the maritime community was stunned when Captain Jack Young died of a heart attack at his home. He was 64 years old. His wife and three grown children, Jack Jr., D. Elizabeth Young Marquart and Kenneth Marr, survived him. Captain lack's ashes were escorted out to the sea he loved and scattered near Diamond Head. As the boat headed out of the harbor, each of the Matson liners in port sounded her whistle in turn as a final salute.

The death of Captain Jack, who had helped create Young Brothers 46 years earlier, created a temporary void in the management of the company. Jack Jr. had resumed command of the Mamo after his Navy discharge on February 26, 1946, and carried on routine harbor duties with Young Brothers until the end of the year.

In mid-November, Edward T. Harrison was appointed to the position of first vice president and general manager of Young Brothers, Ltd. Prior to taking his new post, Harrison had served as company treasurer, and had been affiliated with Young Brothers for six years. During one of his first public statements, he announced that the company hoped to have one or more boats made available within the month to take the public out to meet the Matsonia, a Matson passenger liner. Other officials in the company were Walter F. Dillingham, president; John B. Guard, secretarytreasurer; lack Young Ir., superintendent of equipment and operations; and Kenneth Young, assistant secretary and assistant treasurer.

A month and a half later, on January 1, 1947, Jack Ir, assumed an expanded position as superintendent of all Young Brothers' floating equipment—six large tugs, four launches and fifteen large steel barges. It was his responsibility to oversee their dry-docking, maintenance and repair.



Launching the YB-11, on February 19, 1942.

LAUNCHING A NEW BARGE, THE YB-11

The YB-11 was a charter barge that carried light fuel petroleum products such as kerosene, stove oil and gasoline. The barge serviced small ports throughout the islands until they grew large enough to build their own reserves. Standard Oil would contract to small ports such as Honu'apo on the Big Island for top dollar—in those days Young Brothers received 55 cents a barrel.

During WWII, YB-11 was taken on an oil run to Māhukona, and a towline broke, leaving two men on the barge. George Hansen, who later became vice president for Dillingham, in charge of Young Brothers, was still in the military at the time. All marine shipping activity was strictly monitored under his supervision, so he had to call the Air Force to "look for a barge with about 20,000 gallons of fuel floating around." The two men left on the barge took it all in good humor until they were located. One was reported to have taken out a big knife and jokingly said to the other, "If we don't have enough food, I'm going to cut you up for dinner."

Off-loading at Honu'apo was an exacting maneuver

that could only be done in daylight hours. The stern end would get heaved in while a tug always held on to the barge. Then the petroleum got pumped into tanks. Jack Jr. once put in at Hilo, rather than off-loading at Honuapo because the water was too rough to take in the barge. His hopes that Standard Oil would accept the fuel in Hilo, though, were quickly dispelled and he was sent back to Honuapo to wait offshore until the weather cleared so he could finish the job.

The YB-11 could carry 7,200 barrels of fuel. It was a manned barge, with a closed after-end for accommodations. One man handled loading and unloading operations, then stayed on to ride between destinations. A cousin of Jack Jr., Jack Fraser, was killed on the YB-11 when he apparently tried to fix a sticking valve with an electric drill and the fumes sparked an explosion. An assistant was also killed in the accident. Captain Jack Sr. put up a large bond so that the barge could be repaired at Pearl Harbor after the accident.



One of the first jobs of the year was the overhaul of the Mamo and YB-4 in San Francisco. Jack Jr. went straight from supervising this job to Seattle for the outfitting of the Ikaika and Kokua. At the same time, he oversaw the completion of the Kolo. In April, he left the Seattle area on the Ikaika, towing the Kokua and Kolo to Honolulu. The three vessels arrived on May 7, 1947.

Left: D. Elizabeth "Betty" Marquart (Captain Jack Young Jr.'s sister) christened the Ikaika, assisted by her daughter Susie. The Ikaika was rechristened Mikiala in 1957. Below: The Ikaika and Kokua were purchased in 1947 as surplus after WWII for \$10,000 each. Seen here are Betty Marquart and her daughter Susie, Ed Harrison, Kauka Judd, Mrs. Lowell Dillingham and her daughter.



Jack Jr.'s younger brother, Kenneth Marr Young, had joined Young Brothers in 1946, after a stint in the military and graduation from Stanford. The same year, he was promoted to superintendent of Young Brothers' freight department, a position he held until 1952. Between 1947 and 1950, there was a period of intense competition for freight business with the Inter-Island Steamship Company, which ran passenger and freight ships, and for a while, barge service between the Hawaiian Islands. An airfreight industry was also beginning to emerge, and Matson offered competitive pricing to neighbor island ports, such as Hilo, for shipments coming by liner directly from the mainland. This, too, figured into the competition.

The year 1947 had thrust Young Brothers into the competitive transportation arena of the times, as the company moved into the interisland freight business by expanding its Moloka'i common carrier service, initiated in 1926, to include Kaua'i, Maui and Hawai'i. The company had been serving ports on these islands on a charter basis—hauling fuel and supplies. But by the middle of 1947, the company was offering biweekly service to Nāwiliwili and Port Allen on Kaua'i, as

Young Brothers' Stock Holdings Overview FY 1947

On the anniversary of Captain Jack Young's death, the book value of Young Brothers stock was fixed at \$127.00 per share. A total of 6,500 shares were outstanding, and the Young family interest was 2,439—which was 811 short of controlling. Other shareholders were:

W.F. Dillingham 599
Lowell Dillingham 50
Frank Boyd
Coolidge 52
O. Lightfoot
McCabe Hamilton Renny 2,301
(stevedore company)
R. Purdy family 78
S. Wright 112



Kenneth "Kenny" Marr Young, Supervisor, Young Brothers' Freight Dept., 1946-1952. Manager Land Dept., OR&L and Dillingham, 1952-1969. President, K.M. Young & Associates, Inc., 1969-present.

JACK'S YOUNGER **BROTHER KENNETH** COMES ABOARD

enneth Marr Young was born on September 30. 1922, and like his brother, Jack, got an introduction to the waterfront at an early age while he rowed a little eightfoot punt around from the boathouse at Pier 10 to the company's operating headquarters at Pier 21. His little boat had so little freeboard that he had to be careful when large boats went by or he'd get swamped.

One of Kenny's first assignments as head of Young

Brothers' freight department was to supervise freight operations on Kaua'i. It was his responsibility to develop a market for shipments on Young Brothers' barges out of Port Allen and Nāwiliwili. At the time, Trans-Air Hawai'i was an interisland airline that carried freight to Kaua'i. As a way of drumming up business, Kenny would go over when its planes landed and ask around to find out what customers were expecting a shipment on the flight. Then he'd go back to the Young Brothers' office, call them, and ask questions like, "Do you realize that you're paying for beef that is not refrigerated and you can send it by us for the same price?" Young Brothers' barges all had refrigeration units that were powered by a diesel engine. It would be charged up before they left port, and then ran continuously while under way to ensure constant temperature control. It turned out to be a sure-fire way to lure customers away from Trans-Air.

well as Kahului, Maui and Hilo, Hawai'i.

When Kenneth Young was transferred to supervise operations on Maui, he was succeeded on Kaua'i by Jack Laidlaw, and later by Hop O'Neal. O'Neal was one of the very few people allowed by the Robinson family to go to Ni'ihau. Young Brothers used to ship the beef that came from Ni'ihau, sometimes carrying big Brahma bulls that were brought to a barge waiting in Port Allen. Young Brothers wasn't responsible for bringing the cattle from Ni'ihau, only loading them onto the barge bound for Pier 29 in Honolulu. There could be some exciting moments during the loading and unloading process. Once in Honolulu, the cattle

started down the ramp, panicked and stampeded back onto the barge. Another time a shipment of cattle was herded through the chute from the barge onto the open dock — and suddenly the animals realized they were free. With a mad dash, the cattle scattered in all directions and were eventually rounded up as far as Bishop and Queen streets. Crew members weren't allowed to use electric sticks to prod the cattle, and were scolded severely by the ranchers at times when it seemed unavoidable.

The number of cattle that could be shipped on any one barge varied. On runs from Kawaihae on the Big Island, cattle would be loaded at 4:00 a.m. to avoid the heat of the day. They would be guided down to the barge and loaded until the barge was entirely filled. In the years after Inter-Island went out of business, Young Brothers hauled cattle out of Kailua-Kona Harbor too, but Kawaihae always had larger shipments because it handled stock from Parker Ranch.

By 1947, Young Brothers grew to the point where the company needed an office manager. On February 1, W.W. McFarlane joined the firm in that capacity. The move from his previous association with the steamship operating division of Castle and Cooke required only a short shift from the Pier 12 terminal to Pier 21, where the Young Brothers' offices were located. On January 6, 1948, John E. Murphy, who was promoted from within the company, succeeded MacFarlane.

Union representation was being considered during this period, though it would be nearly two decades

THE ONE-DAY STRIKE

The stevedores were all lined up along the wall at Pier 18 watching the managers load barges on the day Young Brothers went on strike. A young George Hansen—then in charge of Young Brothers' tug and barge operations, but later to become group vice president of the Maritime Services and Transportation Division of Dillingham Corporation—joined Kenny Young to load a barge bound for Moloka'i. Mike Makua, a crane operator who hadn't gone out, loaded freight into the hold by hand. Jack Jr. got a crew to run the Mamo over to Moloka'i. They didn't know that a strike was on so they just unloaded and came back to Honolulu. By this time, it seemed to be business as usual, so the strike was over and everyone went back to work.

before the matter actually became an issue. Ed Harrison clearly stated the company's position on the issue of a bargaining representative for its employees. "You have a right to belong to any union representing all of you," he told them.

On October 31, 1949, Jack Jr. was appointed Honolulu port captain for Young Brothers. He had remained involved in difficult towing jobs and counted the tow of the *Dearborn* as one of his most frustrating experiences.

THE DEARBORN IS TOWED TO BECOME A POWER PLANT

awai'i Electric Light Company () and a sources of generation in the standard power requires awai'i Electric Light Company (HELCO) purchased one 1947 to meet the huge surge in Big Island power requirements after World War II. The oil tanker SS Dearborn had broken in half during a storm 800 miles north of Honolulu but remained afloat in pieces. The bow section was deliberately sunk by the Navy, but the stern half, which contained the ship's propulsion plant, motored back to Honolulu in reverse gear under its own steam. Then it was made available for salvage. The Mamo and Ikaika were contracted by HELCO to tow the unwieldy hulk to Hilo where her propulsion system was to be tapped to generate electricity. There were sixteen engineers on the wreck. At one point, a bulkhead blew out, shooting water high overhead. The chief engineer on the Dearborn was worried that they might have progressive flooding and sink.

Aside from structural problems, the shape of the tow made it so difficult to handle that it could only be towed into the wind, preferably when the wind was strong. When the Mamo had to change course to enter Hilo Harbor off Kohala lighthouse, the half-ship wanted to continue straight on to San Francisco, Jack Jr. once joked. The Mamo and Ikaika would make some progress, and then be blown backwards. Jack Jr. remembered passing the light at least five times before he managed to get into the harbor. A cook who was on the Ikaika kept coming up on deck to see their progress. After the third or fourth time, he looked around and jokingly said, "I think I recognize that wave."

A job that should have taken three days had taken seven. The crew was exhausted and the company lost money because it was bidding competitively against Isleways Ltd., a marine transportation subsidiary of the Hawaiian Pineapple Company. Several years later, on the tow of the *Dearborn* back to Honolulu, Young Brothers didn't lose a thing and the other companies didn't even bid.

Other tows of the late 1940s involved the rescue of two minesweepers adrift 600 miles east of Palmyra in October 1947. The following January, a small tanker, the MV Stanvac Benakat, was stranded on a reef while laden with aviation fuel. Mamo towed the oil barge YB-11 out to the site in order to lighten the ship by off-loading fuel, but through skillful maneuvering, the ship was freed on the first attempt. During 1950, the Mamo was also involved in several tow jobs, including an awkward 150-ton floating crane from Pearl Harbor to Honolulu, and the salvage of the Andrea F. Luckenbach, which was stranded on a reef on Kaua'i in 1951.

The late 1940s brought changes to barge design when single-decked barges with deckhouses were introduced. This allowed cargo to be loaded by hi-lifts, either by container or on pallets, while mobile equipment such as cars, trucks, cranes and other industrial vehicles were driven on and off. The innovation was the beginning of Young Brothers' drive-on/drive-off operation, which was expanded a decade later and continues to this day.

Previously, the first hatch-type barges used by the company required that pallets loaded with cargo be lifted from the pier to the barge by cranes, then hand-stacked into the holds. Cranes, using straps, also loaded cars and mobile equipment. Once the hatches were secured, heavy and bulky cargo was loaded on the deck and secured. It was a slow, dangerous, backbreaking operation.

In the fall of 1951, rumors rippled through the maritime community of a possible merger between Young Brothers and the O'ahu Railway and Land Company (OR&L). Stock prices of OR&L rose four points, finishing a week of trading in late October at \$25 per share. On October 26th, Benjamin F. Dillingham, vice president and general manager of OR&L, and Edward Harrison of Young Brothers, announced that an application had been filed with the Public Utilities Commission for the approval of a merger between the two companies. Observers believed that such a merger would place both companies in excellent financial condition. Young Brothers had been undercapitalized, while OR&L had been over-capitalized. The merger was expected to bring to OR&L outstanding earnings to round out the company's capital structure, while bringing to Young Brothers sufficient capital to purchase new equipment when needed.

In a prepared statement issued jointly by Dillingham and Harrison, they explained "if the proposed merger is consummated, the present operation and organization of Young Brothers, Limited, would be continued as a separate division of Oʻahu Railway and Land Co. under the name of Young Brothers."

In the months that followed, stockholders of Young Brothers and OR&L, and the Public Utilities Commission approved the merger proposal. On January 31, 1952 Young Brothers was merged into OR&L.



Since 1926, Young Brothers had been operating the Moi, a small steam schooner that made semi-weekly runs to Moloka'i. The vessel is seen here at Kaunakakai in the 1940s, after having unloaded several cars. A fairly primitive boat landing that extended through the offshore mud flats had existed at Kaunakakai since the late 19th century. It was the growth of the pineapple industry that brought the harbor into prominence, with Kaunakakai eventually becoming the chief port on Moloka'i.



Jack Jr. had responded to the pending merger by selling his interest in Young Brothers during October, when the proposal was first announced. However, he continued as master of the *Mamo*, and attended to his harbor duties until July 31, 1952, when he officially resigned from the company.

His resignation was tendered when the company instituted certain management policies with which he didn't agree.

Jack Jr. never wavered in his love for the sea, however, and he continued to broaden his maritime skills—eventually earning his Master Maritime license and becoming a harbor pilot for the Territory of Hawai'i, then harbor master for the state, with a career that spanned twenty-six years. When he passed away in 1994, he was a well-known and liked figure on the waterfront who had contributed immeasurably to the maritime community and generously donated a wealth of personal photographs and seafaring information to

Gold watches were awarded to employees for outstanding service to the company. At far left is George Hansen, manager of Young Brothers' freight department. The gold watch recipients are (front row, left to right): Yamaguchi, maintenance man; unidentified; Kano, chief engineer of the Moi; Lefty Kimura, carpenter; Sato Kimura, boss machinist and carpenter. (Back row) Jack Young Jr., port captain; Kenneth Young, freight department; Hank Sheldon, tug master; office manager. Photo: Hawai'i Maritime Center/Bishop Museum, c. 1947.

the Hawai'i Maritime Center.

Kenny Young remained with the company after the merger, and then accepted a position with OR&L as a manager in the land department, serving from 1952-1961. When OR&L was merged into the Dillingham Corporation, Young was appointed manager and vice president of several different land subsidiaries, a position he held until 1968. His departure from Dillingham marked the end of the last remaining direct tie between members of the Young family and the company that bore their name.

CHAPTER 5

A Railway Takes to the Sea — 1952-1959



During the 1950s, the military build-up at Midway provided additional business for Young Brothers. The tug Moi was periodically engaged to haul rock barges between Kaneohe and Midway, and in 1953 performed the world's longest towing job—from Honolulu to Kuwait. The tug was transferred to Hawaiian Tug & Barge in 1961. The Moi is seen here at Pier 20. Photo: Hawai'i Maritime Center/Bishop Museum.

fter the breakup of the Inter-Island Steam
Navigation Company in 1950, Young Brothers' tug and barge service dominated shipping
between the Hawaiian Islands. The company's merger
with OR&L in 1952 tended to lock up the interisland
cargo business for the next few years, even though the
railroad itself had been reduced to a short segment of
track running between Honolulu and Pearl Harbor.

The basic intent of the merger was a financial move that would infuse Young Brothers with capital to purchase floating equipment. Steps in that direction were taken immediately. In September 1952, a contract was awarded to the Commercial Ship Repair Company of Seattle for construction of a 2,400-horse-power tug with a classification for "unlimited ocean service." This powerful workhorse of the sea—known in its day as "the largest tug in the entire American merchant marine"—was named the *Moi*.

General freight revenues for Young Brothers

THE MOI BREAKS ALL RECORDS

When the *Moi* first arrived at Honolulu Harbor after her maiden voyage from Seattle, all the ships in the harbor sounded a ringing blast from their whistles. On hand to welcome the tug were Carl J. Nordstrom, the naval architect who designed the *Moi*, and Charles G. Pell, manager of the company that built the twin Fairbanks-Morse diesels powering the tug. Captain John White was in command of the vessel during her journey out of Seattle for seven days and twenty hours.

Boasting a new design and engineering throughout, the *Moi* had an estimated cruising radius (at eight knots) of 4,200 miles using 2,400 horsepower, or 5,100 miles at 2,000 horsepower. In her trials during March, the *Moi* averaged 13.75 knots. The tug had a diesel oil capacity of 1,852 barrels, lube oil capacity of 2,400 gallons, fresh water capacity of 12,200 gallons, and quarters for fifteen crewmembers.

Moi carried the Young Brothers logo proudly during countless heavy ocean towing jobs. In 1953, the tug performed the world's longest tow-job—from Honolulu to Kuwait on the Persian Gulf. Her record-breaking job ended on April 21,1953, at Kuwait, taking sixty-one days with the big dredge Dillingham in tow. The sturdy tug then went on to bypass Hawai'i on the return trip in order to head straight to Portland, where she picked up a new \$225,000, 175-foot barge. This new barge, YB-16, built by Albina for OR&L was, like its sistership, the largest barge under tow in Hawaiian waters. Both were double-decked with 500-ton payloads.

posted steady increases in the years following the merger. In 1951—the last full year of operations prior to the merger—revenues amounted to \$1,170,000. By comparison, revenues from the general freight operations of the Young Brothers Division of OR&L for 1955 amounted to \$1,655,750. This was an increase of 41.5 percent, all exclusive of the fresh pineapple haul. However, it was also true that most of the increase resulted from the permanent withdrawal of the steamship Humuula from cargo service between the islands. The Humuula had been launched by the Inter-Island Steamship Company in 1929, and then was taken over by the newly formed Hilo Navigation Company in 1950 when the last of Inter-Island's freight service was

discontinued. The Humuula suffered a major engine room breakdown in 1952 that brought the company's operations to a permanent close, and prompted the windfall for Young Brothers.

The Territory of Hawai'i entered the 1950s with all the enthusiasm and "aloha" it could shower on its newest growth industry—tourism. In 1950, O'ahu boasted 1,415 hotel units. By the end of the decade, there were 8,118. Some of the biggest names in the Waikīkī hotel business were constructed during the decade including the Hilton Hawaiian Village. Princess Ka'iulani and the Reef. The neighbor islands were also experiencing development in Kona, Ka'anapali and Hanalei. What had begun with the first trans-



The Young Brothers' fleet at Pier 21 in 1951. The tugboats in the back row were being used for hauling pineapples and towing barges. Pilot, Huki, Momi and Makaala, seen in the front row, were harbor and support tugs used to shift vessels and barges in the harbor, run around doing errands, and take the pilot out to meet ships because the harbor didn't have a pilot boat of its own. Mikioi, seen at front right, would take people out from Piers 9 and 10 to greet passengers on the Lurline and Matsonia. One of the highlights of a voyage to Honolulu would begin just off port. As the incoming passenger liner stopped to pick up the pilot, a troupe of musicians and hula dancers would board a tug to bring the traditional Hawaiian greeting to arriving travelers. Kama'āina would also go aboard to greet arriving friends, and sightseers could even tag along just to experience the thrill of ocean arrivals, for about \$5 each. Tugboats in the Young Brothers' fleet, which had been equipped with railings, benches, ladders and life preservers, safely transported the colorful greeting parties. Photo: Hawai'i Maritime Center/Bishop Museum.



Tugs Mikioi and Sea Ranger join the ninety-one-foot Malie for the salvage of the Arcadia. The company assisted in refloating a number of ships that went aground in Hawaiian waters. They varied in sizes from Japanese fishing boats of approximately 300 gross tons to merchant vessels in the 2,000- to 3,000-ton capacity.

Pacific passenger service in the 1930s had grown to 75,000 arrivals/departures through Honolulu International Airport by scheduled air carriers twenty years later, in 1956. Newspaper headlines of February 1957 reported that a record number of tour group arrivals had jammed hotels. That same year, trends indicated that even more tourists were arriving and staying longer, but spending less.

During the mid-1950s, Young Brothers continued its commitment to improve customer service while lowering its cost of doing business. The company moved into a new freight terminal at Piers 27 and 28 on January 1, 1955, with shop personnel remaining at Pier 21. Pier 27 had a berthing length of 620 feet, Pier 28 had 620. Their combined wharf area totaled 33,600 square feet, with 31,680 square feet of shed area each. It was a move that greatly improved operating efficien-

cies for the handling of bulk cargo.

Additionally, a new barge, the YB-17, had been delivered in 1954 at a cost of \$250,000, and after a full year of operation had proven itself a valuable addition to the long freight run between Hilo and Honolulu. The barge was designed five feet narrower and four feet deeper than other barges in the fleet. It had a ship's bow, cargo storage space below deck, no housing on top but facilities to protect all its cargo from bad weather. It was also equipped with a cargo elevator and was the first one Young Brothers had ever commissioned specifically for general cargo. The barge could be towed at nine or ten knots, as opposed to seven knots for other fleet barges, and so was most efficient on the longer runs, such as the one to Hilo. Carl Nordstrom, the naval architect from Seattle, was the designer.

Plans for a newly designed tug, to be named Mikiona, were put on hold when bids for construction exceeded the company's expectations. Instead, the tug Eleu was re-engined with two 1,000-horsepower Fairbanks-Morse engines in a move that was expected to solve fleet problems at considerably less cost. The refitting was completed in 1957.

In 1955, the company also began reviewing its tariff with four major objectives in mind:

- eliminate any basis for inequalities in shipping procedures that might have changed since the general cargo rates had been set in 1941;
- lower rates for shippers that standardize their cargo lots or ship in volume;
- move cargo more efficiently through cooperation with shippers;
- increase volume in shipments that might lead to future rate benefits to shippers.

A revised tariff was submitted to the Federal Maritime Board in Washington, D. C., and was approved effective February 15, 1956. It was the first change in interisland freight rates in fifteen years.

The new tariff provided for seven reductions in rates, with basic interisland tariffs remaining at pre-war levels. Under the new tariff, shippers and consignees would save 25 cents per ton on the general cargo rate—dropping from \$6 to \$5.75 per ton—for traffic that moved on the shipper's pallet or container.

Other reductions in rates ranged from a half-cent per pound for ice cargoes, to \$6 per ton for acid shipments, provided that shippers met certain container, handling and minimum lot requirements. The new tariff was particularly beneficial to produce shippers, and had been prepared in cooperation with representatives of growers and consignees through a newly formed Produce Information Exchange.

The only increase was a minimum charge for individual loose packages, from 50 cents to 75 cents per package, due to continually mounting costs that arose from handling a growing number of small packages.

The new rate structure was designed to slash costs to customers by an estimated \$60,000 per year. Young Brothers would also benefit by cutting work required for handling cargo, and thus accruing overall savings.

By 1956, the general public was becoming more and more accustomed to thinking of barge transport between the islands in terms that paralleled those used for railroading. A news article, appearing in the Honolulu Advertiser in January 1955, made the connection.

.... "It's a fact of sorts that there is a railroad which every week touches each of the neighbor islands three times—bringing them food, building materials, and fuel oil and hauling away their truck crop produce, cattle and general freight.

In its way, it's a strange, a remarkable kind of railroading operation. It spans hundreds of miles of water, is hindered only by rough seas, has a wide-sweeping right of way, and doesn't halt a smidgen of

WHARFAGE

INTRA AND INTER-ISLAND FREIGHT

	(Incoming and	(Incoming and Outgoing)			
Alcohol — Island made	- TON	\$ 25			
Automobiles, uncrated	each	1.00			
Bananas (20 bunches to ton)	ton	25			
Canec	ton	.20			
Cattle, horses, mules.	fiead	.60			
Coffee — Island grown		.20			
Dogs	each	15			
Goats, hogs, pigs, sheep	head	.15			
Dressed animals	ton	35			
Empty containers (returned)		liee			
Explosives	ton	2.00			
Fertilizer		20			
Fish (fresh) — Island catch	ton	.25			
General merchandise (everything not listed)	ton	-25			
Lumber - includes laths, piles, poles, posts, shingles, ra	drout				
ties - basis B/L 1000 ft.		.35			
Pineapples — canned	ton	.20			
Pineapples — fresh or plants	ron	15			
Pineapple bran	ron	.25			
Pineapple juice	100	20			
Poraroes — Island grown	dot	20			
Sand, rock		20			
Sugar	1000	20.			
Trucks and heavy equipmeni	B/L ron	-30			
Vegetables and produce	per patter	.10			
Mult or parcel post		.25			

INTER ISLAND FREIGHT SERVICE BY BARGE

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Actual freight service and towage tables from 1956.

automobile traffic at crossings.

A far-fetched idea to draw a parallel between railroads and barges? Not a bit. Figure it this way: A railway train is basically made up of a bunch of freight cars pulled along by a locomotive, and a barge train is composed of a barge (sometimes two in tandem) moved along by a tugboat.

And the two kinds of trains aren't only made up alike. They operate alike, too. When a railway train hits a smaller town on its route it makes freight deliveries simply by unhitching a couple of its cars, nudging them to a siding, and continuing on its way. The same goes with a barge train."

Young Brothers seemed to disappear from the public view as an entity for a couple of years near the end of the decade, and for the annual reports of 1957 and 1958 the company's activities were compressed into those of the OR&L freight department. While the company operated as a separate division within OR&L, Young Brothers continued to strengthen its basic operations through this period and posted increased revenues. The military build-up at Guam and Midway stimulated additional business for both the Mamo and Moi, as both vessels towed numerous loads to the islands. Interisland traffic was also steady with cargoes of sugar, automobiles, island-made beer,



THE MALIE

The Malie was launched on the West Coast December 23, 1957, but her arrival at Honolulu Harbor twelve days later kicked off the festivities that celebrated her successful maiden voyage and entry into OR&L's Young Brothers' fleet. Amidst a chorus of dockside whistles and cheering, the Malie was decorated with a fifteen-foot maile lei across her snub-nose bow. A Coast Guard patrol boat, the Army Port Q boat, the spouting fireboat Abner T. Longley, and Young Brothers' own Mikioi all accompanied the new harbor tug as she easily slipped into her new home at Pier 21.

Once in port, the *Malie* was christened by June Hansen, who later remembered that it took only a gentle swing to break the traditional bottle of champagne on the tugboat's bow. The Reverend Samuel A. Keala of Kaumakapili Church blessed the vessel. "May there be no billows or turbulences which will stall her," he prayed.

At the same ceremony, the hard-luck tug *Ikaika* was rechristened as the *Mikiala* by Mrs. William Pavao, wife of OR&L's captain of the port. The *Ikaika* had suffered major damage to her hull on the night of July 27, 1955, when she hit the reef off the western end of Moloka'i en route from Honolulu to Kaunakakai. The accident was attributed to negligence, but with repairs completed, the vessel was returned to first-class condition. Photo: Private Collection of George Hansen.

asphalt, butane gas, construction equipment and barreled oil.

On December 23, 1957, a new combination harbor and pineapple towboat Malie was launched in Portland, Oregon. June Hansen, wife of George Hansen, vice president and general manager, bestowed the boat's name. A crew of seven was flown to Portland in order to sail Malie on her maiden voyage to Hono-Iulu via San Francisco under the command of Captain Francis Leong. Malie made the crossing from San Francisco in twelve days, at an average speed of twelve knots.

Eleven barges made up the Young Brothers fleet at the time—a cattle barge, eight pineapple barges, a general cargo barge and an oil barge with a capacity of 7,000 barrels. Half a dozen large tugboats towed the barges and four smaller tugs performed harbor work. Greeters for the Lurline and Orient liners were also taken offshore on the small tugs.

The year 1959 brought statehood to Hawai'i and regulatory changes affecting OR&L's scheduled freight services. Looming largest on the horizon of changes was a shift of responsibility for regulating interisland water transportation from the Federal Maritime Com-



The 1,200-horsepower tug Malie assisted in the salvage operation of grounded passenger liner Arcadia, near the Honolulu Harbor entrance. Over the years, Malie saw service as a Young Brothers and later Hawaiian Tug & Barge harbor tug, and was also used for general towing work.

GEORGE HANSEN GUIDES YOUNG BROTHERS



G.R. Hansen

In 1947, Hansen joined Young Brothers in charge of tug and barge operations. He brought his considerable Army experience, working as a terminal superintendent and setting up ports, to the new job of managing facilities.

Hansen became assistant general manager of OR&L when the companies merged in 1952, and later became vice president. This was

followed by mergers with Overseas Terminals Company, which owned Piers 24 to 29, and with HD&C, which brought in the Pier 41 shipyard, the only civilian dry-dock facility in Hawai'i.

In 1969, after OR&L had merged with Hawaiian Dredging to become Dillingham Corporation, Hansen was named group vice president for Dillingham Maritime Services. In this position, he was in charge of all maritime activities, which now included three mainland firms. Dillingham had acquired the three companies from capital raised from the sale of its piers to the state.

By 1975, Hansen was easing out of his position as vice president to smooth transfer of his responsibilities to a newly appointed group vice president, John Jensen.

Hansen continued with Dillingham on a consulting basis until he retired in the 1980s.

Hansen has been widely recognized throughout the maritime community for the influential role he played—guiding Young Brothers toward innovative new operations in containerization and cargo handling, and building Dillingham's maritime operations.



George Hansen, group vice president, Dillingham Maritime Services, off the coast of Oregon, where Dillingham's shipyard, Albina Machine Works, built the tugboat Malie in 1957.

mission to the Public Utilities Commission of Hawai'i.

OR&L's management felt it advisable to meet this change by organizing two wholly owned subsidiary corporations. First, Young Brothers, Limited, was formed on January 7, 1960, to perform as the company's

Malie and Mahoe turn a large freighter around in the harbor.

common carrier barge service between the islands. This move reestablished the company as an independent organization, rather than a division within the OR&L management umbrella. All the assets attributable to this operation were transferred to the new

company in exchange for stock.

Second, in the same year, the Kolo Transportation Corporation was organized for the purpose of performing specialized services, especially the handling of tankers at Barbers Point. The tug *Kolo* was transferred in exchange for stock.

These moves to begin distinguishing between freight services and tug and barge support services would figure greatly in the years to come, as Young Brothers gained prominence by being the regulated common carrier in Hawai'i.

CHAPTER 6

Corporate Development — 1960-1970



Statehood focused the attention of the entire nation on Hawai'i, which greatly accelerated the growth and development of the state beyond previous expectations. The movement and distribution of goods between islands, and Hawai'i and the mainland, grew in importance, accordingly. OR&L's position in the transportation field—with its docks, terminals and warehousing complex—was uniquely suitable for realizing the opportunities of the times. The subsequent reformation of Young Brothers, Limited, as a wholly owned subsidiary, was calculated to turn those opportunities into a fair return on investment.

Hawai'i entered the 1960s with another period of economic expansion. The population had edged past half a million to 641,520, and would increase another 200,000 in just the next fifteen years. Automobile

Pier 21 is seen in the foreground, during the early 1960s. To the right are Piers 19 and 20, with the sugar conveyer belt loading operations at the upper right, from where the commodity was shipped to the mainland. Canned pineapple was also stored in the dockside sheds awaiting shipment to the mainland. Pier 24 can be seen at the far left, where the Young Brothers' barges were tied up. Various-sized containers ranging from 130 to 678 cubic feet inside could be picked up at Pier 24, then taken to a customer's place of business to be loaded, sealed, marked and delivered back to Pier 24 for shipment. Refrigerated containers for shipment of chill and freezer cargo were also available. The containers could be pre-set for the desired temperature to handle all types of refrigerated cargo.

registration would follow with 230,000 cars on the road in 1960, jumping to 487,600 in 1974.

Young Brothers launched its first year as a wholly owned subsidiary with a program of capital improvements in floating equipment. A bulk petroleum barge, the YB-21, was completed in 1960, and the new 1,800-

horsepower ocean going, steel-hulled tug Mikimiki was also delivered that year. Nearing completion was a 200-foot cargo barge, the YB-23, that was being built to replace the YB-17, which sunk en route to Kwajalein Island. The barge had been heavily laden with construction supplies while under charter to a mainland towing concern, and Young Brothers was in no way responsible for the catastrophe that fortunately claimed no lives.

In May 1960, the entire maritime industry of Hawai'i would face one of its most potentially dangerous challenges—a tsunami that generated recordbreaking, thirty-five-foot waves in Hilo. While most of the population heads for high ground during a tsunami alert, those who man the tugboats fight back every rational response to danger in order to answer the pleas of their captains. Down to the waterfront they go. Harbor tugs rally to tow ships out to the safety of the high seas. Tugboats themselves may remain offshore in hope that they will be safe in deep water.

Some crew members stay behind to man the piers where the barges tie up. George Panui Jr. will never forget the long hours he spent during those days in May. The effect of the tsunami in Honolulu Harbor had been to generate unusually large differences between high and low tides. It was up to the crew to let out the lines of the barges during the low tide and take up the lines as the tide rose over a period of several hours. When the tide was all the way out, there was only a foot or two of water in the harbor, but the barges were able to stay afloat because they drew so little.

Decades later, Burt Nose, supervisor of operations, could still recall the effects of the tsunami in Hilo, where the death toll reached 54 and millions of dollars of damage was reported. "Young Brothers' equipment was in operation," he remembered. "In Hilo, a barge fully loaded with cargo arrived the day before the tsunami hit, but through the efforts of Young Brothers' people—sometimes at personal risk—precautionary measures paid off."

On May 25th, President Dwight Eisenhower declared the region of Hawai'i a major disaster area. Young Brothers continued to supply the community with badly needed materials and supplies, but without interrupting its regular schedule. Through the dedica-

tion and courage of its employees, the company provided invaluable services to people in need, and survived the disaster without damage to its own facilities or equipment.

December 1, 1961, launched a new era for Young Brothers with the formation of the Dillingham Corporation, which merged OR&L and Hawaiian Dredging Company into a single parent company. Lowell Smith Dillingham, grandson of founder Walter Dillingham, was installed as president.



A new ocean-going tug named Mikioi was added to the Young Brothers' fleet in 1960, and then went on to serve Hawaiian Tug & Barge and Dillingham Tug and Barge in the later years. The 106-foot vessel was built by Albina Shipyard and Dillingham Shipyard and was powered with two Fairbanks-Morse engines totaling 2,000-horsepower. Seen here is T.E.W. "Tom" Smith, vice president and operations manager for Hawaiian Tug & Barge, delivering his remarks.

Just days before this announcement, on November 27, 1961, articles of incorporation were filed by L.S. Dillingham, R.A. Obrock and R.A. Girton that established Hawaiian Tug & Barge Co. Ltd (HTB). The corporation was organized "to engage in the business of transporting freight or passengers by water, as contract carrier and as private carrier, and to provide towage services between the several islands of the Hawaiian group . . . and ports of foreign countries ..."

Of the twenty subsidiary companies that made up the new corporate family of Dillingham Corporation, three represented the former OR&L Company—Oʻahu Railway & Terminal Warehousing Co. Ltd., Young Brothers Ltd. and the newly incorporated Hawaiian Tug & Barge Co. Ltd.



Above: Eleu and a harbor tug nudge the heavily loaded barge Makahani into Honolulu Harbor. Right: Loading the double-decked barge Makahani in the early 1960s, with a diverse lot of cargo traveling on the exposed deck—a couple of boats, trucks and trailers. In later years, the fencing structure around the deck was removed.

The three companies were organized to operate cooperatively but independently of each other, so personnel were reorganized to assure that employees were retained and manpower needs were met. Vice President and General Manager George R. Hansen became operating head for all three companies, which became known as the Maritime Services Group.

Operation of Young Brothers fell under the authority of Burt Nose, and included interisland freight services, as well as bookings, receiving deliveries, checkers and dock operations for Honolulu and the outports of Hawai'i, Maui, Moloka'i and Kaua'i. R. Whittington, who was responsible for not only the barges but also the locomotives, buildings and piers, supervised maintenance. The floating equipment of the company was composed of the *Hualalai*, and YB-14, -15, -16, -18, -19, -20, -22 and -23.

Dillingham Corporation reasoned that by pooling its floating equipment with a separate company, Hawaiian Tug & Barge could service its various subsid-

iaries that were far-flung across the Pacific. There was also the expectation that revenues from a towing and salvage operation that was independent of Young Brothers would be exempt from Public Utilities Commission tariff regulations. Accordingly, Hawaiian Tug & Barge held the harbor tugs, ocean tugs, barges YB-2, -3, -4, -5, -6, -7, -8, -9, -10, -11 and -21, and the buildings at Pier 21. Operations were assigned to George Mason, who supervised harbor tows, ocean tows, charters, dispatchers and the commissary.

In May 1967, Young Brothers recognized the International Longshore Workers Union (ILWU) Local 142 as the collective bargaining agent for some eighty-five longshore and wharf clerical employees. Organizing the unit had come slowly over two decades. As early as 1948, Ed Harrison, president of Young Brothers at the time, had addressed employees on the matter and said, "We understand you will accept an

THE HUALALAI

In August 1959, a self-propelled barge to be named Hualalai was ordered by OR&L from the Albina Machine and Engine Works of Portland. The twin-screw, all-steel vessel wasn't large, measuring ninety-two feet long and twenty-seven feet wide, but had an estimated speed of thirteen knots that would make the Honolulu-Kona run in about fourteen hours. The craft was driven by a 500-horsepower diesel engine and was designed with a high bow to help protect her deck cargoes during crossings in heavy seas. She had the capacity to carry 300 tons of cargo and could accommodate nine automobiles, or the equivalent in cargo, on deck. Crew to operate the new vessel comprised a captain, a mate, two seamen and two engineers.

The intent of commissioning this new type of barge was, to some extent, a response to the threat of competition from a new interisland shipping company, the Hawaiian Water Transportation Company, formed in 1958. The company was using several patrol rescue vessels to operate as a ferry system that made deliveries and carried passengers between the islands. OR&L felt pressured to experiment with a ferry system of its own. The *Hualalai* would be the first vessel designed with this in mind, since early reports indicated that Hawaiian Water's operations

were making drastic inroads on Young Brothers' barge business.

The idea of developing a ferry system between the islands had surfaced several times since the old interisland steamers had terminated service. In 1956, OR&L had, in conjunction with the Territory of Hawai'i, financed a study to ascertain the feasibility of reintroducing ferry service between the islands. The results of the study indicated that a "short-run" ferry would be the most economical and practical first effort. The *Hualalai* would be put into service as an experiment which, if successful, could be extended to all the islands.

By the time the \$175,000 Hualalai arrived in the islands, the Hawaiian Water Transportation Company had already faded as a threat, due to high operating costs and health problems of the owners. Hualalai successfully operated between the Big Island ports of Kawaihae and Kailua-Kona, never actually carrying passengers but having the great advantage of being designed to use laborsaving freight loading and unloading equipment that cut time and expense to a minimum. In short order, the vessel was so successful that she paved the way for even more cost-effective barge service. She was subsequently retired from service and sold to the Pacific Towboat and Salvage Company of Long Beach, California, in 1960.



The Hawaiian Tug & Barge fleet at Pier 21, January 1965. The repair shop can be seen alongside the pier. Pier 20 storage is on the far right, with another storage area at upper right. In this building were stored manila rope, wire rope and other supplies for towing. At upper center and right, Young Brothers' barges can be seen alongside Pier 24, from where they were loaded by hi-lifts.

election to select your bargaining representative. We feel that should be done under the rules of law through the NLRB [National Labor Relations Board]. The NLRB was set up by the government ... for your protection."

By the time Young Brothers was organized, the union had successfully organized all the other companies doing business along the state's waterfront. George Hansen, speaking as general manager of Young Brothers, said, "While Young Brothers employees have been non-union for a long time, most Dillingham operations have been unionized and we are not opposed to our employees belonging to a union of their choice."

Part of the reason that the company's employees had not sought union representation was because of the sense of family that prevailed among the men. In the early days, Captain Jack would host parties for the harbor crowd that were legendary. One of the cooks



The harbor tug Huki, seen here operating for Dillingham Tug and Barge in the late 1970s.

"dead shifting" the powerless container ship. This is a maneuver where they'll push, pull and nudge a vessel into placein this case moving the ship about 2,000 feet from Pier 2-C to Pier 1-B so she can load cargo while some engine repairs are

made. The move will cost Matson about \$1,000, but will reduce its expenses overall in time saved.

As a first step, the Huki pulls alongside the Progress and tosses the Huki's heaving line to a Progress crewman. He runs it through a chock and makes it fast to a bitt before sending it back to be secured on the Huki's

deck. On the port side, the Eleu is tied to the ship with three lines, and the Makaala is tied to the stern of the Eleu. The Malama is busy picking up the stern line from the ship's deck.

Next, the Progress crew brings in all its lines from the pier and the tugs go into action, all the time communicating by radio between them. The Eleu takes the lead by nudging the container ship forward, while the harbor tugs stabilize the big vessel with slow in-and-out movements.

Nearly two hours later, the container ship rests at the pier. An easterly wind had picked up that kept progress at a slow pace—to go faster might have endangered the tugs and flipped them over. In the meantime, the Huki had already headed off toward her next job. All in a day's work.

A DAY ON THE HUKI

even when the weather is calm in Honolulu, life on a harbor tugboat can get hectic. Ships collide, oil spills, vessels need to be moved or tugs flip over. Harbor tug crews are on call twenty-four hours a day, seven days a week, holidays and all, to meet every emergency.

During the 1970s, Captain Paul Diggs was in command of the Huki, with Charlie Zoller as the tug's mate. A typical day finds the Huki joining three other HTB tugs in the fleet to move a 700-foot Matson container ship, Hawaiian Progress. The little harbor tug Huki is dwarfed by the Progress, but she chugs along with a thin trail of smoke puffing from the stacks of her 1,500-horsepower twin-screw engines.

When the Huki meets up with the Makaala, Malama and the larger ocean-going Eleu, they begin the chore of

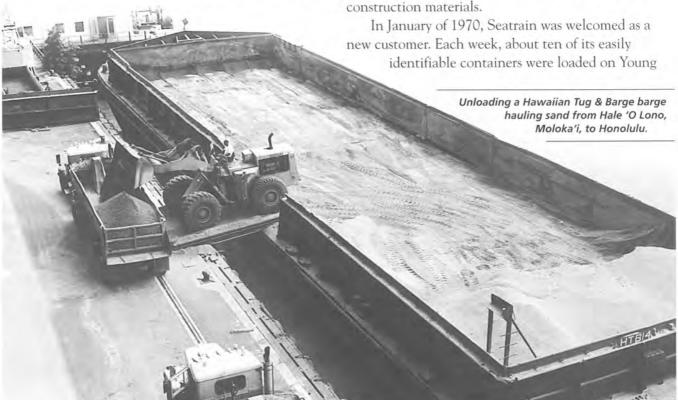


Pineapples were hauled from the neighbor islands to Honolulu by barge, lifted by crane onto a flat car, then taken by train to cannery.

would make up a big pot of beans and broil up some steaks for the occasion. In 1931, when he had to reduce the men's pay because of the Depression, Captain Jack held a meeting and promised to restore their money as soon as he could. Then he held to his word. He kept the tugs in safe working order and earned the men's loyalty.

Changes in the industry, though, made representation by a union more attractive. Jack Hall, regional director for the ILWU, accelerated union efforts when it was announced that Hawaiian Lines would enter container competition with Matson and that Young Brothers would handle trans-shipments between Honolulu and the outports. Among the Young Brothers' crewmembers there was already developing a feeling of isolation from the other unionized dockside workers. By remaining non-union, they might be refused dockside assistance on the West Coast as well as here at home. Voting for union representation put that problem to rest.

Young Brothers wrapped up the decade by enlarging its interisland barge service and expanding container handling. The company continued to service increasing island traffic in lumber, pineapple and construction materials



HAZARDOUS RESCUES

n November 9, 1967, a mix-up in signals coupled with heavy winds toppled over the Hawaiian Tug & Barge tug Malino (right), just off Pier 21. The tug operator, Solomon Kapule, and a crewman were tossed into the water when the vessel overturned. At the time, the Malino was helping the Swedish freighter Yakima Valley out of the harbor when the accident happened. Apparently, the freighter made a sharp ninety-degree turn that flipped the forty-seven-foot Malino over. Luckily, two Hawaiian Tug & Barge tugs were nearby to attach lines to the overturned Malino, which helped keep her from sinking. Air trapped in the hull also helped keep her afloat. Three

hours after the incident, a team of scuba divers, the Makaala II and a crane successfully arighted the capsized vessel that was taken to drydock for repairs.

ust after midnight on October 26, 1963, the Chinese If freighter Hai Fu (below) struck the reef 500 yards off the entrance to Kewalo Basin, mistaking it for Pier 29. Throughout the day, a combined force of seven HTB and Navy tugboats attempted to dislodge the grounded freighter without success, but it was hoped that the rising tide would help her float free. That evening the Hai Fu's anchors were set, and Hawaiian Tug & Barge tugs re-



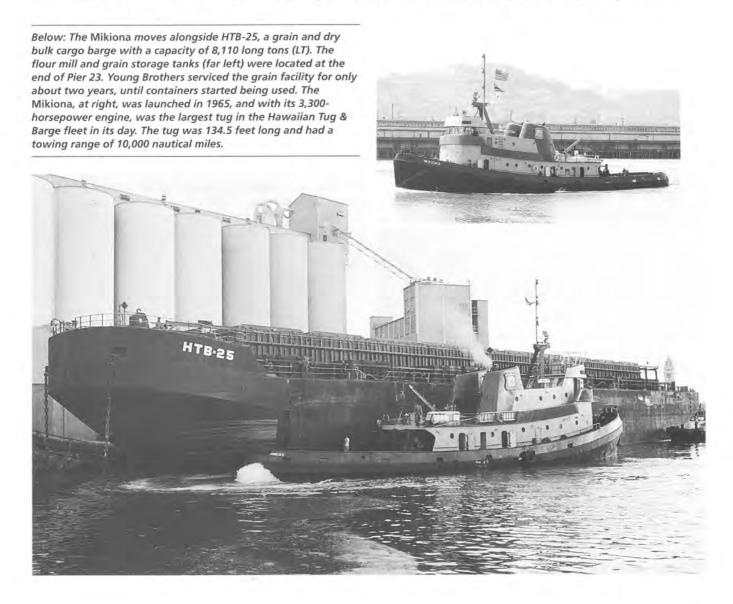
mained with the freighter in order to maintain a steady seaward pull to prevent the vessel from slipping further toward shore. By morning, there had been no progress, so the Navy took over the operation. The freighter was scheduled to unload 200 tons of construction machinery and the Navy was hoping to dislodge the vessel without having to dump cargo. Unfortunately, during the maneuvering a cable broke and whipped through the air, severing the foot of one of the six passengers, and breaking the leg of a Navy captain. The freighter was eventually able to float free, but the injuries were a somber reminder of the hazards involved in a marine rescue.



Brothers' barges bound for the outer islands. The YB-16 was specially configured with cloverleaf pads throughout the deck in preparation for shipment of the trailers and containers. The barge was first towed to the Seatrain container facility where the units were lifted aboard by giant mobile dock cranes and secured for shipment. Four shackles were used in the process on each trailer, after which four bright yellow wheel chocks were put in place and secured as an additional safety measure.

By utilizing this method of loading, the units could be brought aboard in just a matter of minutes, cutting down on the overall travel time when land transportation was needed between the Young Brothers' terminal and container facility. Land transportation was necessary when only one or two units were shipped. The units would be rolled aboard using a forklift and Young Brothers' special swivel plate concept that facilitated easy loading and unloading. When the outports were reached, the units would be rolled off using the forklift method, the truck trailers connected, and they would be driven off to their destinations in record time.

Meanwhile, Hawaiian Tug & Barge added two tugboats—the *Huki* and *Malanae* to its fleet. A ceremony was held on March 18, 1970, that was a first, since both vessels were christened at once in an event of festive proportions. The Reverend Abraham Akaka, pastor of Kawaiahao Church, gave the invocation



both in the Hawaiian and English languages. Carnation and *maile* leis were presented, then George Hansen and T.E.W. Smith, manager of Honolulu operations, made presentations that elaborated on the special features of each vessel.

The ocean-going Malanae would offer her eightmen crew modern surroundings with air-conditioning and heating. Meals would be served to order from a galley with ultra-modern culinary equipment, in a comfortable dining room. The Huki was designed as a harbor tug with the latest in mechanized equipment and built-in conveniences.



Malanae was built for Hawaiian Tug & Barge by Albina Shipyard in Seattle. She was christened in Honolulu on March 18, 1970.

CAPTAINS COURAGEOUS



Captain George K. Panui Sr.

n 1960, George Panui earned his master's papers and was given his first command of a tug. But the story of what eventually became his career of forty-one years on tugboats started back when ocean liners were the only way to get to Honolulu from the mainland, and Panui was heaving manila line around the capstan, towing pineapple barges from Moloka'i to Honolulu for Young Brothers.

He started out as a deckhand, pretty much by accident. Back in 1934, when jobs were very scarce, he got a call to fill in for a crewmember who hadn't shown up for work. He was twenty-four at the time, without much experience at sea, and spent the whole first day feeling seasick. But after a few trips, he began enjoying good meals prepared by a cook and mess boy, and always had a big appetite at sea during the years that followed.

In those early days, pineapple was the only cargo carried by barges. Inter-Island Steamship Navigation Company carried the other freight. During World War II, Panui was promoted to mate and moved out of a bunk in the fo'c'sle, where the crew sleeps, to the officers' quarters. In the days before the war, there were fifteen men on a tug, but that got reduced to nine. There were no more mess boys, but always a good cook on board.

Life aboard a tug throughout the years alternated between hard work and tedium—some have even said between boredom and sheer terror. Crewmembers carried on traditional woodcarving and rope knotting during quiet times, much as seagoing men have done for centuries. Fishing lures were also made, and lines cast for trolling. Fresh mahimahi was often a menu item in the galley, and there would often be enough to dry and take home. And, of course, someone always kept an eye on the cable towing the barge.

One of the most dreaded and embarrassing events for a tugboat captain at sea is a snapped towline, when the cable lashes through the air like a steel whip when the pressure is released. For Panui, this happened once, and the barge started heading for a reef. Luckily it was recovered through some quick maneuvering. "Gee, if you lose a barge," he once commented, "how are you going to explain that?"

When Panui retired in 1975, he was in command of the legendary Mamo. He once described his job of towing two 6,000-ton loaded barges on a 1,700-foot cable as "routine." He would simply explain, "Where we go, the barges follow." And yet, Captain Panui never learned to drive a car; he just didn't see the need. He was happy on the Mamo, spending 300 days a year working and living aboard the tugboat. "I love everything about the sea ... I love the challenges," he said. "I'm free there."



Captain Wallace Grace

allace Grace joined Young Brothers as a young man in 1941, and went on to become a tugboat captain during a forty-four-year career with Young Brothers and Hawaiian Tug & Barge. On December 7th, the day of the attack on Pearl Harbor, he was working as a deckhand on the Mahoe. The deckhand is assigned to inexperienced crew and the job involves shifting barges and performing maintenance upkeep of the barges. The Mikimiki had just come in from a long tow to Christmas Island. Only hours after the Mikimiki had docked, the bombers appeared overhead. Grace was immediately called back out to help with clearing away the wreckage in Pearl Harbor. During one stretch, he and fellow crewmembers worked fiftyfour hours without stopping. In the war years that followed, Grace spent most of his time working on Young Brothers' tugs that were stationed at Pearl. It was only during pineapple hauling season, or when emergency

tows were needed, that tugs were released from their duties with the military.

After the war, Grace worked for many years on the "pineapple run" between Honolulu and Moloka'i as one of a twelve-man crew. They would head for Honolulu at around 4:00 p.m., and arrive before midnight. The idea was to get there in time to load the fruit on a train and get it to the cannery for the morning shift. The train tracks would be right next to the pier-barely three feet away—and yet the loading by hand and crane was still a big job.

There were other interisland jobs that required raw strength and courage. In the early days, some of the landings such as Kailua-Kona, Māhukona and Kawaihae had only a short pier, with no harbor or breakwater. As the tugboat maneuvered the barge toward shore at these landings, Grace would jump overboard and swim with the lines to pull the barge in. Sometimes most of the crew would have to jump in behind him to help. Other times, a cable would break or get tangled during a tow. Grace remembers a time in the middle of the Moloka'i Channel when he jumped overboard from the tug and came up swimming underneath the barge being towed in order to reattach a bridle.

Grace also went on many long ocean tows and deliveries. At times like these, when he was out to sea for a month or so, he joked that he wouldn't have any "sea legs" on land—he'd get off the tug and walk with a swaying motion for a few hours!

During an interview in July 2000, Captain Grace looked back over his life and sighed with contentment. "Those were the days when the tugs were made of wood and the men were made of steel," he reminisced. "Nowadays, the tugs are made of steel, but the men are made of wood."

UNUSUAL HANDLING SITUATIONS

Hot Asphalt: A small but highly efficient rig on the Young Brothers' dock handled asphalt, but only if it was heated to more than 400 degrees F. The supplier first heated the asphalt to have it liquid enough to be pumped off the barge at its destination without being reheated. The transport tank was insulated with four inches of fiberglass, so that even after thirty hours at sea the temperature was still around 375 degrees F. A Young Brothers' pump, powered by a small four-cylinder gasoline engine, could then empty a typical eighteen-ton tank in about thirty minutes. Having a safe economical way to load and unload the thick bubbly mass was crucial to Young Brothers since the company transported nearly 8,000,000 pounds of it each year.

International Mail: Hawaiian Tug & Barge's Makaala II was steaming toward port in the spring of 1970 when Captain Harry Uyeda spotted a bright orange five-gallon paint container floating about four miles off Ewa Beach. The floating "buoy" was uniquely constructed with a weight on a five-foot cable to keep it upright, and had two flags flying—one, the national ensign of Columbia and the other a hand-painted swatch of canvas decorated with red and yellow stripes, presumably to increase visibility.

Inside the float was a cache of letters "mailed" by a passing merchant ship, the Grancolombiana. All the letters had the correct postage, but that wouldn't have mattered to the crew of the Maakala II, who were happy to help out fellow seamen. As they hauled out the "mail can" they noticed something scrawled on the outside that more or less resembled the word "aloha," which made the unusual cargo doubly well received.

CHAPTER 7

An Era That Almost Ended — 1970-1979

hen the 1970s opened, no one suspected that Young Brothers would be facing the most challenging decade in its history. Changes in competitive carrier service to Hawai'i during 1970 had varying effects on the state's marine cargo operations, although cargo volume carried by Young Brothers to the neighbor islands had increased overall by 20 percent. Sister company Hawaiian Tug & Barge secured major contracts for the year with Alber's Milling Company, Kaiser Cement & Gypsum and pineapple hauling for Dole and Del Monte that accounted for a substantial part of its operations.

Both companies were, in effect, acting in partner-ship with the expanding state economy. By 1970, Hawai'i's construction volume had reached a peak of \$784 million to conclude a decade of almost explosive growth. For the next five years, the state's construction market continued to grow, with 38,000 housing units needed before 1975 to alleviate shortages. In the heavy construction sector, the reef runway extension project at Honolulu International Airport was completed for a price tag of \$50 million.

The visitor industry, too, was contributing to the state's growth. In 1969, there were an estimated 1.5 million visitor arrivals staying overnight or longer. Ten years later, that figure had nearly tripled to four million.

Dillingham Corporation continued to expand its base of maritime and construction operations to



Burt Y. Nose (left), Manager, Young Brothers, 1970-1976. Vice President and General Manager, 1976-1979. Meredith C. "Rip" Riddle (right), President, Dilmar, 1973-1976 President, Young Brothers, 1979-1984.

encompass the West Coast, Pacific Basin, New Zealand and Australia. By 1973, Dillingham's fleet of ocean-going and harbor tugboats was one of the largest in the world — one hundred tugboats and approximately two hundred barges.



Beginning in 1924, Young Brothers continued to expand its pineapple hauling business until it dominated the trade. This tandem tow of pineapple barges occurred in July, 1970.

Maritime activities of the company in Hawai'i and Guam became known as Dilmar, which was headed by M.C. "Rip" Riddle as president. Dilmar was made up of five companies: Young Brothers, Hawaiian Tug & Barge Co. Ltd., Dilco Guam, Dillingham Shipyard, and Oʻahu Railway and Terminal Warehousing Company.

By the mid-1970s, Young Brothers was handling some 45 percent of all interisland freight, amounting to more than a million tons of cargo each year on its regularly scheduled interisland service. The company prided itself on its responsiveness to the demands of

SERVING KALAUPAPA

or 140 Hansen's disease residents of Kalaupapa, 1975 was a typical year for receiving supplies. Young Brothers' barges came twice a year, in July and September, when the waters were the calmest.

Even in those days, most of the patients at the settlement were not affected by active cases of the disease. They simply preferred to spend their lives on the peaceful peninsula sheltered by rugged cliffs. On the days when Young Brothers brought in the semi-annual barge, quite a crowd might gather at the landing.

A typical delivery started at 7:00 a.m., when the tugboat would bring the covered barge into a shallow-water berth tight alongside the concrete pier. Workers from Kalaupapa would then mount forklifts to pick up the containers that first had to be unloaded by stevedores. First off would be the items going directly to a freezer storehouse, things like salted salmon, cases of kim chee and barrels of fish. Next would come a steady stream of boxes that might include breakfast cereal, soy sauce, spaghetti and peanut butter. There would always be lots of rice—maybe seven or eight thousand pounds of it. As the morning went on, a ten-foot stack of boxes would eventually surround the Kalaupapa Store.

Rea's Store was another local establishment that would receive supplies. Because Rea's was the only bar in town, it would take its delivery in beer—about fifteen hundred cases that would have to last until the next barge came in.

For individuals in the community, the barge might be bringing in a new washing machine, lawn mower or even a car. The unloading process would be completed in short order. By 11:00 a.m., the barge would be empty and people would be carrying off their most recent household additions and maybe even starting to plan for the next barge to come in.



In the early days, men from Young Brothers' Pier 24 would be sent up to Kalaupapa with the tugboat on the twice-yearly service to the settlement. Seen here, cargo is being unloaded by hand at Kalaupapa. Before Hansen's disease

was well understood, Young Brothers' men experienced some apprehension about going to Kalaupapa. Cargo would be unloaded from the barge and placed on the pier by Young Brothers, then the men from the Kalaupapa settlement would pick it up again and continue the rest of the handling. By afternoon, the barge would be completely unloaded and would be towed back to Honolulu so that the men never stayed overnight. These days, it is all in a day's work for Young Brothers' men to be flown over by small plane for an assignment at Kalaupapa.



The tug Mahoe waits while a barge is unloaded at Kalaupapa. Freight barges such as this one in the 1940s carried a house to protect pallets of goods from the sea and weather.

special cargo, and designed or procured innovative systems to handle dry bulk cement, modular housing units and other freight.

Hawaiian Tug & Barge provided the towing for this important island lifeline, and also continued a Pacific-wide tug and barge charter to service such remote locations as Palmyra, Enewetok, Kwajalein and Samoa. Additionally, the company actively engaged in commodity distribution throughout the island chain by using specialized equipment to haul sand from the beaches of Moloka'i, cinder from the Big Island and

petroleum to the neighbor islands, as well as grain from the West Coast. Twelve specialized barges were developed to meet these diverse transportation needs.

The year 1976 started with administrative changes and plans for expansion. During February, "Rip" Riddle was promoted to chairman of the board of directors of Dilmar and Thomas D. Opatz was appointed president and CEO of Dilmar, reporting to John R. Jensen, maritime group vice president. Opatz assumed responsibility for all facets of the firm's day-to-day operations, which included Hawaiian Tug & Barge, Young Broth-

Right: Unloading a barge at Kalaupapa with oil drums carried on the open deck. An old fashioned "house" protected perishables, and a hi-lift was carried on board to move the cargo. Below: By the 1970s, the shape of the barge "house" had changed to accommodate more cargo and containers. Here, the small support tug Ma'a nudges the barge in toward the pier at Kalaupapa because the harbor is too shallow for an ocean-going tugboat.





By 1975, the Mikimiki had seen fifteen years of interisland towing service. Captain Leo Lomski was in command of the 160-foot vessel for many years during his fifteen-year career with Hawaiian Tug & Barge.

AT THE HELM OF THE MIKIMIKI

The tug Mikimiki plied the waters between the islands during the 1970s with Captain Leo Lomski in command for Hawaiian Tug & Barge. A typical day might find the captain leaving Pier 21 at 8:00 p.m., motoring over to Pier 23 to pick up the two-hundred-sixty-three-foot barge Maukana, one of Hawaiian Tug & Barge's largest, then heading out toward the Moloka'i Channel bound for the first stop at Kaunakakai.

Captain Lomski "started fooling around on tugs" when he was only eleven years old in Aberdeen, Washington. During WWII, he joined the Navy and specialized in amphibious craft. After the war, Lomski completed his college education, then was hired by Dillingham as chief mate and navigator for the University of Hawai'i research vessel, the Mahi. His love of a seaman's life kept him busy until he retired from Hawaiian Tug & Barge in 1984. A photograph of his wife stayed with him wherever he went.

On a typical trip toward the channel, the little tug would pitch and buck her way through the darkness with the barge lurching along 1,600 feet behind on its single cable.

Once under way in the channel, Lomski would go to the wheelhouse to check the radar screen to see if his

route was clear. Three white lights lined up on the tug's mast signaled to other craft that there was something really big undertow. If a small craft were to come between the tug and the barge, it could get plowed under by the huge mass and momentum of the load. The cable

alone weighed more than a ton and could cause considerable damage as well. By the time the Kahala shore was only faintly visible, Lomski would turn off a spotlight beamed at the barge and go below for a cup of coffee, leaving the barge's red and green running lights glowing behind in the distance.

Captain Lomski and his crew of eight—a first and second mate, two able-bodied seamen, one ordinary seaman, an engineer, an assistant engineer and cook—wouldn't expect to do much sleeping during the night. They often chatted or watched television, impervious to the motion of the waves and roar of the engines. "Barges are very unforgiving," Lomski has been quoted as saying. "If you make a mistake, you'll pay for it. Every time you work with them, it's a controlled collision. But the object is to make it as soft as possible.

"You make speed at sea and go slow in port," he continued. "You gotta play the winds, play the current."

On this trip, Lomski put in to Kaunakakai then continued on to Kahului much as he would do for countless trips during his fifteen years with Hawaiian Tug & Barge. There would be those few days during his many years at sea when the ocean would be smooth as glass. "If the ocean was always like that," he would muse, "there'd be too many people in the business."

ers, Dillingham Shipyard, and Oʻahu Railway and Terminal Warehousing.

Dilmar was in the process of improving its fleet of tugs and barges with a capital budget of \$7.3 million. In May, a new tugboat, the Mana, arrived in Honolulu from Louisiana as the first shipment of new equipment on order for Dilmar. A second ocean-going tug named the Moana Holo, costing \$2.9 million, was under construction with an estimated delivery date in 1977.

Young Brothers concluded the year by posting disappointing profits—about \$184,000 after taxes, a big drop from the \$500,000 that would be equal to the fair rate of return established by the State of Hawai'i Public Utilities Commission (PUC). The company reacted by filing several petitions with the PUC to approve what amounted to a 17.2 percent increase in its rates.

Attorneys for the company stated in the submittal

that "Young Brothers needs rate relief now in order to assure continued, adequate, and safe service, and to avoid impairing the credit of the company.

"Young Brothers' financial health will be endangered unless it is enabled to offset recent substantial cost increases caused by the inflationary rise in the cost of labor and the cost of capital investments.

"Without immediate rate relief, Young Brothers will have difficulty paying its interest expense, investor confidence will be eroded if the equity owners receive nothing in return for their investment, and Young Brothers will be hard-pressed to maintain its present

level of services."

The issue developed into a classic conflict between the financial health of a company versus the hardships incurred by customers paying the higher rate. A common misconception biased public perception of the situation—that because Young Brothers was regulated by the PUC, it was a monopoly. In fact, cargo moved between the islands in several different ways: direct call at a neighbor island port by a transocean carrier, such as Matson; by an interisland trans-shipment using a feeder vessel like the Hawaiian Princess; by waterborne contract carriers; by air cargo services;

MANA MEANS POWER

he christening of the Mana on May 14 expanded Dilmar's Hawaiian Tug & Barge fleet to eleven towboats and seven support vessels. The Mana was specifically designed to ply both interisland and trans-Pacific tow routes. At 123.5 feet long and 34 feet wide, the Mana was the second largest tug in the fleet, and came with a price tag of \$2.6 million.

Mana was built at the Main Iron Works in Morgan City, Louisiana. Captain Frank Kapele and Chief Engineer Paul Natto represented Hawaiian Tug & Barge in overseeing the final outfitting before the vessel began her maiden voyage on March 31. The journey involved passing through the Panama Canal, then sailing directly to Seattle for refueling, provisioning and picking up the

oil barge HTB-36. Mana then sailed to Astoria to pick up the HTB-9, which got loaded with 1,200 tons of steel at yet another port, Oakland, before finally heading to Hawai'i.

With guarters for a crew of eight, the Mana featured air-conditioning, a lounge and a modern galley. For the delivery crew, Captain Kapele, Chief Mate Fidel Matunding, 2nd Mate Philip Jokepa, ABs Leonard Kaae and Arthur Heanu, O.S. Dorian Paia, Cook Warren Wannomae and Engineer Natto, the two-month voyage was a long but rewarding one.

The Mana had a total fuel capacity of 110,000 gallons,



Mana moves alongside an oil barge in order to move it to a pier.

giving the tugboat the longest operational range of any Hawaiian Tug & Barge vessel at the time, Two 1,500horsepower, twelve-cylinder General Motors Electro-Motive diesels powered the vessel. Added thrust was provided by "Kort nozzles" that are stainless steel rings surrounding a propeller.

Christening ceremonies were presided over by Reverend Akaka. Lovann Jensen, wife of John Jensen, vice president, Dillingham Corporation and chief of Dilmar, christened the Mana with the traditional bottle of champagne.



The Moana Holo, which means "ocean run," was a charter tug built in 1976.

and the interisland common carrier, Young Brothers.

The transocean tariff structure, as it stood, provided for freight rates that were the same from the mainland to Honolulu, and then on to any other port in the islands. In effect, this eliminated much of the potential revenue for interisland shipping companies in general, and Young Brothers in particular, because customers wouldn't find it cost-effective to unload their merchandise once in Honolulu, then reship it to a neighbor island port with additional payment due for the second travel leg.

The rates also seemed to penalize the 80 percent of Hawai'i businesses located on O'ahu that in essence subsidized the one-cost statewide rate. The common fare structure had been created more than a decade earlier as a plan by Governor John Burns to stimulate neighbor island development, and was not related to the actual economics of surface transportation.

Young Brothers had a long history of operating in a regulated environment. Prior to statehood, the Federal Maritime Commission and its predecessor agencies regulated Young Brothers. In 1959, the company came under the provisions of the General Public Utilities Law. However, in 1974, the Hawai'i Water Carriers Act had been passed that removed the regulation of interisland shipping from the general provisions of the law. The act had what amounted to a "file and sus-

pend" procedure that allowed the commission to either render a decision on an application for new rates within forty-five days of the date of application, or suspend the application for a maximum of six months for the purpose of requesting additional information on the matter. The key provision permitted new rates to go into effect almost automatically unless suspended by the PUC. Young Brothers believed that this would eliminate time-consuming hearings. At the opposite extreme, however, this procedure could result in a time lag of many months between the time rate

relief was requested to the time it was granted. This placed an additional burden on the ratemaking efforts of Young Brothers, since the resulting lag made it increasingly difficult to keep rates apace with rapidly increasingly costs.

Young Brothers received no additional rate relief until May 1977, more than eight months after its initial filing. The results for the company were severe. During the first five months of 1977, the company lost \$450,800 before taxes, and despite rate relief granted in July 1977, Young Brothers lost \$130,000 during all of 1977 after taxes.

During this period of financial upheaval for Young Brothers, Hawaiian Tug & Barge was developing a successful identity as a fleet of ocean tugs that moved cargo across half the world. On May 23, 1977, the corporate name was changed to Dillingham Tug and Barge Corporation as the company worked even more closely with Dillingham's maritime group sister companies to offer assist services that swept all the major Pacific sea-lanes.

Three tugs were added to Dillingham Tug and Barge floating equipment during the year—Mikiala II, Moana Hele and Mamo II. Each was ninety-six feet long and had a beam of thirty-two feet, with a depth of fifteen feet. Their twin sixteen-cylinder engines developed a total of 2,250-horsepower and with fuel



IN THE TRADITION OF MAMO

amo II was built by Main Iron Works in 1977. By 1980, Mamo II was plying the long fifteen-hour sail between Kawaihae and Honolulu under the direction of Captain John Cardoza. The vessel had been described as the perfect ocean-going craft—muscle and brawn topside, but all polish and comfort below. Each crewman had a comfortable bunk and there was a hot shower on board. The control room was outfitted with modern radar units, fathometers, rudder angle indicators and autopilot.

A typical run would find the Mamo II crew out for eight or nine days from Honolulu to Nawiliwili and Port Allen; back to Honolulu, to Hilo, to Honolulu, to Kaua'i again, then to Kahului, Kaunakakai, Kawaihae and back to Honolulu. At sea the crew stood four-hour, two-man watches with each watch attended by a mate, and a seaman. The crew's monthly pay in September 1980 was chief engineer \$2,340; first mate \$1,957; able-bodied seaman (AB) and oiler \$1,600; ordinary seaman and wiper \$1,495. About one in ten learned his trade in school. The rest, like today, learned their skills on the job.

The normal schedule to Kawaihae was two sailings a week. Tonnage statistics indicated that Kawaihae imported much more than was shipped out — 118,713 tons incoming in 1979 vs. 79,227 tons outgoing, primarily agricultural goods and cattle from Parker and Kahua ranches.

capacities nearing 70,000 gallons, the vessels had a wide navigational range. The addition of these tugs gave Dillingham Tug and Barge a large and reliable pool of equipment to handle contract towing as well as regular harbor jobs. Young Brothers was counted as its major customer.

Young Brothers, however, continued to experience escalating operating costs and unacceptable earnings. On November 21, 1977, the PUC held an economic hearing on the need for an interim relief rate increase,

but never issued an order granting or denying it. A decision rendered six months later on May 8, 1978, authorized only 1.9 percent of the 10.7 percent requested, and did not take any action on the interim relief request. Young Brothers responded with a formal petition for reconsideration and stated in part that the company "would not be able to continue in business over the longer term unless Young Brothers is able to convince the commission that the most significant findings should be reconsidered and changed." The

petition went on to interpret the PUC decision as one that "finds Dillingham's continued association with Young Brothers through the provision of services unpalatable."

Two months later, on July 12, 1978, Young Brothers shocked the entire business community by filing a

Notice of Termination of Services to be effective December 31, 1979. The company's inability to earn a fair return on the regulated service was cited as the reason.

By this time, according to an independent management study, the working relationship between Young

ANATOMY OF A CRISIS

The decision to terminate Young Brothers' common carrier service was not made casually. Common carrier status applies to companies engaged in the business of transporting passengers or goods for a fee, which in Hawai'i is regulated by the PUC. The term derives from the fact that a company, so designated, undertakes to serve all without discrimination.

Several key factors figured largely in the decision to terminate service—rising costs, static revenues and reduced earnings. At the heart of the matter was the mandate for public utility regulation to provide the public with the best possible service at the lowest possible cost, while all the time allowing Young Brothers to earn a fair return.

The economic environment that prompted Young Brothers to file for a termination of service was complex, but the main elements can be summarized as follows:

- 1. The common (trans-oceanic) fare structure was one factor that influenced growth on the neighbor islands, but the measure took its toll on Young Brothers by diverting potential customers who shipped a high volume of container business. At the same time, there was an increase in the proportional number of customers engaging Young Brothers to transport smaller cargo units. Higher handling costs resulted from small breakbulk shipments because they were more labor-intensive, while big, efficient, containerized cargo from the mainland would bypass Young Brothers altogether. In 1977, for example, Young Brothers handled 284,260 bills of lading—28 percent with the minimum value of \$6.57.
- 2. Closely related to the trans-oceanic fare issue was the fact that mainland shipments going directly to the neighbor islands weren't subject to the same taxes and fees as those from local shippers. No wharfage fees were collected on them in Honolulu if not unloaded, nor was the 4.25 percent PUC tax imposed on them. By comparison, local shippers paid PUC taxes, use taxes, dockage and harbor entrance fees. Young Brothers presented data to show that state-imposed fees and taxes ultimately affected the cost of shipping local

- goods, and had more of an impact on local customers than Young Brothers' profits.
- 3. The time lag between the date a petition for rate relief was submitted, to when it was granted by the PUC, became an unresolved issue of conflict between Young Brothers and the regulatory agency. Up to eight months in regulatory lag had been experienced during 1976 and 1977. During 1976, a change was made in the make-up of the commission that was designed to address this problem: The five-member, part-time commission was re-created as a three-member, full-time commission under Act 165. By common consensus, however, things did not improve.
- 4. A major area of disagreement between Young Brothers and the PUC developed over what are allowable expenses. This refers to what are the legitimate costs of doing business that the company can expect to be reimbursed for by having the costs included in the rate base, i.e., included in the rates charged to customers. For example, in its May 1978 decision, the PUC disallowed \$763,000 in annual expenses paid by Young Brothers to Dillingham Tug and Barge and other Dillingham-related companies, even though there was never evidence presented that these costs were unreasonable.
- 5. Revenue tonnage remained the same for Young Brothers from 1971 to 1978, but costs had risen. Union settlements kept with inflation, resulting in rising labor costs. Equipment costs had also risen to where a 3,000horsepower tug in 1969 that cost \$1 million would cost three times as much in 1978. Finally, the costs of more frequent regulatory proceedings were amounting to approximately \$250,000 a year.
- 6. The annual rate of return was failing to keep pace with inflation. Therefore even with no growth and no dividends Young Brothers could not continue operating indefinitely. Investors would not be attracted, and debts could not be met. For the five-year period preceding Young Brothers' notice of termination only once, in 1973, had the company's rate of return risen above inflation—by a scant 0.9 percent.

Brothers and the regulatory agency was strained almost to the breaking point. The local news media reported that the decision to terminate service was made by the maritime group's chief, John Jensen, in concert with Tom Opatz, and then endorsed by Dillingham Corporation President Herbert Cornuelle.

News of Young Brothers' decision to leave the business brought out a laundry list of replacement candidates. Hawaiian Marine Transport Inc. (HMT), was a subsidiary of the Seattle-based Crowley Maritime Corporation—the world's largest tug and barge conglomerate—that was prepared to step into Young Brothers' shoes without delay. Transoceanic Hawai'i Inc. also filed for a certificate of service. Another



HTB-27 was used as an open deck barge that had a capacity of 1320 LT. Here the barge is being loaded with construction materials by the large crane on Pier 27. Mikioi is tied off the barge, waiting.



One of Hawaiian Tug & Barge responsibilities was to provide routine maintenance and minor repair work for the entire Hawai'i-based Dillingham fleet, including the barges belonging to Young Brothers and Dillingham Corporation. Every vessel was overhauled on a regular schedule-tugboat engines, for example, were thoroughly inspected and serviced after 1,000 hours of operation. These services required a staff of twenty journeymen who were trained to do a complete engine overhaul in forty-eight to seventy-two hours.

applicant was Transocean Navigation Company (TONCO). Even Matson briefly considered setting up its own interisland service, but presumably abandoned the idea because of the heavy investment it would require.

Despite no shortage of common carrier applicants ready to leap into the vacuum, Young Brothers made an astonishing turnaround on March 2, 1979, by announcing its intention to reapply for a Certificate of Public Convenience and Necessity, in order to continue its interisland carrier service.

Several theories developed to explain this surprise move. Some observers viewed Young Brothers in a campaign for deregulation, with the company's notice of termination merely a ploy to accomplish that

objective. Proceedings early in the 1979 legislative session indicated that, at least for the near term, measures to scale back regulation would fail, which would have sent a sobering message to proponents of deregulation, if they existed. Matson also announced in January that the firm was considering altering or abandoning the transocean rate structure, which would have opened up competition for Young Brothers.

Undoubtedly, the most impelling factor in the Young Brothers' turnaround was the unexpected skyrocketing of tonnage and earnings for the company. Hawai'i Business reported that in 1978, Young Brothers recorded "after tax earnings of \$826,000, miles above any other year ... this represents a 15.3 percent rate of return, just under the 16 percent the company views as ideal, and well above the 14.5 percent the PUC sees as proper. The profits were made possible by a whopping 21 percent jump in revenues to \$16.4 million on shipments of 1.3 million tons, nearly 35 percent above

1977 and substantially higher than 1974's previous one-million-ton record."

Changes in senior management were made during the early months of 1979. In March, retiring Dilmar chief John Jensen was succeeded by David Ballash, with Meredith C. "Rip" Riddle stepping away from his position as chairman of the board of directors of Dilmar, to assume the presidency of Young Brothers. Riddle had served as president of the Marine Division-Hawai'i in the early 1970s and brought a wealth of maritime knowledge to the newly created position as the head of Young Brothers. It would be his responsibility to lead the way to secure a new operating certificate. At the time, Ballash articulated a renewed corporate commitment to Young Brothers by explaining, "We decided that as long as Young Brothers is a regulated carrier, it will have its own set of problems which must be addressed continuously." Tom Opatz, formerly serving as Young Brothers' president while



The freighter Shahjehan Jayanti is shifted by tugs Makaala II and Malama. In harbor situations where more power was needed to shift unusually large vessels, the large ocean tugs would assist the harbor tugs.

serving also as president and CEO of Dillingham's Maritime Pacific Division, was transferred to Pacific Towboat & Salvage Company. In May 1979, Harold L. Malterre was appointed to succeed Opatz, and assumed responsibility for Dillingham Tug and Barge and Dillingham Shipyard.

Young Brothers brought its case to the PUC during the spring of 1979 and made positive statements in hearings about future commitments to improve equipment and service to shippers. Representations to work cooperatively with regulatory officials were also made. The state Consumer Advocate's office was backing Hawaiian Marine Transport, but neighbor island support was strongly inclined toward Young Brothers, based on its years of dependable service.

On June 2, 1979, the PUC approved Young Brothers' bid to retain its certificate of service. The commission cited that Young Brothers offered the least expensive rates, the most flexible service and best scheduling of the three top candidates. In further explaining its decision, the commission said that Young Brothers seemed more sensitive to shippers' needs and schedules, whereas the other applicants expected "the marketplace to conform to the service they are proposing."

The commission went on to say that Young Brothers' rates were lowest. Transoceanic was proposing unreasonable tariffs without proven dependability. HMT was proposing a container-only operation with a substantial charge for container stuffing that would add appreciably to costs for individual shippers, since small lots and loose cargo made up the bulk of interisland surface cargo. Such an operation would also be slower and add to transit time. Young Brothers' costs for tugs, labor, fuel and capital were lower, and would help to hold down rates.

Scheduling was one of the things mentioned by residents on the neighbor islands that factored into the commission's decision. The commission pointed to Young Brothers' flexibility to use additional tugs, handle double tows and provide a labor force of 176 employees already in place to step in during any

situation or emergency.

Young Brothers' President "Rip" Riddle expressed his delight that the PUC "saw fit to award us the certificate." He pledged to carry out the promises made in public hearings that the company would make every effort to do the best job possible serving the people of Hawai'i.

It was a commitment that in many ways would require concessions to the very regulatory policies that the company had opposed when it filed for termination. But during the months the company had struggled to regain its operating papers, it had rallied support from dozens of major shippers and neighbor island residents. Developing strategies to serve the needs of these loyal customers would shape the destiny of the company in the years ahead.



"Rip" Riddle retired from thirty years in the U.S. Navy as a captain, before being recruited by Dillingham Corporation to serve in various positions—vice president in charge of Marketing and New Ventures, Maritime Services and Transportation Division, and the Marine Division-Hawai'i. He served as president of Young Brothers from 1979 to 1984. Riddle turned his experiences in the Navy into the rollicking bestseller, "Wackiest Ship in the Army," which went on to become a hit movie and TV series. He is pictured with dispatcher Phyllis Griep at the christening of the Mi'oi on January 9, 1981.

CHAPTER 8

Improving Service & Equipment — 1980-1989



Harbor tug Mea'e assists Matson's container ship, Maui.

In the wake of Young Brothers' recertification, a modernization program was quickly launched. During hearings before the PUC, President Rip Riddle had committed the company to \$9 million in capital expenditures over a six-year period for quality improvement projects. To meet that commitment, barges were scheduled for modifications and new hilifts were ordered without delay. The company's goal was to upgrade its floating equipment and cargo handling services as expeditiously as possible to provide more efficient shipping to its customers.

Transportation between the islands in the 1980s hadn't changed much in the thirty years that had passed since Inter-Island Steam Navigation suspended service. Tugs and barges carried freight, while people traveled by air.

For several decades, Hawai'i's economy had been shifting away from agriculture as competition from foreign markets cut into local sugar and pineapple profits. Tourism had filled that vacuum, with increasingly popular destinations on Kaua'i, Maui and Hawai'i requiring supplies and foodstuffs—some of which came directly from the mainland, while other items were shipped out of Honolulu.

By 1980, Young Brothers was responding to the demands created by tourism and construction by carrying in excess of 1.5 million tons of freight each year to and from the neighbor islands through the port of Honolulu. Seven barges with regular weekly sailings moved this cargo to Hilo, Kawaihae, Kahului, Nāwiliwili, Port Allen and calls to Kaunakakai. The company was equipped to handle just about any type of cargo, from parcel-sized lots to refrigerated or containerized dry cargo, to wheeled or trailerized commodities, to transshipped containers.

The company's barge fleet comprised five double-deck and two flat-deck craft. YB-26, YB-30 and YB-34 were double-decked barges 197 feet long. The double-decked Maukana was 226 feet long, while the fleet's largest barge, Makahani, was 263 feet long and 60 feet wide. Steel sheds were erected on the YB-32 and YB-38 to protect cargo.

As a first step in the company's dockside modernization program, six new thirty-ton Hyster hi-lifts were purchased to use for handling containers in both Honolulu and outports. Several months later, in the fall of 1980, fifteen new four-ton Clark lifts were



Harold Malterre, president of Dilmar from 1979-1984, delivers introductory remarks at the christening ceremonies for Mi'oi, on January 9, 1981.

received. Both the thirty-tonners and the four-tonners were the most modern hi-lifts made, and were the first that the company had purchased since 1974. The company also purchased thirty-six refrigerated containers, sixty-five 20-by-8-foot containers, and twenty miscellaneous containers.

Barges, too, were updated to enhance

efficient transport. According to "Hal" Malterre, president of Dillingham Maritime-Pacific Division at the time, \$500,000 was expended on barge modifications



Mikiala II positions the sailing ship, Falls of Clyde, into its berth at Pier 7 for the Hawai'i Maritime Center. In 1973, the Falls of Clyde was listed on the Historic Register, and in 1989 became a National Historic Landmark. It survives as the last remaining four-masted, full-rigged ship in the world.

"to be able to stack containers three, four or five high." The YB-32, Makahani, Maukana and YB-38 were first to be upgraded, resulting in a substantial increase in carrying capacity. For example, the Maukana was equipped to carry seventy-three twenty-foot containers stacked three high, or 109 containers stacked four high. New decking was also added to the barges to make them strong enough to accommodate the heavier lifts, with deeper planks and heavy-duty ramps installed.

In the area of customer service, a new computerized bill of lading system was initiated that would expedite processing customer commodities for interisland shipment. Under this new system, each basic cargo area on Oʻahu, the Big Island, Kauaʻi and Maui was slated to be set up with computer terminals. The system could be queried about an item in transit, should a customer have questions. The computerized system was also designed to handle internal record keeping and documents required by the PUC.

At the same time Young Brothers was modernizing operations, the state government took steps to improve conditions at piers throughout the islands, making it easier for the company to work efficiently. A roll-on/roll-off dock was built at Hilo, an area was paved for container storage on Maui and a storage shed was constructed at Kaunakakai. Talks were also initiated between the state and Dillingham Maritime Pacific to relocate Young Brothers from Pier 24 to Piers 39 and 40. Lawmakers appropriated \$900,000 to begin modifying pier structures, with expectations that the relocation could be completed by 1983. In fact, it wouldn't be until October 1998 that the entire Hawaiian Tug & Barge Company/Young Brothers' operation was consolidated at Piers 39 and 40 and corporate offices

CHECKING-IN THE CARGO

he job of a freight clerk had changed dramatically over the years. Picture a clerk standing on a platform twenty feet above a barge, counting heads of cattle as they ran down a chute to be loaded into trailers. That would've been the scene in the 1950s. By 1983, all cattle movement was in forty-foot cattle trailers that were driven on and off the barge.

Cattle were being transported in more comfort than in years past. On July 1, 1975, the Environmental Protection Agency passed regulations prohibiting the dumping of cattle waste into Honolulu Harbor where the Young Brothers' barges were unloaded. Up until this time, the barges were hosed off after a cattle run, with the wastewater ending up in the harbor. Forty thousand head of cattle were being shipped to O'ahu each year, with 25,000 coming from the Big Island, which amounted to a lot of cattle waste arriving in Honolulu. To comply with the new EPA regulations, ranchers switched to shipping their livestock in leak-proof cattle containers that could be washed out where the waste would not fall into the harbor.

Patricia Happek witnessed the changes first-hand. Happek was the first female freight clerk for Young Brothers, promoted to the position in 1976. Starting as a junior clerk in the freight department in 1958, she processed bills of lading. She then advanced to the position of counter clerk, where she rated freight charges, cashiered and worked directly with customers. Her most memorable experience was flying to Kalaupapa at sunrise to check in freight for the twice-annual delivery to the peninsula. "I love everything about my job, especially the people," she said, by way of summing up her forty-two years at Young Brothers.

were officially opened.

Young Brothers continued to rely on the Dillingham Tug and Barge to move its barges between Honolulu and the six neighbor island ports served. Dillingham Tug and Barge had ocean tugs that varied in size from 1,600- to 3,300-horsepower. The Mamo II and her sister ships Moana Hele and Mikiala II were typical tugboats of the times, measuring ninety-six feet long, with diesel engines developing 2,250-horsepower.

The need for Dillingham Tug and Barge to upgrade its pool of floating equipment became important as the company's harbor support and towing activities grew in Honolulu and within the islands. On January 9, 1981, a new tug named the Mi'oi and the fuel tank barge DTB-42 were christened at Piers 19 and 20.

The Mi'oi was seventy-three feet long and twenty-six feet wide, powered by two Caterpillar 398 engines developing 1,700-horsepower, with a fuel capacity of 25,000 gallons. Billed as the only vessel of its kind in Hawaiian waters, the Mi'oi had strategically placed rudders for improved maneuverability. The vessel could generate as much thrust as a 2,600-horsepower tug through the use of special propeller nozzles.

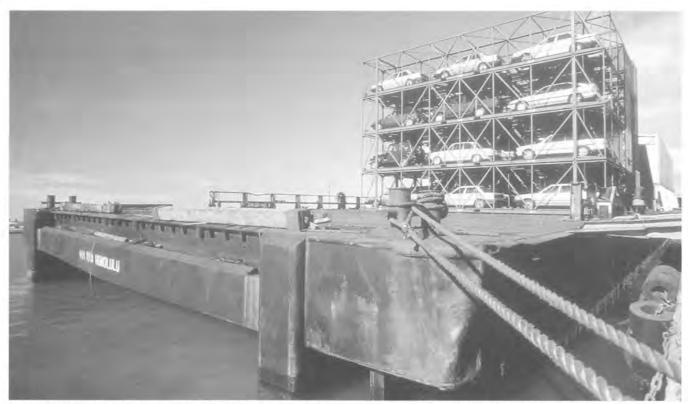
DTB-42 was a multipurpose fuel tank barge with a 43,000-barrel capacity that was built to carry petroleum products between the islands. The addition of the two vessels brought Dillingham Tug and Barge's fleet to eighteen tugboats and support vessels, and eight barges.

When it came to moving cargo between the islands, the working relationship between Young Brothers (as the common carrier) and Dillingham Tug and Barge was closely coordinated. "They load 'em, we tow 'em," was the way Captain John Cardoza of the Mamo II described the division of duties between Young Brothers and Dillingham Tug and Barge in 1980. Young Brothers controlled the consignment of freight to the barge, set the tariff and bills of lading, then loaded and unloaded the barge. Dillingham Tug and Barge took over when the last load was aboard and the barge was secured for passage. After the barge was towed to its destination, Young Brothers took over again.

"Rip" Riddle retired in 1984, after having guided Young Brothers through the period of expansion and modernization that followed the company's re-certification. On April 16, 1984, Charles "Chuck" O. Swanson was appointed president, bringing his years of maritime experience with the Navy to the operations of Hawaiian Tug & Barge/Young Brothers.



Chuck Swanson received distinction as a naval officer, then went on to serve as president and chief executive office of Hawaiian Tug & Barge/Young Brothers. He was an active member of the community, including Aloha United Way, the Maritime Affairs Committee and Chamber of Commerce. In 1992, Swanson's many years of working with young people in scouting was recognized—he was presented with the Distinguished Eagle Scout Award.



Young Brothers' 286-foot barge Malana, originally named DTB-40, was built in 1977 by West Gulf Marine. Here she is seen in 1988 being loaded with new cars on racks bound for the neighbor islands.

Soft economic conditions of the early 1980s had strongly influenced the operations of Dillingham Maritime Transportation. By 1985, the maritime transportation company had begun to slowly emerge from one of the worst recessions in the industry's history, and reported faring better than most due to its strong market position and financial strength. However, within Hawai'i's branch of regional operations, a new source of competition was targeted at the common carrier market held by Young Brothers, as Matson filed a tariff with the Federal Maritime Commission to move freight between the islands. Decreasing cargoes and revenues for Young Brothers seemed a possibility.

Rumors began circulating that parent company Dillingham Corporation was considering the sale or restructuring of its maritime transportation operations. On June 24, 1985, David Ballash, president of Dillingham Maritime, released a press notice from San Francisco confirming these rumors, explaining that the parent company planned to direct its investments toward its "construction and energy-related businesses"

DILLINGHAM CORPORATION GOES PRIVATE

ne of the most significant events in Dillingham's history was the March 17, 1983 approval by shareholders of the merger of Dillingham with a non-public company formed by the investment firm of Kohlberg Kravis Roberts & Co. The approval brought shareholder's \$25 in cash for each common share held, with Dillingham surviving intact with ownership by a select group of private investors, including an important cadre of the company's own management. Maximizing shareholder gain was an important objective of the leveraged buyout, but so too were the continuity of its business units, the management and employees of each unit and the Dillingham name. The change in ownership did not signal a change in direction near-term but did set the stage for the eventual break-up of the Dillingham companies in the late 1980s. With changes at its parent company, Dillingham Tug & Barge and Young Brothers saw capital dry up with little reinvestment in the companies until its eventual ownership by Hawaiian Electric Industries, Inc. in October 1986. The companies did their best to continue service to their customers during these uncertain times.

Dillingham retained Kidder Peabody & Company to assist with a review of alternative transactions and effect movement toward disposition of the maritime companies. As a result of this effort, Young Brothers and Dillingham Tug and Barge joined the family of Hawaiian Electric Industries, Inc. (HEI) on October I, 1986. C. Dudley Pratt Jr., CEO of HEI at the time, had a vision of bringing Hawai'i's essential services under one roof, so the purchase of Young Brothers and Dillingham Tug and Barge fit nicely within the holding company's general plan. On the same date, Dillingham Tug and Barge changed its corporate name back to Hawaiian Tug & Barge Corporation in order to resume business with a recognizable interest in Hawai'i and its people. Young Brothers, Limited became the official name for the original company of Young Brothers.

The purchase of Hawaiian Tug & Barge and its subsidiary, Young Brothers, by a locally based company put to rest uneasiness in the company's employees as to what the future held. Employee reactions were upbeat. "When we heard HEI bought us, we knew we were here to stay," enthused one Young Brothers' equipment operator. Others emphasized the importance of leadership residing in the local community. "It's much better to have direct communication with our parent company," reported a tugboat captain. Chuck Swanson, president of Hawaiian Tug & Barge/Young Brothers, seemed to express the feelings of everyone when he said, "All 350 of us at Hawaiian Tug & Barge and Young Brothers are enthusiastic about being members



C. Dudley Pratt Jr., President and CEO, Hawaiian Electric Industries, Inc., 1981-1990. Pratt was responsible for the formation of HEI, a Hawai'i-based diversified holding company that provided essential services in energy, financial services, maritime freight transportation and real estate development. In 1986, under his direction, HEI purchased Dillingham Tug and Barge and Young Brothers from Dillingham Corporation to provide the companies with local management. Pratt was active in numerous business

organizations and the Hawai'i Historic Society; he retired from HEI to become a trustee for the Estate of James Campbell.

of the HEI family. We are proud and pleased to be part of a strong Hawaiian corporation with a tradition of service to the people of Hawaii."

Joining HEI brought about improvements to both companies through HEI's initial commitment of approximately \$3.5 million to upgrade equipment and service capabilities. One of the first items purchased was a 2,850-ton barge, the FOSS 288, which could carry 7,000 tons of cargo. On her maiden voyage for HEI, the FOSS 288 brought home three generators from Seattle for Maui Electric and Hawai'i Electric Light Company, now sister companies to Hawaiian Tug & Barge/Young Brothers under the HEI umbrella.

Acquisition of sixty new refrigerated containers called "reefers" was completed in 1987 as part of the ongoing improvement project. Previously, reefers were plugged into generators to keep cargoes chilled. By installing shore plugs at all ports served by Young Brothers, the units could be reliably powered at all times. The new reefers were designed to serve diversified agriculture's growing local market.

Two new twenty-ton Hyster hi-lifts, eleven four-ton hi-lifts and a hustler, which is a small tractor used to move trailers, were also purchased to help Young Brothers move cargo more efficiently. Fil Marquez, an equipment operator since he joined Young Brothers in 1966, believes that the new equipment made handling cargo easier and safer. "I started working as a driver for \$225 a month," Marquez explained. "Everything was smaller then. The barges were smaller, but so were the loads. Today (in 1987), the load has doubled. It's important to have the right machine to handle the bigger loads. You don't want to lift 15,000 tons with a four-ton lift."

The consignment of new equipment also included 150 "G" vans. These small containers, measuring 5 feet 8 inches by 7 feet 1 inch were designed by Young Brothers' personnel to better serve small shippers to the neighbor islands. The containers can be handled individually or placed three to a flatrack or 20-foot container to reduce freight damage and cargo loss.

The company's supply of floating equipment, too, was augmented. The 286-foot barge Malana was joined in service by a sister craft, Makoa. A third barge, the 285-foot Kakela, was purchased in November and

KEEPING HAWAIIAN TUG & BARGE HARBOR TUGBOATS ALWAYS AT THE READY

arbor tugs can often be seen heading out of Honolulu Harbor to greet incoming ships—the large vessels must be pushed and pulled to their berth alongside the pier because they can't maneuver into small spaces on their own. Occasionally, the harbor tugs can be seen elsewhere, such as Kalaupapa, where a small tug is better able to bring a barge into the shallow harbor.

How these tugs and crews are coordinated is the responsibility of the port operations manager, who makes sure that employees are available around the clock to operate tugs when needed. In 1987, there were eight class one deckhands, four class two operators and three class one operators, all working various shifts to keep things operating smoothly.

When a tug is needed, the incoming ship's agent makes a radio call to Aloha Tower and HTB's dispatcher to give them an estimated time of arrival. As the time approaches, the tugboat operator tests the tug's engines while deckhands prepare the tug for undocking, finally tossing the lines and leaping onboard themselves.

Hawai'i's harbor pilots are the controllers of the entire operation. By circling the harbor area with a fast boat, a pilot is able to monitor the position of the ship and tugs, and is constantly relaying maneuvering instructions to each tug operator, and boarding the vessel being assisted.

When the job is done and the tug returns to the dock, men whose shifts are over may go home. Otherwise, the crewmembers check the engines, chip and paint the tugs, or do other maintenance work until they get the next call.

Operations in-and-out of the harbor are in the hands of the company's dispatchers. For twenty-four out of her forty-one years at Hawaiian Tug & Barge/Young Brothers, Phyllis Griep has been part of a team of voices talking to vessels needing tugboat assistance in Honolulu Harbor. In 1976, she was appointed head dispatcher. Along with fellow dispatchers, she communicates by radio to ships at sea, monitors traffic load, answers phones and handles inquiries about harbor activities. She even checks the weather report, but laughs, "Nobody believes the weatherman." It is a voice that is always calm, courteous and ready to help.

The job can be compared to that of an air traffic controller—but on water. "You've got to get the right boats going to the right places with the right barges," she emphasizes. Keeping things organized is critical. "Sometimes I've got two radios going and three phones ringing."

Griep's shift is from 7:00 a.m. to 3:00 p.m. in a work setting that is more akin to the waterfront world of sailors and tattoos than a traditional business office. But she has always been treated like a lady, and she wouldn't have it any other way. At the end of the workday, when her shift of directing massive ships around the harbor has ended, the friendly mother of three heads home to tend the delicate flowers of her garden.

modified to accommodate refrigerated containers and roll-on/roll-off operations.

With an infusion of nearly \$5 million for new equipment and machines, and reinforced focus on customer satisfaction, Young Brothers' sales for 1987 rose 11.6 percent over the previous year.

Hawaiian Tug & Barge also enjoyed charter and interisland towing revenues above forecast in 1987 because of increased freight movements for Young Brothers. The company purchased the largest multiproduct fuel oil barge in Hawai'i, the 340-foot Ha'aheo, and harbor services were strengthened with the purchase of a used 3,900-horsepower tug, the Manuokekai. This brought Hawaiian Tug & Barge's fleet strength up to seven ocean tugs, five barges and four harbor tugs.

The years 1988 and 1989 were thriving years for the construction industry in Hawai'i and the Pacific, which created a strong business climate for Young



The Ha'aheo was completed with its customizations on December 1, 1987, then was towed to Honolulu by a tug chartered in Tacoma, the Malolo. Crew members for the trip were Warren Ditch, Edward Kukahiko, Leonard Kaae and Dorian Paia. A christening ceremony was held on December 22. When the barge was put into service on the first of the new year, the Ha'aheo gave Hawaiian Tug & Barge an additional 58,000 barrels of storage room for petroleum and was used to transport fuel to sister companies, Maui Electric (MECO) and Hawaii Electric (HELCO) on the Big Island. Frank Kawaauhau named the barge.



with a crew of Philip lokepa, Carl Saffery, John Hatch and Marshall Tyler. The 3,900-horsepower tug's first job was to tow the Thunderbird (which was renamed the Kakela) to Honolulu, but as the newest member of the Hawaiian Tug & Barge's fleet, its primary job thereafter was to tow the Ha'aheo between the islands.

its fourth 285-foot, 7,200-ton deck

The Manuokekai was purchased on December 15, 1987 and departed Louisiana three days later bound for Seattle to pick up a new barge, the Thunderbird. This flat-deck barge with a house was similar to the Malana and Makoa and was purchased to further standardize the Young Brothers' fleet, and therefore give Young Brothers more flexibility in serving its customers. Searle Grace was captain of the Manuokekai

Brothers and Hawaiian Tug & Barge. Both companies reported an increased volume of business—Young Brothers' barges moved 2.7 million revenue tons of freight in 1988 and three million in 1989. Hawaiian Tug & Barge was contracted for more than \$3 million of ocean-towing work annually between the West Coast, Hawai'i and the Pacific islands.

During 1988, Young Brothers voluntarily reduced its container rates, eliminated its hi-lift charges and reduced its Kawaihae rates to keep earnings at a rate-of-return level below the ceiling established by the PUC. Mandatory rate reductions of 2 percent and 5.3 percent were also made to return to customers' benefits derived from the Tax Reform Act of 1986.

Three of the Hawaiian Tug & Barge's largest ocean-going charter fleet tugs—Manuokekai, Moana Holo and Malanae—were assigned to Young Brothers to handle barge towing. All the vessels were equipped with twin cable drums capable of handling tandem tows. The high horsepower of the tugs was an added assurance that schedules would be met without delay or interruption regardless of adverse weather conditions.

Young Brothers continued to add to its fleet inventory of flat-deck barges, while retiring the less-efficient double-deck barges. The changes were made to accommodate handling an increase in transshipments of interstate container cargo from the mainland and overseas. In 1989, Young Brothers put into service

its fourth 285-foot, 7,200-ton deck barge, thus meeting its commitment to provide one large barge for each of its

major ports. With the tempo of population growth and resort construction accelerating on the neighbor islands, both Young Brothers and Hawaiian Tug & Barge ended the decade with high expectations of increased tonnage. Hawaiian Tug & Barge was developing its bunkering service, and was successfully moving petroleum products throughout the islands. Young Brothers had built its barge fleet to include four large and two small flat-deck barges, and two double-deck barges—offering the company the floating assets necessary to meet anticipated freight levels. By using larger barges, consolidating freight procedures and practices, and purchasing larger units of freight-handling equipment, Young Brothers was poised to meet the challenges of the 1990s.



Moana Holo brings the barge Aukai into the pier at Kahului. Aukai had been previously named YB-32.

HAWAIIAN TUG & BARGE IN THE MOVIES



"War & Remembrance" was filmed using the boat-handling skills of Hawaiian Tug & Barge employees during production of a miniseries that was based on the lives of naval officers during World War II. Oil operations supervisor, Frank Kawaauhau, commented at the time that the hardest part was to translate the director's ideas into reality-especially when that meant moving around the huge inactive vessels. For the tugboat operators, it took a lot of expertise to maneuver the destroyer USS Nodaway in the scenes where groups of people were jumping overboard without running over anyone. Above, harbor tug Huki has come alongside the submarine to assist.

From April 28 to mid-June in 1987, twenty Hawaiian Tug & Barge employees and five tugs were almost movie stars. ABC was in town filming a TV network miniseries, "War and Remembrance," which required moving around the inactive submarine Bowfin and the inactive destroyer USS Nodaway to re-create battle scenes in the South Pacific.

Paul Diggs, Hawaiian Tug & Barge's harbor operations superintendent, worked closely with the film crew. "At first, they considered using miniatures instead of the real thing." Then, as discussions continued, authentic vessels from the period were chosen to give the scenes a feeling of authenticity, so ABC contracted Hawaiian Tug & Barge for its expertise in boat handling. "We used tow wires to pull the inactive vessel to give the effect of being selfpropelled," reported Diggs.

The logistics of moving the vessels were complex. Because of the wind and current, the crews had to constantly adjust the vessels to keep them in position for the shot. The Bowfin was particularly difficult to maneuver-no matter which way the vessel was pulled, she wanted to go her own way. Several times the director yelled, "Back up the sub!" Of course it wasn't possible to back up a submarine undertow, but the crew did its best by using two tugs at once.

After a full, twelve-hour day of work on "the set," the filming would stop, but not the work for Hawaiian the vessels didn't move during the night. By the end of experience, even though it was a lot of hard work.



In 1969, during the filming of "Tora! Tora! Tora!," Hawaiian Tug & Barge's tugs assisted in harbor towing and water taxi services. Sister company, Dillingham Shipyard, had the unusual assignment of building a replica of the battleship USS Arizona for the 20th Century-Fox film. Here, the 1941 attack on Pearl Harbor is being re-created for the film.



On January 12, 1987 the YB-34 broke its tow line during a trip from Honolulu to Hilo and crashed ashore near Laupāhoehoe Point.

DISASTERS AT SEA

Stormy seas, windy weather and the all-round difficulties of barge towing have occasioned several incidents at sea for Young Brothers and Hawaiian Tug & Barge over the years.

Blazing DTB-40 Barge Towed Back To Honolulu

A t 5:00 a.m. on November 20, 1982, the nine-member tug crew on the *Mikioi* was shortening the line between the tug and the barge, DTB-40, when it saw a fire in the front of the barge. They were two miles from Nāwiliwili Harbor. The fire on the barge, which was loaded with automobiles, asphalt materials, batteries, propane canisters and other cargoes, continued to rage with flames reaching as high as 90 feet. Automobiles on

board were exploding as a result of the fire. The U.S. Coast Guard and the crew of the Mikioi tried unsuccessfully to extinguish the flames. However, the 40-foot patrol boat stationed in Kaua'i was not equipped to fight the barge fire so the Mikioi turned around and headed back for Honolulu. The barge arrived late Saturday and Honolulu fire crews went to the scene to control the smoldering fire. Honolulu's fireboat, the Abner T. Longley, was called to fight the blaze aboard the barge two miles out at sea. It took several hours to contain the fire in 10foot seas and with the air thick with smoke from burning automobiles, asphalt and other flammable cargo on the barge. While insured, all of the cargo on board was a total loss. Fortunately, there were no injuries to the tug crew and firefighters who courageously fought the blazing inferno. The barge was refurbished and placed back into the service of Young Brothers.

Lost at Laupāhoehoe—The runaway barge

n January 12, 1987, the Young Brothers' barge YB-34 went aground after the tug's towing wire split while battling heavy seas. The line break occurred three miles off the Big Island but, because of the fifteen-foot waves and thirty-five-knot winds, the barge was washed ashore north of Laupāhoehoe Point in just forty-five minutes. In fact, the whole incident happened so quickly that a second tugboat sent from Hilo to render assistance was unable to reach the barge in time to help.

Once grounded, the barge was pounded into the rocky coast by huge waves. Vehicles loaded on the barge deck began sliding into the ocean and general freight was inundated with salt water. There had been 112 vehicles on board. Fortunately, there were no hazardous materials being carried, no personnel on board and no injuries reported among the tugboat crew. None of the cargo was salvageable, however, and cargo losses were reported at about \$1 million. Replacement cost for a barge of similar type and capacity as the YB-34 was estimated at the time to be about \$1.5 million. The 197-foot double-deck barge had a capacity of 2,600 tons and had been in service for fifteen years. Another barge was quickly put into service eight days later so that the normal sailing schedule to the Big Island could be maintained.

In the meantime, Young Brothers' staff was busy reviewing the manifest in order to notify shippers and consignees. B.J. Hughes, customer service manager at the time, was quick to reassure everyone that "under the marine cargo insurance program, all customers are covered with insurance."

Quick thinking saves the Kamalu

The 268-foot barge Kamalu was en route from Hilo to Honolulu on April 20, 1989, when it inexplicably burst into flames about four miles southeast of Moloka'i. It was 10:00 a.m. when the Coast Guard's Sand Island radio control center received a call from Captain John Cardoza sounding the alert that his barge under tow was ablaze. Prompt action by the captain helped contain the fire—he turned the barge around and kept it moving downwind to keep the blaze from spreading.

The battle to subdue the smoldering vessel went on into the next day. Initially, due to Captain Cardoza's quick thinking, the blaze was confined to the "house," the covered metal area on deck. Navy salvage tugboats followed the barge toward Barbers Point deep-draft harbor, where they expected to put her in and douse the inside corners of the house to completely extinguish the last smoldering embers. But because there was cargo in the way, the Navy tugboats had trouble reaching the

forward sections with water, and the blaze began to intensify.

By late afternoon on April 21st, the Honolulu Fire Department's tug Abner T. Longley was engaged to fire its water cannons on the blaze. The fire-fighting effort was being coordinated by Group Honolulu, a Coast Guard division that deals with crises at sea within a fifty-mile radius of Honolulu. Under Group Honolulu's direction, the barge had been towed offshore from the reef runway. Unfortunately, the Longley ran into trouble after switching her attack from the windward to the leeward side. Water carried back onto the tug by the trade winds accounted in part for flooding in the tug's engine room, and the tug was out of commission for the rest of the night.

By this time, the barge was a smoldering mass ready to leap into flames again. The Coast Guard's commander, Captain Steve Richmond, reported, "She's glowing pretty red. You can put water on it and the flame goes out, but it doesn't take long for reflashes."

At 10:30 p.m. the Navy rejoined the battle by sending two tugs based at Pearl Harbor to tow the burning barge along the Waianae Coast where it was thought the mountain range would act as a windbreak. The two tugs were equipped with fire-fighting equipment, and would continue to hose down the barge. During the operation, it was important for the tugs to maintain a course that would keep the flames blowing out to sea. Black smoke billowing off the barge was a constant reminder of the hazardous cargo on board: paint, paint thinner, nitrogen in bottles, insecticide, diesel and lube oil, and low-grade explosives. The barge was also carrying general cargo such as cars, containers, household goods and refrigerated containers.

Back at Hawaiian Tug & Barge, Captain Cardoza was praised for the good judgment he used gained through his forty years of experience. His crew, James Mortimer, Jeb Baker, Ronald Ancheta, Warren Wannomae and Marshall Tyler, remained on the Manuokekai until the barge returned to port.

President Chuck Swanson issued a public statement in which he apologized for the inconvenience. Even as the barge still smoldered, plans were in progress to assess the damage to the barge and provide for replacement services to Hilo to avoid interruption of the regular shipping schedule. The Kamalu, one of six flatdeck and two doubledeck barges in the company's fleet, was used exclusively on the Hilo run. It had been recently purchased and had only been in service since March 31.

Both the barge and its cargo were insured, so Young Brothers collected repair costs and was able to place the barge back in service early in 1990. Throughout the entire fire-fighting rescue, there were no injuries reported.

CHAPTER 9

High-Tech Tugs, Piers and Prospects— 1990-2000 and Going Into the Next Century



Eleu was launched on January 10, 1990 at the Barbers Point Deep Draft Harbor by floating her off the deck of the partially submerged barge Kamaluhia. Here the Kamaluhia's ballast tanks are being filled, while the Eleu is readied for launch.

Awaiian Tug & Barge Corp. and its subsidiary, Young Brothers, Limited, started the decade by working longer hours and carrying more cargo in 1990 than the year before. Hawaiian Tug & Barge's harbor tug hours and charter tug hours increased 26 percent and 19 percent, respectively. At Young Brothers, revenue tons moved during the year increased by 6.6 percent to a new company record of 3.0 million tons.

In the last decade of the century a new harbor tug with a familiar name was launched on January 10, 1990. The *Eleu* joined Hawaiian Tug & Barge's fleet of

ten tugs, three deck barges and two tank barges. This new, \$3 million state-of-the-art tug was built with revolutionary features to provide excellent speed and maneuverability in order to tend the larger-sized container ships calling on Honolulu. Though the "supertug design" had been used in Vancouver since the mid-1980s, the *Eleu* was the first of its kind to be built in a U.S. shipyard.

LAUNCHING THE ELEU

ost new tugboats motor themselves from place to place on their own steam. The Eleu, however, had one of the most unique launches in Hawai'i. Instead of powering herself to Honolulu from the Martinac Shipbuilding yard in Tacoma, Washington, where she was built, the seventy-three-foot tug hitched a ride on the deck of Young Brothers' barge Kamaluhia and rode all the way to the Barbers Point Deep Draft Harbor.

Once the Eleu was at her destination, the company had to overcome the hurdles of getting a 210-ton vessel into the water. There aren't any cranes or facilities in Hawai'i available to lift such a heavy load. Instead, launching was achieved by pumping seawater into the Kamaluhia's aft ballast tanks and voids until they were 93 percent full. Eight hours later, the Eleu had enough buoyancy to float free from the deck. The tanks of the Kamaluhia were then pumped out, rinsed and emptied to get the barge ready for her next job.

Once in the water, the Eleu required a specially trained crew. Captains Robert Shimaoka, Warren Ditch and Dennis Cooley were all given technical training, which they in turn passed on to Port Operations Manager Paul Diggs. The four shared duty on the innovatively designed tug that changed the job of a seaman, and the job of harbor support, more than any other technical advance in recent years.

For one thing, the tug looked very different. Inside seemed more like the cockpit of an airplane than a tugboat, with operating mechanisms that were totally different from conventional tugs. Steering was done with a main propulsion unit that was more difficult to operate.

Cooley remembered how differently the older wooden tugs were built, when he first started out to sea: "Water leaked through the hull and I used to wrap plastic around my bunk so I could sleep without getting wet." Steel-hulled tugs like the Eleu were quite an improvement.

Another difference was the response rate. Eleu would spring to life, whereas older tugs took three times longer to come around. Technology, too, had changed the very business of crewing a tugboat. Shimaoka joined Hawaiian Tug & Barge in 1961 and could remember the days when the person on the wheel stayed on for four hours without a break. "There was no auto-pilot, no depth recordings or walkie-talkies for docking barges. You took your sights with a sextant. Now with 'sat-nav' you just turn on the machine and it tells you where you're at."

For the four men assigned to the Eleu, one of the greatest changes was working a twelve-hour shift, six days on, three days off. The Eleu is strictly for harbor duty and this represents a dramatic change in lifestyle for the men,



The revolutionary new 2,600-horsepower, Z-drive harbor tug Eleu was designed by Robert Allen Ltd. in Vancouver, B.C. The tug was added to the Hawaiian Tug & Barge fleet in 1990, to increase the company's capabilities, because larger ships were calling on Honolulu that required sophisticated and powerful handling.

who have spent most of their lives—quite literally—out at sea. The job of a seaman is hard on family life, all the men agreed. Being away for up to two months at a time on overseas tows can create tensions at home, especially when children are growing up, they said.

For Hawaiian Tug & Barge, the fast and efficient operating ability of the Eleu immediately began reshaping the business of harbor support. As company V.P. Rey Jonsson said, "In our business, there are not many changes, but this represents a dramatic change. It's like going from a Volkswagen to a high-performance Mercedes."

"It's a new design, a new concept," reported Rey Jonsson, vice president for Hawaiian Tug & Barge. The 2,600-horsepower, Z-drive tug had steerable drive nozzle propellers, capable of applying full thrust in any direction, in a 360-degree radius. This unique feature allowed the tug to safely maneuver vessels five hundred times her own weight into narrow slips. The tug could also shift barges that would otherwise need two conventional tugs to handle, and from the outset, the *Eleu* was in great demand.

The growth of both companies reflected the strong Hawai'i economy and construction activity on the neighbor islands that had carried over from the late 1980s. But less obvious from the favorable statistics were signs that the state economy was slowing in ways that would certainly affect maritime transportation.

The recession on the mainland and slow-growing Japanese economy were creating a real estate financing environment that was causing delays and cancellations of projects. During the last months of 1990, there was also growing public concern that a prolonged conflict in the Persian Gulf would further cut into the state's economic growth.

Though an economic slowdown was not yet affecting Hawai'i, the combined operating income of \$4.6 million for Hawaiian Tug & Barge/Young Brothers in 1990 was below the \$5.8 million of 1989. Higher insurance premiums and operating costs accounted for the difference. Supplemental calls from the marine liability insurance pool had been prompted by the Exxon Valdez oil spill in Alaska, which resulted in skyrocketing insurance costs for the year.

Below: Hoku Loa and Hoku Kea were added to the Hawaiian Tug & Barge/Young Brothers' fleet in 1991. The 3,900-horse-power twin tugs were built by Bollinger Shipyard in Lockport, Louisiana, and were 108 feet long with a 34-foot beam. Right: Interior of the Hoku Loa



A five-year labor contract with seamen and vessel operators was signed in July, 1991. The terms were favorable to both management and the company's ninety-eight union employees.

By mid-1991, Young Brothers launched and placed two more 3,900-horsepower tugs into service. Hoku Loa and Hoku Kea marked a milestone in the company's long-term program to upgrade its fleet, shore side equipment and towing capability.

Hawaiian Tug & Barge sold its bunkering barge early in 1991, and did not renew other marginally profitable contracts. The company had been hampered by weather damage to equipment, increased competition and marginal pricing for the second year in a row. The decision to stop fueling ships at sea and sell the black oil barge was made in the light of liability for oil spills that had turned this into an unacceptably risky business. The Exxon Valdez oil spill had cost more than \$3 billion to clean up and prompted the passage of legislation that was intended to reduce the impact of such incidents in the future. Under the new law, shippers of oil products would have unlimited liability in case of spills, thus forcing Hawaiian Tug & Barge to

reevaluate the company's potential risk in hauling fuel to sister electric companies on Maui and Hawai'i. Ultimately, the service was terminated.

That Hawai'i's economy was in an ongoing transition from agriculture to tourism was again evident in mid-1991 when Dole Packaged Foods Company announced that it would phase out virtually all pineapple growing on Lāna'i. The company would also discontinue the intermittent barge service to the island that was being made by Isleways Ltd. On November 18, 1991, Young Brothers jumped into the void by initiating weekly barge service to and from Lāna'i, and officially took over

for Isleways. With this event, Young Brothers now had regular service to all islands, truly reflecting its motto "Lifeline of the Hawaiian Islands."

According to Hawaiian Tug & Barge/Young Brothers' President Chuck O. Swanson, the service to Lāna'i wasn't expected to be profitable but Young Brothers "believes it is necessary and proper that we provide this vital lifeline." As part of the arrangement, Hawaiian Tug & Barge purchased three of Dole's five barges. Young Brothers would serve Lāna'i with its





Top: Moana Hele began plying the route to Lana'i after Young Brothers assumed service there in 1991. Here the tug is seen swinging away from the pier at Kaumalapau Harbor in 1992, with a barge in tow. Above: Two of the tenders that Hawaiian Tug & Barge purchased from Isleways in 1991 were the Manele Bay and Lanai City.



Pier 21 in the early 1990s with a view across the harbor showing the rising skyline of Honolulu. Hawaiian Tug & Barge/Young Brothers had a fleet of thirteen tugs in 1991.

226-foot barge Aukai on a weekly schedule, arriving at Kaumalapau Harbor each Thursday morning. By the end of 1992, Hawaiian Tug & Barge shipped the final harvest of pineapple to the Dole cannery in Honolulu under charter.

On October 1, 1992, Glenn K.Y. Hong was named to succeed Chuck Swanson as president of the Hawaiian Tug & Barge/Young Brothers subsidiary of HEI. Swanson was retiring after guiding the companies through an eight-year period of sustained economic growth. The appointment of Hong, HTB/YB's Vice President—Finance and Government Affairs, and

previously HEI's controller, emphasized the parent company's commitment to providing locally owned and managed service.

As Hong assumed the presidency, the state's economy was reeling from the effects of Hurricane Iniki. The hurricane struck on September 11, 1992, inundating coastal areas and tearing apart structures. Damages of nearly \$2 billion were almost entirely on Kaua'i.

Glenn Hong was vice president of Hawaiian Tug & Barge/Young Brothers when the hurricane hit, only weeks before he moved up to assume the presidency. He quickly responded to the crisis by pledging the company to the rescue effort. Relief agencies were invited to ship supplies to Kaua'i at no cost through September. Priority was given to the American Red Cross, Hawai'i Food Bank, Catholic Charities and the Salvation Army. On September 15, Hong announced, "We wanted to lighten the burden of these organizations by eliminating their interisland shipping costs so the full benefit of these shipments of food, clothing, and other essential supplies goes to where it is most needed and this is to the victims of Hurricane Iniki."

Young Brothers suffered damage to some of the company's heavy equipment and customers' cargo at Nāwiliwili, and there was debris all over the pier. Steve Pfister, superintendent of operations, surveyed the damage early on Saturday, September 12th: "I was able to make contact with a tugboat out in the harbor, and found out that we would be getting barges in on Sunday. We let them know our needs and they did their darnedest to get us some help."

Virtually every Young Brothers' employee reported for work on Sunday, September 13, to unload relief



Glenn K.Y. Hong, President,
Hawaiian Tug & Barge/Young
Brothers, 1992-present. Glenn
Hong served as Hawaiian Tug &
Barge/Young Brothers' vice
president of finance and government affairs for a year before he
assumed presidency of the
company. Before that, he was
controller at the parent company,
HEI. Hong is a certified public
accountant and a graduate of the
University of Southern California.

supplies, leaving behind their own damaged homes and properties. They continued to work straight through until October 10th without a day off-machine operators, freight clerks, everyone. "We just had to stay open," Pfister said. "We had to move the freight."

Hong recalled the four to five months it took for the Garden Isle to recover, with Young Brothers donating tens of thousands of dollars in services and labor to the relief effort. While the employees were proud of their success in shipping barge loads of muchneeded food, construction materials and other vital supplies to Kaua'i, they were frustrated by the inability of the infrastructure to absorb those supplies. Hong said later that tons of cargo had to be stacked at Nāwiliwili Harbor until they could be distributed. Indicative of the situation was his experience with the company's employees on Kaua'i. The tugboats provided hot meals, showers and laundry facilities for the shore staff. "We mistakenly thought the employees would need cash as well-but the stores were all closed and there was nothing to buy," Hong said.

By 1993, Hawai'i's tourist-driven economy was undeniably slowing in the face of economic problems in Japan and California. Visitor arrivals declined for the third straight year. Military spending, the second largest component of Hawai'i's gross state product, was uncertain, with one naval air station targeted for closure as part of the federal downsizing effort. The brief burst of construction activity on Kaua'i, as part of the rebuilding effort after Hurricane Iniki, had quickly tapered off. All in all, prospects for economic recovery were expected to take longer than originally anticipated.

Hawaiian Tug & Barge significantly downsized in 1993, having completely exited the heavy fuel oil transportation business after the sale of the fuel barge Ha'aheo, and its tug Hokulele, used to transport heavy oil to the neighbor islands. The Oil Pollution Act (OPA) of 1990 had created liability and investor relations concerns about why HEI was in the fuel transport business. Even though fuel was destined for HEI's subsidiary power companies on Maui and Hawai'i, HEI



After Hurricane Iniki, a new pier was built for Young Brothers' operations on Kaua'i. Here Young Brothers' facilities are seen in 1995

decided that the continuing risk of fuel transportation was greater than it could assume. So by the end of its fuel-hauling contract, HTB exited this business.

In the same year, Young Brothers was authorized its first rate increase since 1982. The PUC approved a general rate increase of about 5 percent, based on an authorized allowed rate of return on rate base of 11.82 percent, and an increase in the minimum bill of lading to \$18 from slightly less than \$11.

In August 18, 1994, an amazing event occurred. For the first time in anyone's memory, a brand-new facility was dedicated. Pier 3 in Nāwiliwili was completed and put into service. This represented the first significant improvement to neighbor island facilities by the state Department of Transportation for Young Brothers in years. Improvements to other ports would continue through the end of the century and beyond.

Late in 1994, Young Brothers was granted another rate increase after posting a consolidated loss the year



Hawaiian Tug & Barge towing a U.S. destroyer, 1994.

before. A general rate increase of 6 percent was authorized based on an authorized allowed rate of return on rate base of 11.66 percent. The following year, Young Brothers' tariffs were streamlined and restructured to encourage shippers to use efficient containers when possible. In spite of these increases, Hawaiian Tug & Barge/Young Brothers posted consolidated income of only \$1 million for 1994, and \$454,000 for 1995.

YOUNG BROTHERS WINS APPROVAL FROM PUC TO RESTRUCTURE RATES AND REMAIN COMPETITIVE

n early 1994, Young Brothers embarked on a comprehensive restructuring of its tariff that would allow the company to meet the growing and changing market conditions. On October 9, 1995, the Public Utilities Commission approved Young Brother's new tariff restructure after initially filing its notice on November 1, 1994. It was a long struggle but well worth the effort and time to achieve such a milestone for the company.

The old tariff reflected the market conditions and the way Young Brothers was able to handle and transport cargo twenty to thirty years prior. These conditions changed substantially over time and the old tariff was not adequately serving Young Brother's customers' needs. The old tariff was not cost-based and had reflected substantial premiums and subsidies depending on various cargo categories and methods of shipment. Unfortunately, the cargoes that are most subject to direct competition were the cargoes that carried the heaviest premiums. Further, the old tariff was suited to the prior generations of cargo handling and transport methods. Small double-deck barges and small shore side equipment were designed to handle palletized and loose cargo and roll-on/roll-off units. This was considered reasonably efficient at the time. It was difficult to handle containerized cargo unless it was on chassis and therefore were charged a premium rate. However by the 1980s, as Hawai'i's economy continued to expand and as modern shipping methods became commonplace, Young Brothers was able to improve its efficiency by growing its container handling and transportation capability. Young Brothers modernized its fleet to include containers, larger hi-lifts and flat-decked barges and met the growing transportation needs of the market, except in the area of our tariff rates. The revised tariff was designed to be more cost-based and to enable Young Brothers to compete more effectively within the market. Ultimately, the consumers benefited because of the most efficient means of cargo handling and transportation prevailed and costs minimized.





Above: Newly dedicated Pier 39 featured a roll-on/roll-off pier, refrigerated cargo shed, and new warehouse, as seen here. Left: The dedication of Pier 39 on April 12, 1996, was the first step in the plan to consolidate Young Brothers' operations at a central location. Seen here at the ceremony are (left to right) U.S. Representative Neil Abercrombie; State Representative Ken Hiraki; Hawaiian Tug & Barge/Young Brothers' president, Glenn Hong; State Department of Transportation Director Kazu Hayashida; U.S. Senator Daniel Akaka, and Governor Benjamin Cayetano.

Redevelopment plans for Piers 39 and 40 in Honolulu Harbor were moving ahead to provide Young Brothers with a single, consolidated base for Oʻahu operations. On April 12, 1996, Young Brothers officially took over the state's newly constructed Pier 39. The improvements included a new roll-on/roll-off pier, a new warehouse and refrigerated cargo shed. The move enabled Young Brothers to move the operation of its Hilo service from Pier 40 to Pier 39, thus enabling Pier 40 to be demolished and rebuilt. At the same time, plans were also developed to move the company's other operations to Piers 39/40 from its space at Piers 24-29.

During the first week of December 1996, Hawaiian Tug & Barge/Young Brothers took possession of a new harbor "tractor tug" and state-of-the-art barge. Both had been built for a price tag of nearly \$9 million. The new harbor tug *Mamo* became the fifth and most powerful in HTB's fleet. With 3,300 horsepower, the vessel was capable of moving large ships in Honolulu Harbor, Barbers Point Deep Draft Harbor and Pearl Harbor.

The Mamo arrived as "cargo" on the exposed rear deck of a new Young Brothers' barge, Kukahi, that had been towed by the tug Malanae from Pascagoula, Mississippi.

The *Kukahi* increased the Young Brothers' fleet to a total of nine interisland barges. At 310-feet, *Kukahi* was needed because of the growing dependence among the neighbor islands for goods and supplies. Experts in the maritime transportation industry estimated that 4.5 tons of cargo were being received by each Hawai'i resident via barge or ship per year. *Kukahi* was unusual

CHANGES IN FREIGHT LOADING OVER THE YEARS

oading and unloading freight on barges has changed dramatically from the days when cranes hoisted cargo aboard.

"Rip" Riddle credited George Hansen, who joined Young Brothers in 1947, for firing up the company with innovative ideas, such as containerized shipments, that were later used by other companies. Hansen recalled that when he joined Young Brothers, the firm primarily moved pineapple between the neighbor islands. "When we decided to go into competition with Inter-Island Steamship Navigation Company, we started with flat-deck barges with skips (flat pallets) ... almost daily we didn't know we were going to make it," Hansen said. "Three or four years later, Inter-Island went out of business."

According to Hansen, the key reason for the



On October 1, 1993, a new hi-lift, the Caterpillar CAT V925, was dedicated at Pier 28. This hi-lift, specially designed for Young Brothers, had a mast that allowed stacking of containers four high with a fork-mounted spreader. Other features included the shortest-turning radius in the in-

dustry to allow for maximum maneuverability, removable spreaders to give flexibility between container and fork-handling modes, and large drive-and-steer tires to maintain a highcontact area and low-ground pressure. company's success was service—containerization meant reduced damage to cargo and faster, more efficient handling at the same rates as the steamship firm. Instead of waiting three or four hours while cargo was loaded on steamships, customers only waited about a half-hour for barge loading.

Willie Karratti, who joined Young Brothers in 1966 as a stevedore/machine operator, remembered when cargo barges had old-fashioned "house" structures. Customers would bring their items for shipping that would be tied down on pallets as they were being checked in, and labeled with a color-coded destination sticker. Forklifts would then pick up the pallets and take them to the storage area for that destination.

The adoption of new freight-handling methods in the 1980s streamlined operations. Palletized cargo was consolidated on flatracks, which minimized wear and tear on lifting equipment, improved reliability for customers and, in the end, reduced costs for the company. With the move of Young Brothers to Piers 39 and 40, cargo could be more systematically sorted for shipping to each island destination.

Karratti would fly to the neighbor islands during the 1970s and 1980s to unload barges arriving on Maui and Moloka'i, the Big Island and Kaua'i. Typically, he would leave early in the morning to arrive before the barge. His return would be based on whenever the barge was unloaded. More recently, his assignments have been mostly on O'ahu, where he operates hi-lifts and "Cats" for loading and unloading. "Things are very, very different now," he said with a big smile.



Hawaiian Tug & Barge's new harbor tug Mamo arrives in Honolulu aboard the Kukahi in December 1996. The barge was towed from Pascagoula, Mississippi by Hawaiian Tug & Barge's tug, the Malanae.



Hoku Kea brings the barge Kukahi into Pier 24. The Kukahi was constructed in 1996 and is valued at more than \$5 million.

in that its deckhouse had a roll-on/roll-off auto deck incorporated into the overhead.

Maritime transportation to Hawai'i in the late 1990s was a mix of carriers. Young Brothers was, in the truest sense, the state's only intrastate shipper. With its regularly scheduled service to all the islands, and regulation by the PUC, the company operated as Hawai'i's common carrier.

A good portion of the goods shipped interisland were, however, carried by Matson Navigation Com-

pany, which handled containerized transshipments. Matson's cargo was considered interstate, moving from the West Coast to Honolulu Harbor, and then on to the neighbor islands. Matson was not, therefore, regulated by Hawai'i's PUC. The company's three barges were towed by Sause Bros.

Through 1997 and 1998, Hawai'i's economy continued to experience sluggish growth. The consequences were reflected by the marine freight transportation industry, which continued to be negatively impacted overall

by slow economic activity throughout Hawai'i driven by substantial softening in the Japanese visitor market.

"We saw many of our traditional shippers go out of business," says Hong of those troubled times. "Traditional retailers like Arakawa's, distribution companies, and other firms all felt the impact of the prolonged slump and either closed their doors or laid off employees." But despite the rough economic seas, Young Brothers maintained its course. "I feel good because we didn't experience any layoffs. Our returns were sub-

THE MANY KINDS OF FREIGHT

from O'ahu to the neighbor islands, with the inevitable surprises. One year an elephant got loose on the pier, running through the cargo in every direction. Another year, the crossing from Maui had been unusually long and rough. As the barge arrived early in the evening, a tigress started lunging against the bars, roaring and snarling. Everyone kept his distance except the trainer, who inched closer to the cage for a better look. It seems that the tigress had given birth to a litter of three kittens during the passage, which made for particularly fragile cargo unloading.

Wild animals weren't the only live cargo transported by Young Brothers. The company regularly supported youngsters in the 4-H by bringing their beef animals, swine and dairy heifers to Honolulu from the neighbor islands as a community service, for exhibition in annual events. Raising a beef steer for market was a one-year project, and dairy animals were raised for two years. The goal was to help farmers breed and care for animals that would ultimately produce higher-quality stock. Loading the animals on a barge was often a hectic occasion, though, with the youngsters' apprehension on behalf of their prized animals.

Pineapples—in large numbers—could present their own kind of transportation hazards. Burt Nose once related the story of when a tug with a tandem tow of pineapples stalled in the middle of the Kaiwi Channel. Even though the tug sat dead in the water, the two barges each loaded with a thousand tons of fresh fruit continued to bear down on her relentlessly while the crew watched in horror. Fortunately, both barges passed alongside the tug, one to starboard and the other to port. After minor repairs, the tug was restarted, so cargo and crew arrived safely in Honolulu where everyone had a good laugh and a big sigh of relief.

stantially lower than expected, but we kept our people on because we wanted to maintain service quality."

A significant sector of growth for Young Brothers during the 1990s came from transshipment cargo brought to Hawai'i by SeaLand Services. SeaLand was increasing its neighbor island presence and Young Brothers provided the interisland leg. This growth sector helped offset some of the stagnation being expanded by Hawai'i's economy and cargo volumes in general.

On October 23, 1998, the state Department of Transportation dedicated the \$12.6 million Pier 40 redevelopment project. Hawaiian Dredging & Construction Company had been contracted to build a 390-by-120-foot cargo building and a container yard for cargo handling equipment, plus an additional 300 feet of pier reconstruction. Young Brothers had full use of the state's new pier and yard, paid for through dockage and wharfage fees.

Landside work completed by Young Brothers included two buildings that had been renovated to house the administrative staff of Hawaiian Tug & Barge/ Young Brothers. A 87,536square foot maintenance building was also constructed to provide better capabilities and achieve greater efficiencies. Significant environmental



Above: Young Brothers continued to transport livestock over the decades. Here a roping horse is being loaded on its way to the Big Island. Below: On June 23, 1998, after a month of sea travel, the USS Missouri arrived at its new homeport along Pearl Harbor's historic battleship row. Hawaiian Tug & Barge donated the services of its tugboats to guide the battleship for about six miles toward Ford Island, then eased the battleship into place at Foxtrot 5 pier-within sight of the sunken ruin of the USS Arizona. Because the 778-foot ship was being moved at only about three knots, negotiating her into place took an hour. The USS Missouri, nicknamed "Mighty Mo," was restored, then turned into an interpretive museum and memorial that is open to the public.



A FAMILY TRADITION

Like his father before him, Captain George Panui Jr.

spent most of his life at sea working for Hawaiian Tug

8 Barge/Young Brothers. He is shown here shaking hands
with his father, Captain George Panui Sr., in May 1977
after the new tug Mamo II had been brought to the pier.
It was an honor both of them were able to share. Captain
Panui Jr. had been skipper of the tug on her maiden voyage to Honolulu from New Orleans, where she was built,
but a nice surprise waited for him as he neared Oahu—
Captain Panui Sr., who had retired from Hawaiian Tug &
Barge two years earlier, caught a lift on a harbor tug and
waited off Diamond Head to give them a cheery welcome.
Panui Jr. handed off the steering to Panui Sr. so he was
able to operate the tug on the last leg of its journey.

George Panui Jr. was no stranger to long and sometimes dangerous ocean tows. One of the most difficult in his career was a tow from San Francisco to Oregon on the *Mikiala* with the barge *Malana* behind on an 1,800-foot hawser. During the journey, the tug battled forty- to sixty-foot swells, with the barge disappearing from view in the troughs of the waves. In 2000, after forty-seven years of working for the company, he retired.

protection features were incorporated.

Now cargo could be moved much faster when all the personnel and equipment were in a single yard, rather than spread out among several sites. Customers, too, enjoyed a central pick-up pier location and a side gate that allowed truckers much faster access from ships moored at Sand Island. There was no more need for shuttling between Pier 26 for cargo bound for Kawaihae, and Piers 39 or 40 for Hilo freight.

By the end of the month, administrative departments were moving into the new quarters. Net income for Hawaiian Tug & Barge/Young Brothers crept up to \$2 million in 1998, with consolidated assets of eleven tugs and nine barges totaling \$59 million.

By August 4, 1999, rumors of a buyout started circulating around Piers 39 and 40, and by the end of the day an employee meeting was called. It was announced that HEI had accepted an offer from SaltChuk Resources, Inc., headquartered in Seattle, Washington, to purchase assets of Hawaiian Tug & Barge and the stock of Young Brothers, Limited. If the initial reactions of employees had been cool, that

quickly changed as SaltChuk Chairman Mike Garvey was introduced and described his visions for investing in Hawai'i, including the attitude that they want to be long-term investors. He said that he viewed Hawai'i as a paradise with a future.

"Under SaltChuk, we'll have sister companies like Foss Maritime, one of the largest tug and barge operation on the West Coast. It has 120 tugs and 120 barges. In contrast, our fleet has 11 tugs and nine barges," Hong said. "Now we can have tremendous flexibility and a lot of opportunities to access vessels when we need them.

"SaltChuk has tremendous market strength and its subsidiaries are very profitable. It is interested in the synergies its investments bring," continued Hong. "SaltChuk understands our business extremely well and has a proven track record of success.

"HEI was a good local owner of the company," he summed up, "but Young Brothers just wasn't a core business of theirs and they couldn't always understand our equipment needs. One of the big disappointments was in 1997, when Pearl Harbor Naval Shipyard sought bids for private tug services, a program that had been successful at mainland shipyards. We had worked with the Navy for a couple of years, and the Navy wanted HTB to bid. However, because of the additional capital costs that would have been involved, HEI declined to participate. Maybe we'll be able to tackle this type of opportunity in the future, now that we're part of a major maritime entity."

The SaltChuk deal also offered the possibility for expanded Hawaiian Tug & Barge operations. Mike Garvey explained, "We believe having a strong presence in Hawaiii will position us to expand into the Pacific Basin, which will create new growth and opportunities for the companies, as well as for the entire state."

After due diligence and approval by the PUC, the sale was finalized on November 10, 1999. HEI had invested more than \$60 million in improvements in Hawaiian Tug & Barge/Young Brothers since 1986, which had brought operations up to par. "It's been a good investment," said HEI CEO Robert F. Clarke. "Our focus is now on three main businesses. It makes it easier for the Wall Street investor to understand our business. Over time, that will have a positive influence on our stock."

A seamless transition of the entire Hawaiian Tug & Barge/Young Brothers' 354 management staff and employees to the SaltChuk family was in place by the end of the year.

"During the 1990s," said Hong, "we saw a substantial restructuring of Hawai'i's economy. We as a shipper needed to improve our systems, change our culture to reflect the competitive market, and orient ourselves to meeting the needs of our customers. We've been largely successful in meeting these goals. When I first joined Young Brothers, I would receive several complaints a week from customers—but never compliments. Today, I receive maybe two complaints a month and many more compliments. That's because of the responsiveness of our employees, the reliability of our service, and the reasonableness of our cost structure, all of which fit neatly with our customers' needs."

As the company observed its 100th year of operations, Glenn Hong reflected, "Young Brothers has a tremendous amount of competition locally, among interstate carriers and in the area of tug and barge charter and harbor assist."

Much of this competition has appeared in the last twenty years, Hong said. "New operators have come into Honolulu to haul goods between islands for a single customer, or to assist ships and other vessels in and out of Hawai'i's harbors. Matson and CSX have expanded their interisland operations, and Pasha just announced that two new-roll on/toll-off vessels will enter Hawai'i service.

"But with every obstacle comes opportunity. Hawaiian Tug & Barge/Young Brothers needs to be in position to take advantage of that opportunity. Our upgraded fleet of high-tech tugboats and barges provide us with tremendous capability and flexibility. And with the completion of our dockside facilities at Piers 39 and 40, we have a centralized operation where we strive to serve customers in a way that is timely and at a competitive cost."

Yet those very harbor facilities still pose one of the challenges facing the company. The Department of Transportation's recent upgrades to Kaua'i's Nāwiliwili Harbor, Kahului Harbor on Maui in 2000, and the Big Island's Kawaihae port in 2001 have enabled shippers to move goods more efficiently. But Hilo Harbor is still awaiting needed expansion, and Young Brothers' facilities at Honolulu's Piers 39 and 40 are already exceeding the original design capacity and thereby constraining future growth. Additional acreage in Honolulu is being acquired by the state to supplement Young Brothers' needs.

Young Brothers' association with SaltChuk, meanwhile, is providing dividends. When the company was in the market for a new barge to enter service in 1999-2000, and was experiencing difficulty in finding one in the secondary market, SaltChuck subsidiary Foss Maritime came to the rescue with a retrofitted barge renamed the Maukana.

The year 2001 also saw the complete refurbishment of the 285-foot barge *Kakela*, a three-month project that added more container capacity. Also scheduled for an upgrade by the end of 2001 was the tug *Mikiala II* from a conventional tug to a more powerful, maneuverable state-of-the-art tractor tug to enable the *Eleu* to be positioned to serve the growing













MAUKANA TOPS OFF 100 YEARS OF SERVICE TO HAWAI'I

he deck of Young Brothers' newest barge, Maukana, was the venue for the company's centennial celebration on October 26, 2000. More than 350 guests arrived at Aloha Tower, where the barge was tied up for the event, to join festivities that featured Hawaiian music and a narrative of Young Brothers' historic moments. The Young family was represented by Kenny Young, his wife Margarit and granddaughter Sharon.

The \$4 million Maukana replaced a thirty-one-yearold barge that was retired in 1999, also named Maukana, and brought to eight the number of barges serving the islands.

BARGE	YEAR BUILT	ROUTE
Maukana	1977 (rebuilt 2000)	Nāwiliwili
Kukahi	1996	Kahului
Malana	1977	Hilo
Makoa	1976	Hilo
Kamaluhia	1982	(Back-up)
Kakela	1982	Kawaihae
Kahoku	1976	Moloka'i
Aukai	1970	Lāna'i

The 286-foot Maukana was placed into service on October 30 to Nāwiliwili carrying a variety of goods including containers of groceries, agricultural products, pallets of cargo, construction equipment and supplies. The new barge was designed to help handle an estimated 15 percent increase in interisland cargo, as economies on the neighbor islands picked up.

Even with the new barge in service, holiday demand through the end of December, 2000, required a second barge leased from its sister company, Foss Maritime. President Hong said it was the first time the company had a seasonal barge, but that the resources of Foss made such leases possible at a reasonable cost.

Maukana joined the regular sailing schedule with twelve weekly departures from Honolulu. The additional barge allowed for better services and increased number of arrival times for Young Brothers' customers, translating into more customer products being moved out of warehouses and into the hands of buyers. Young Brothers was also able to accommodate growing CSX Lines cargo as well as Matson cargo destined for the neighbor islands during peak and overflow periods, in addition to its regularly scheduled transport of Matson cargo to Kaua'i.

number of cruise ships calling at the "s"-shaped Nāwiliwili Harbor entrance on Kaua'i. These upgrades were part of the company's plans to bolster the condition and capability of its fleet, with barges slated for dry dock each year over the next several years.

"But we need to expand our capacity even more," said Hong. "We're already operating at capacity, and if we want to grow and prosper, we'll need more tugs, barges, facilities, and equipment to allow us to serve our growing customer base."

Effective July 19, 2001, Hawaiian Tug & Barge purchased the assets of Matson Services Company Inc. The primary components of the sale were the two

Matson Services' tugs, Joe Sevier, renamed Momi, which provides harbor assistance at Kahului, and the Maoi, renamed Mahi, which serves Hilo.

"Hawaiian Tug & Barge is dedicated to providing ship assist capabilities throughout the State of Hawai'i," said Glenn Hong. "With the acquisition of these two tugs from Matson Services, HTB will have tugs stationed on all major islands.

"The final and most important advantage is our people, our employees. We have the finest operators and tug crews in Hawai'i," Hong enthused. "We have shoreside employees who have been with the company for many years, and bring to the job a tremendous



Hawaiian Tug & Barge/Young Brothers' recipients of awards in the PRIDE program, which was designed to recognize outstanding employee achievements, assemble on the decks of Manuokekai. Lower deck (left to right) Pauline Kalama, Stephanie Murai, Patricia Hashimoto, Hulali Icari, Jane Vigilla, Celeste Magaoay, Betsy Nakamura, Sheba Kahunanui and Helen DeMatta. Upper deck (left to right) Ron Ancheta, Robert Robertson, Francis Kung, Greg Duncan, David Mahiai Jr., Michael Len, Troy Achiu, Edward Akamine, Chucky Hall Jr., Roland Rodrigues and Bobby Young. Hall, a leaderman in the company's Hilo operations, was credited with coming up with the name of the employee recognition program. PRIDE stands for Personal Rewards In Developing Excellence.

amount of experience in different situations."

A customer satisfaction survey conducted in December 2000 revealed that 87 percent of the respondents rated Young Brothers' services as "good" to "excellent." High marks were received for on-time arrivals, schedule reliability, a knowledgeable and capable staff, and the ability to deliver cargo to the proper destination. "The survey demonstrated that our customers are pleased, but that they won't stick with us unless we're constantly improving the caliber of our service and maintaining competitive rates," Hong said.

"We've had to work hard. We've changed the culture of the company. We've been successful in these endeavors, and I give our people the credit for that. Our employees are exceptional, and we're all proud that we can stack up to anyone out there."

Put that all together—the equipment, experienced employees and a dedication to the Hawai'i market—and you have a company that has endured throughout the decades.

Today, in 2001, Young Brothers, and Moana Pa'a Kai Inc. (dba Hawaiian Tug & Barge) are continuing the tradition of freight transport and harbor support that the company's founders Herbert, William and Jack Young, pioneered over a century ago. "We remain dedicated to offering the best possible service that our fleet and skilled employees can provide," said Hong.

"And as we look ahead, we envision a future of interisland freight handling and tug and barge services that will meet the growing needs of Hawai'i's people—

for now, and for the next 100 years.

"Our founders, the Young brothers, imbued the company with a spirit and energy that fueled our progress for the first hundred years. There's a lot more at stake nowadays; we have hundreds of employees, millions of dollars in assets and our role in Hawai'i's economy is much more prominent. But I think we share the same spirit and passion of our founders, along with ample measures of aloha and commitment to Hawai'i and its people, that will enable us to prosper for another hundred years—and beyond. I'm sure the Young brothers would be very proud of the company they created."



Hawaiian Tug & Barge/Young Brothers Executive Team (left to right) Bill Chung, Glenn Hong, Lisa Sakamoto, Mark Cohen, Henry Idehara and Bruce McEwan.



APPENDIX

HTB/YB Tugboats

Momi wood support tug, 500-hp,	
single screw c. 1930s	
Ikaika ocean tug, purchased surplus, 1,500-hp, wood, rechristened Mikiala in 1957acquired 1947	
Kolo 65-foot tug, 210-hp diesel engine built 1947	
Eleu ("quick, alert, fast moving") ocean tug, refitted with 1,000-hp Fairbanks-Morse engines in 1957 built 1929,	
acquired 1950	
Moi ocean tug, 2,400-hp, twin Fairbanks- Morse diesel engines built 1952	
Malie 91-foot ocean tug, 1,200-hp, Albina and Dillingham Shipyards built 1957	
Kolo 500-hp support tug, steel <i>c.1958</i>	
Hualalai self-propelled barge, 500-hp engine built 1959, sold 1960	
Rosa	
Keko 160-hp support tug	
Mikimiki 106-foot steel-hulled ocean tug, 1,800-hp, Albina Shipyard built 1960	
Mapele support tug, 500-hp c.1960s	
Mahoe II harbor tug, 2,000-hp, HTB built 1963	
Mikiona 134.5-foot ocean tug, 3334-hp, Albina Shipyardbuilt 1965	
Makaala II 60-foot harbor tug,	
for HTB, \$200,000	
Fairbanks-Morse engines, Albina & Dillingham Shipyardsbuilt 1967	

1.04	And a second second		
Malino 500-hp support tug c.1960s		Eleu ("quick, alert, fast moving") 73-foot Z- drive tractor tug, 2,800-hp, Kort nozzles,	
Malama	. 800-hp steel support tug, single screw	Martinac Shipyardbuilt	
Momi	support harbor tug, 2,000-hp built 1968	Hokulele ("shooting star, meteor, any moving star")	
Malanae	("shallow, unlisted, undisturbed, serene")	117-foot twin-screw ocean charter tug, 3,900-hp,acquired 1989	
113-foot ocean tug, 3,000-hp, Albina Shipyardbuilt 1970	Palaoa 250-hp support tug		
Huki	Huki ("to pull") 60-foot support harbor tug,	Nani 250-hp support tug acquired 1991	
	1,430-hp built 1970	Manele Bay . 500-hp support tugacquired 1991	
Mea'e	("extraodinary, unusual, wonderful")	Lanai City 500-hp support tugacquired 1991	
	80-foot support harbor tug, 2,000-hpbuilt 1971	Oio	
Moha	41-foot aluminum shuttle boat for HTB, to carry crew of tankers moored offshore Campbell Industrial Park, \$85,000	Hoku Loa ("morning star, bright star") 108-foot twin-screw ocean charter tug, 3,900-hp, Bollinger Shipyard built 1991	
Mana	("power") 124-foot ocean tug, Main Iron Works, \$2.6 million 3,000-hp .built 1976	Hoku Kea ("southern cross, shining star") 108-foot twin-screw ocean charter tug, 3,900-hp, Bollinger Shipyard built 1991	
Moana Holo	("ocean run") 118.7-foot ocean tug, 3,000-hp, McDermott Shipyardbuilt 1976	Mamo ("successor, fish, bird") 78-foot Z-drive tractor tug, 3,400-hp, twin screw, Kort nozzles, Halter Marine built 1996	
Mikiala II	("lively, awake, on alert") 96-foot ocean tug, 2,250-hp, Main Iron Worksbuilt 1977	Catherine 73.5-foot twin-screw harbor tug, 1,620-hp, Foss J. Martinolich Shipbuilding built 1967, acquired 1999	
Moana Hele	("ocean going") 96-foot ocean tug, 2,250-hp, Main Iron Worksbuilt 1977	Martha 74.1-foot single-screw charter tug, Foss J. Martinolich	
Mamo II	96-foot ocean tug, twin 2,250-hp,	Shipbuilding built 1968, acquired 1999	
	Caterpillar engines, Main Iron Worksbuilt 1977	Momi 75-foot twin-screw harbor tug, 1,600-hp	
Manuokekai	("sea bird") 119.4-foot ocean tug, 3,900-hp built 1977, acquired 1988	Mahi 75-foot twin-screw harbor tug, 1,600-hp	
Mohala	1,000-hp single screw charter tug c.1970s	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Ma'a	680-hp support tug		
Mapu	600-hp support tug		
Mi'oi	("forward, aggressive") 76-foot charter and harbor support tug,		

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