YOU'VE heard of the Loch Ness monster? Well, now we've got the Mercer Island dragon. But it's a friendly dragon, and undoubtedly exists.

It is 50 feet long, weighs about six tons and is white with green polka dots. You can see it any time at the King County Island Crest Park, usually patiently supporting half a ton or so of squirming, happy youngsters.

Mercer Island's dragon is hollow, so children can crawl inside. And it has openings for eyes and nostrils and four portholes lining each side of its undulated body so the youngsters inside can look out. There are steps on the creature's legs, a walkway along its back, and the sides and tail make dandy slides.

Its creator is Kenton T. Pies of 10644 23rd Av. N. E. His wife, Barbara, and volunteers among Mercer Island residents helped in putting the dragon together. Funds were donated anonymously.

Pies used prefabricated sewer-tile steel wire to shape the dragon.

"We 'pasted' wet concrete onto the wire and formed the head and feet by hand," he said.

The completed dragon, a 50-foot monster, rested quietly under the pounding of many small feet as a group of children played on it.