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Seattle: Queen city of the Pacific Northwest

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Seattle, Queen City of the Pacific Northwest and seat of King County, has been termed by Harper's and other magazines as America's most livable city. Few who reside there would disagree. To a visitor, much of the fascination of Seattle lies in the bewildering diversity of things to do and to see, in the strong cultural and national influences that range from Scandinavian to Oriental to American Indian, in the startling contrasts and geographical beauty that have produced a city that is, in a word, unique.

Located about as far north as the upper corner of Maine, Seattle enjoys a moderate climate thanks to warming Pacific currents running offshore to the west. The normal maximum temperature in July is 75°F, the normal minimum temperature in January is 36°F. Although the eastward drift of weather from the Pacific gives the city a mild but moist climate, snowfall averages only about 8.5 inches a year, largely as a result of the prevailing winds that blow from the warmer southwest latitudes in the winter. In the summer, temperatures are moderated by cool air sweeping in from the Gulf of Alaska.

Discussing special exhibit which they just visited at the Pacific Science Center devoted to the Northwest Coast Indians are (l. to r.) DH&S tax accountants Liz Hedlund and Shelley Ate and Lisa Dixon, of office administration. The Pacific Science Center is one of the attractions at Seattle Center, site of the 1962 World's Fair and now a major amusement and cultural complex.
On a clear day you can look to the east of the city and see the Cascade Range, including Mount Rainier (14,410 feet) and Mount Baker (10,750 feet), while across Puget Sound to the west lie the Olympic Mountains. Puget Sound itself, one of the world’s great deep-water harbors, lies tucked in a notch in the northwest corner of the state. Maritime traffic must navigate 125 miles of Puget Sound and the Strait of Juan de Fuca (Canada lies on the other side of the strait) before reaching the blue waters of the Pacific. Despite the lengthy passage from sound to sea, ships following the great-circle route from Seattle to the Orient travel one thousand fewer miles than those departing from San Francisco and sailing to the Far East via Hawaii.

From Joe Hagman’s office on the twenty-first floor of the Seattle - First National Bank Building, the vista sweeps unbroken across Elliott Bay and Puget Sound to the mountains beyond. A native of Washington State - Joe was born in Tacoma - he has been partner in charge of the Seattle office since 1964.

For Joe, the key to the steady growth of the DH&S practice in the Pacific Northwest is the quality of our people – coupled with the strong and diversified economy of the area. “We have had and continue to have outstanding people, the very best,” he said.

Supporting this statement is the Seattle office record as a training ground for a remarkably large number of partners in the firm. Every year the present and former Seattle office partners gather for a special dinner during the firm’s annual meeting. This year the list of partners invited included Jerry Anderson, Portland PIC; Bob Arnett, Saint Louis PIC and regional PIC; George Betts, Hong Kong PIC; Tom Cox, Portland; Dan Currie, Buffalo; Ed Deppman, Miami; Hugh Eggan, regional PIC; Bob Eliason, Baltimore; Jay McCarthy, former PIC in Boston who recently transferred to Washington, D.C.; Lowell Pethley, Chicago; Jerry Richards, Caracas; Francis Riedi, Denver; Dale Schmid, San Francisco; Bob Shoppers admire fresh king salmon at Pike Place Market — also called the Farmers’ Market — which was recently saved from condemnation and destruction by a save-the-market group. The market is a major attraction of Seattle for both Seattleites and visitors.

Top photo
The setting sun appears to light the way to Bainbridge Island for one of the large ferries that ply Elliott Bay between downtown Seattle and the island.
Charles L. Spence (L), president of Pacific Lumber and Shipping Company, and DH&S partner Charles Pancerzewski (c.) get progress report from foreman Melvin Lovedahl on logging operations at Strawberry Mountain cutting site. Pacific Lumber and Shipping is one of the largest independent exporters of logs and lumber in the U.S. Its principal markets are Japan, the United Kingdom, Australia and Europe. The company also operates a sawmill and two stud mills near Seattle and ships lumber to various parts of the United States.

Starry, Honolulu; Bob Steele, Executive Office; Dick Waldron, Hollister PIC; Tom Warner, Los Angeles; and Lorin Wilson, Los Angeles PIC and member of the firm's policy committee.

"A member of the policy committee, two regional PICs and seven practice office PICs is not a bad record for any office," Joe observed.

The growth of management and staff in Seattle has kept pace with the increase in our practice, which covers Washington, Alaska and parts of Idaho and Montana. This spring Boh Dickey was admitted as a partner to the firm, and Joe McGavick named a director, bringing the total number of partners and directors to eleven. In all, there are eighty-eight professionals in the DH&S Seattle office, and plans call for the addition of nine or ten staff personnel before winter. And this does not include the affiliated office in Spokane, 275 miles to the west.

"We opened the Spokane office about two years ago," Joe said, "largely to put us closer to our clients there, such as Old National Bank and The Washington Water Power Company. However, we also believe that the Spokane area of the state offers good potential for practice development. At the moment we have two managers and four staff accountants in Spokane.

"Right now the population of Seattle itself is slightly over half a million people," Joe said, "with that number doubling if you include King County. There has been a steady influx of new people attracted by the city and its reputation, as well as by employment opportunities. This has added to the skilled labor pool, which, in turn, attracts new industry.

"On the other hand, the major industries located here for many years have been instrumental in building and maintaining the solid economic base we have in this region. Lumbering has been important to Seattle since its founding, and it remains so today. Even if there's a downturn in construction starts in the United States, the forest products industry here is buffered somewhat by the fact that it sells much of its product overseas. A good example is our client Pacific Lumber & Shipping Company, which has built a strong market abroad, particularly in Japan, Great Britain and Europe," Joe pointed out.

Seattle has long been home port for a large fleet of commercial fishing boats, most of which range north to the fertile fishing grounds of the Gulf of Alaska. The city is famous for its fine seafood restaurants offering such delicacies as Pacific salmon and Dungeness and Alaska king crab. One of the major attractions of Seattle, in fact, is the renovated waterfront area, with its parks and shops, a splendid aquarium that features Puget Sound marine life, and a variety of dockside eating places.

The Boeing Company, the large aircraft manufacturer, is the third key contributor to the economy of Seattle and at present the largest firm in the area.

"Forest products, fishing and aircraft manufacturing are three important industries on which Seattle's economy rests," Joe said, "The growth that's taken place, though, has been highly diversified, especially in the manufacturing industries. You have here many of the key elements looked for by a manufacturer that wants to start a new operation or relocate an older one - a skilled labor pool, a city with a great reputation as a place to live and first-class port and rail facilities offering easy access to domestic and foreign markets."

Tourists, including large numbers from Canada and Japan as well as from other parts of the United States, contribute substantial additional revenue to the city and its businesses. One major attraction for tourists is Seattle Center, site of the Century 21 Exposition, the World's Fair that opened in 1962. A monorail, built for the exposition, connects downtown with Seattle Center, where one finds the Space Needle with its breathtaking view and revolving restaurant, the Pacific Science Center, the Seattle Art Museum Pavilion (not to be confused with the Seattle Art Museum located in Volunteer Park), the Opera House and a large amusement park.

The City of Seattle owns and operates the electric and water utilities, as well as an excellent bus system that offers free
passenger service in the downtown area.

Joe Hagman is a man whose soft-spoken manner tends to belie the extent and degree of his influence on all aspects of the Seattle practice. "Our success here comes from a talented group of individuals who work very hard to accomplish our objectives," he said. "Each member of our staff and management is given as much responsibility as possible. This keeps each of us interested in our work and involved in giving our clients the best service possible, contributing our time and talents to the community and to building our practice."

Joe believes that good communications are important to the success of a team operation. Each Thursday morning all partners meet for breakfast at the Rainier Club to report on various developments and explore problems that may have arisen. Two items included on each weekly agenda are the status of the practice-development effort and current personnel matters. In addition, the audit, tax and MAS partners, directors and managers meet regularly to discuss matters relating to their respective practice areas. Periodic meetings are held to keep the staff informed of developments within the office.

The Seattle PIC tends to see the practice in terms of a group of highly trained, expert professionals, each assigned to specific functions forming part of one overall synchronized and coordinated effort.

"Partner Jerry Rowe heads the office practice-development program," Joe said, "and our policy is to encourage all our management and staff to become involved in the kind of outside activities that are of interest to them and of importance to DH&S. We review the individual's activities, both as a means of encouragement — so they know we are aware of their efforts — and so that we can provide assistance, guidance or advice when helpful."

As with practice development, responsibility for heading other major functions and programs in the Seattle office has been assigned to members of the management group:

Partner Ed Shaffer is accounting and auditing coordinator.

Partner Charlie Pancerzewski is assistant accounting and auditing coordinator.

Members of the Seattle Police Department's Pioneer Squad cast approving eye on street musician as he performs impromptu serenade for (l. to r.) Irene Peck, Andrea Wieland, Beatrice Henderson and Connie Gilfry in Occidental Park. Irene, Andrea and Connie are secretaries with DH&S, and Beatrice is the office receptionist. During the tourist season, a special squad of officers dressed in 1910 uniforms patrols Pioneer Square and other historical sections of the city that have been renovated and are now tourist attractions.

Inspecting facilities of Lincoln Moving and Storage Company, Inc., a subsidiary of Loomis Corporation, are (l. to r.) DH&S partner Ed Shaffer; George A. DeBon, president of Loomis; Remo S. Galvagno, president of Lincoln Moving and Storage; and MAS consultant John Hickman. Lincoln's operations in Seattle include a large warehouse where household goods and general merchandise are stored for short and extended periods. Loomis Corporation also operates armored car, courier and security services in the U.S., Canada and other parts of the world.
and constructive services coordinator.

Bob Dickey is partner in charge of continuing education and coordinator of the Seattle Insurance Industry Group.

Partner Jim Ladd is personnel partner and recruitment coordinator.

Sig Joraanstad, partner in charge of the tax department, who, with tax partner Del Call, heads a group including three managers and ten staff. The tax group expects to add two more professionals shortly.

Partner Harold Hopper with director Joe McGavick heads the management advisory services group. The two are also coordinators of the Seattle Government Industry Group.

Manager Mike Brown, under the supervision of Joe Hagman, is in charge of the small and growing business services department.

According to Joe Hagman, the office established industry groups in government, banking and insurance because of the strong expertise in those areas possessed by Seattle professionals and the substantial number of important clients in these industries.

"In the banking area, for example," he said, "we have such clients as Rainier National Bank, the second largest bank in the state; Old National Bank, which has its headquarters in Spokane; Seattle Trust and Savings Bank, a state bank; Puget Sound National Bank, based in Tacoma; and our newest audit client, American Marine Bank, located on Bainbridge Island, which is about thirty minutes by ferry from downtown Seattle. In the insurance area we serve SAFECO Corporation, parent company of the largest group of insurance companies in the Pacific Northwest, as well as Family Life Insurance Company."

The Seattle MAS group, which also assists the Portland MAS department, has shown singular growth. In the past three years the Seattle MAS department has expanded from four to thirteen people, and plans call for the addition of two more consultants by the end of the year.

"Eleven of our MAS people were hired from industry," Joe said, "and their diversified backgrounds have helped us to expand our MAS practice by broadening our capabilities. However, I believe the most
"They saved the best for last...."

The Pacific Northwest was one of the last areas of the New World to be settled by the white man in his push westward from one ocean to the other. "They saved the best for last," a Seattle cabdriver, himself an immigrant from New York, said to a visitor recently.

It was in 1851, some three hundred years after the Spanish first landed in southern California and only ten years before the Union and Confederacy clashed under arms, that five families from Illinois arrived at Elliott Bay. Their settlement on a point of land at the south end of the bay was christened New York.

Thanks largely to the California gold rush, construction was booming in San Francisco and the price of lumber had soared sharply. It was the seemingly limitless supply of lumber that attracted the midwesterners to the Puget Sound area, and within a month they began cutting timber and shipping it south.

Because the topography of the original location made loading timber aboard ships difficult, in March of 1853 the settlers moved to the east side of Elliott Bay, site of Seattle's present business district. Several months later a plan of the town was recorded with the territorial government, with the name changed to Seattle to honor Chief Seattle of the friendly Duwamish and Suquamish tribes.

Timber continued to be the area's only cash crop for many years. America owes the term skid road — often corrupted to skid row — to Seattle and Henry Yesler, an Ohio lumberman who built the city's first steam-powered mill for cutting lumber near the waterfront. The trail down which horses pulled logs to the mill, known locally as the skid road, developed into a thoroughfare lined with cafes and saloons catering to loggers and sailors, men not noted for preferring the more refined, genteel amusements to while away their idle hours.

The city's role as a key lumber and shipping center was assured in the 1870s, when James J. Hill, then head of the Great Northern Railroad, chose Seattle as the line's western terminus. Several years later Hill was instrumental in persuading a large Japanese shipping line to use Seattle as its port of entry. Hill had obtained vast land holdings in the Pacific Northwest for building railroads and later sold some 900,000 acres of timber to Frederick Weyerhaeuser, a Midwestern lumberman. (The Weyerhaeuser firm is still the largest private landholder in the Seattle region.) Hill also reduced Great Northern's long-haul lumber rates by 60 percent, a vital factor in opening the Midwest market to Puget Sound lumber.

By 1897, only eight years after the entire business district had been leveled by what is still called the Great Fire, Seattle was promoting itself as the gateway to the northern goldfields following the discovery of gold in Alaska and the Yukon Territory. Money brought in by the gold rush helped to finance a major program of civic improvement, and the Alaska-Yukon-Pacific Exposition in 1909-1910 drew an estimated 3.75 million visitors to the city. In the first decade of the twentieth century Seattle's population tripled, partly as the result of the decision by ten small towns nearby to be annexed to Seattle.

The city's position as a maritime shipping center was enhanced in 1914 with the opening of the Panama Canal, which spurred trade with Atlantic ports and Europe. Shortly thereafter, in 1917, Deloitte Haskins & Sells opened an office in Seattle in the Smith Tower, at that time the tallest building west of the Mississippi River.
important single contributing factor to the rapid growth of our MAS practice has been the first-class work the group has been doing on government engagements. At the present time we have a large engagement with the Seattle school system, and engagements with a county government. It's interesting to note that despite the group's strong involvement in government work, the MAS practice here is highly diversified — about half our work is for government, half for industry.

The Small Business Services program was reorganized recently and, under manager Mike Brown and four staff accountants, has already made an excellent showing. "We're very pleased with the results of the reorganization and the work being done by Mike and his team," Joe said. "Our studies show an excellent potential for SBS work here in the Seattle area, and the fact we've gotten off to such a fast start under this new program has all of us optimistic and confident of the future."

Recruiting excellent people is no problem for the Seattle office, according to Joe. "We have many things going for us," he said. "First, of course, there is the city and surrounding area. Young people today are very concerned — and rightly so — with the quality of life. The people we talk to on the various campuses are most interested in career opportunities. But today there is a greater recognition that there must be a balance in one's life, that you can achieve a harmony between professional satisfaction and advancement and the enjoyment of a

Bottom photo
Shown in Seattle headquarters of Rainier Bancorporation are (r. to l.) Ronald H. Mead, senior vice president and a DH&S alumnus; Joe Hagman, Seattle PIC; G. Robert Truex, Jr., chairman and chief executive officer of Rainier; Bob Boyd, DH&S partner; Mike Frankfurter, DH&S audit manager; and John F. Cockburn, executive vice president. Rainier Bancorporation, a bank holding company, operates in the U.S. and overseas through Rainier National Bank and Rainier International Bank. It also has mortgage and credit company subsidiaries.

Discussing just-completed evening news program at KING-TV in Seattle are (standing, l. to r.) DH&S audit senior Mike LaGris; DH&S partner Sig Foraanstad; Peyton Hall, vice president — finance and planning for King Broadcasting Company; Keith Hudson, King Broadcasting controller; DH&S partner Charles Panczerowski; and (seated, l. to r.) weather reporter David Grant; anchorman Mike James; anchorman Jean Enersen; and Don McGaffin, who gives color commentary. King Broadcasting operates TV and radio stations and cable TV systems in five states.
rich and full personal and family life.

"Seattle is an ideal location. The variety of outdoor activities available is enormous. We have people who fly helicopters, who climb mountains, who water ski and snow ski, who sail, camp - you name it and you probably can do it in Seattle and the surrounding countryside. The office, of course, has its own calendar of social events and team athletics. We hold a family picnic in the summer, a dinner-dance at Christmas and a field day in the spring — golf or tennis, with cocktails and dinner in the evening. The office group has an annual dinner, generally followed by a show or other entertainment.

"Seattle hasn't neglected the cultural aspects of life, either," Joe said. "The city has a full complement of museums and a science center, and offers a full program of ballet, opera, concerts and theater. There's also been increasing interest in an ever-broadening range of professional sports, which now includes baseball, football, basketball, soccer, tennis, volleyball and hockey."

Although the city is a big plus factor in Seattle's recruitment program, the office recognizes that a strong effort must be made if you want to attract the better individual. The recruitment program, conducted by a six-member team under partner Jim Ladd, involves nine schools in all, but concentrates primarily on the University of Montana, Washington State University and the University of Washington. It is the last of these, which is the largest and located in Seattle, from which the office obtains the greatest number of new staff.

Founded in 1861, the University of Washington occupies a 680-acre campus in the northeast residential section of Seattle. It has a student population of about 35,000, colleges of Architecture and Urban Planning, Arts and Sciences, Education, Engineering, and Fisheries and Forest Resources. Its major schools include a graduate school and Schools of Business Administration, Dentistry, Law, Medicine, Nursing, Pharmacy and Social Work, and a Graduate School of Public Affairs. A recent survey on the quality of graduate education conducted by the American Council on Education placed the University of Washington among the top twenty public and private U.S. graduate institutions.

"We've been very pleased with the results of our efforts at the University of Washington," Joe said, "and we maintain close ties with the school." Harold Hopper, for example, recently was reelected chairman of the Executive Committee of the University of Washington Accounting Development Fund, while Bob Boyd is serving a three-year term on the Department of Accounting Advisory Panel at the invitation of
Partner Jim Ladd (l.) makes a point during weekly breakfast meeting of Seattle office partners and directors at the Rainier Club. Shown in the photo, in addition to Jim, are (l. to r.) Joe McGavick, Sig Joraanstad, Charles Pancerzowski, Dell Call, PIC Joe Hagnman, Ed Shaffer and Bob Dickey.

W. Hunter Simpson (l.), president and chief executive officer of Physio-Control Corporation, and Bill Scott (2nd r.), vice president of finance and treasurer of the Redmond, Washington, company, discuss advantages of the PDS 390 peritoneal dialysis system with Seattle partner Bob Boyd (2nd l.) and audit manager Mike Hershaw (r.). Physio-Control designs, engineers and manufactures a broad line of cardio-vascular systems equipment, cardiac-care systems, and dialysis and accessory systems which are marketed worldwide.

Opposite page
Part of commercial fishing fleet that makes Seattle its home port. Bottom photo shows pedestrian overpass between building housing DH&SS offices and the Financial Center. In the background, Elliott Bay and a part of West Seattle.
Jim Senna (c), senior vice president — administration of Olympia Brewing Company, explains operation of canned-beer pasteurizer at company's Tumwater, Washington brewery to Seattle partner Jim Ladd (r.) and audit senior Tom Hoover. Olympia Brewing, which markets five brands of beer — Olympia, Olympia Gold, Hamm's, Lone Star and Buckhorn — presently has one or more of its brands distributed in some thirty states as far east as Chicago and as far south as Florida.

Conversing in plaza outside SAFECO Corporation headquarters are (r. to l.) DH&S Seattle PIC Joe Hagman; Gordon H. Sweany, chairman and chief executive officer of SAFECO; DH&S partner Boh Dickey; Roland M. Trafton, chief operating officer of SAFECO; audit senior Brian Englund; and Bill Hammersla, senior vice president of SAFECO. In addition to its property and casualty, life, and title insurance subsidiaries, SAFECO has operations in real estate development, ownership and management, commercial credit and other service businesses.
In photo above, children feed ducks at Kirkland Waterfront Park. A floating bridge gives easy access to downtown Seattle for commuters to the residential community across Lake Washington. At right, school-children take lunch break during class outing to Seattle's new Gasworks Park. Park was created on site of old Seattle Gasworks and represents happy solution to the problem of what to do with what could have been an eyesore too large to bury and expensive to remove.

Kermit Hanson, dean of the university's School of Business. The panel, a group of ten individuals representing government, business and public accounting, serves in an advisory capacity to the department on various matters of policy.

"It's difficult not to keep coming back to the joys of living in or near Seattle, to the quality of life we enjoy," Joe said, "because we are so aware of what we have here. But, from the professional's point of view, we balance this with an excellent environment for the accountant who is interested in a career with DH&S.

"Our client roster offers great diversity in size, in type of operation, in services required. An accountant receives a very broad exposure to the profession and the demands made upon it. On the other hand, especially if you look at our government, insurance and banking industry groups, the individual who wants to specialize has an excellent environment in which to pursue his or her interests. We have the clients to work with, and the professional expertise to guide these persons along the paths of their choice of specialty.

"We think we have pretty much an ideal situation here in Seattle, professionally and personally," Joe concluded. "I know it is the people who make an office, and it is the quality of our people — past and present — that is responsible for the Seattle office having a fine practice."