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WATERFRONT COMMISSION OF NEW YORK HARBOR

ANNUAL REPORT

1960-1961

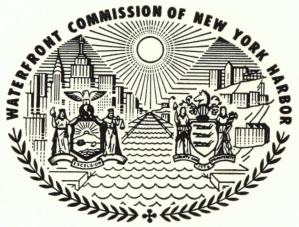
ANNUAL REPORT

of the

Waterfront Commission

of

New York Harbor



For the Year Ended June 30, 1961

To the Honorable Nelson A. Rockefeller, *Governor,*
and the Legislature of the State of New York:

To the Honorable Robert B. Meyner, *Governor,*
and the Legislature of the State of New Jersey:

THIS is the eighth annual report to the Governors of the States of New York and New Jersey by the Waterfront Commission of New York Harbor. It reflects the agency's activities for the year of 1960-61 along the almost 700 miles of waterfront which constitute the Port of New York.

A decade ago, the dominant position of the Port was in jeopardy because of widespread evils that debased and debilitated its labor force and sapped the lifeblood of its commerce. As a solution, the Legislatures of New York and New Jersey, with the approval of Congress, established this Commission. It is equipped with special powers to reduce and root out criminality, to assure fair hiring practices by management and labor and to bring the longshore work force into balance with available waterfront jobs.

Waterfront turbulence and crime have been substantially curtailed. Where once violence was a hallmark, today there is relative calm. Dock warfare no longer exists. Labor stoppages, once the bane of the Port's economy and the occasion for brawling, sluggings and cop-fighting, are now relatively infrequent, and usually well-ordered and disciplined when they occur. An illustration of the regional impact of labor interruptions in the Port was the 18-day nationwide maritime strike affecting American flag vessels, commencing on June 16, 1961. Waterfront hirings alone during this period dropped an estimated 89,000 man-days from the 242,000 for the same days in 1960.

There is no doubt that the shifting American population and industrial patterns and the continuing uncertain world situation have contributed to declines in both tonnages and vessels moving through this Port during the past twelve months. This drop-off was, of course, directly reflected in a decline in waterfront employment.

Nevertheless, the dockworker's lot in 1961 is a vast improvement over his situation in 1953. Average annual wages for a longshoreman or checker today are $4,866*, as compared with $2,469 seven years ago — an increase of almost 100 per cent. Some of this increase is the result of labor negotiations, but the greater portion derives from improved employment opportunities through the Commission's port-wide employment center program and its decasualization procedures.

The present prevailing employment stability on the waterfront helps New York Harbor to retain its pre-eminence among the ports of the United States. The direct

*Excluding fringe benefits.

beneficiaries are the nineteen million people in the New York and New Jersey port region dependent for their livelihood upon the varied commercial, financial and industrial enterprises concerned with world-wide trade.

Important to the progress of the Port and the general well-being of its labor force has been adoption in New York of amendments to the Compact and state laws which empower the Commission to flush certain stubborn but legally immune elements of criminal domination out of waterfront unions and places of influence in waterfront activities. The enactment of this legislation has already enabled the Commission to take positive steps in this direction.

Regularization of Employment on the Waterfront

The Commission's decasualization program instituted in 1955 has effectively removed from the longshoremen and checkers register those men who do not look to the waterfront for fulltime employment.

The decasualization standards are fixed by the Commission at the beginning of each six-month period, and require a minimum number of days which an employee must work, or seek work, on the waterfront to remain on the register. The present standards, which have remained constant since 1955, require a longshoreman or checker who has been registered for nine months, to work, or seek work, for at least eight days a month in five of the preceding six months.

During 1960-61, 5,747 decasualization notices were mailed to registrants who failed to meet minimum requirements. After considering all applications for retention based upon good cause, 1,577 registrants were removed on October 27, 1960, and another 1,859 registrants stricken from the Longshoremen's Register on May 11, 1961. This total of 3,436 is approximately one thousand less than the number decasualized in 1959-60.

For the twelve months ending September 30, 1960, the man-hours worked in the Port, as reported by the New York Shipping Association, decreased 1,425,466 to 43,230,277.* Wages, however, advanced $1,030,444 to $144,855,716, and general cargo handled increased by five per cent during the same period.

The economy of the New York port region is dependent upon a regular and adequate supply of skilled labor in its longshore industry. New York and New Jersey can remain the primary gateway for ocean-borne commerce only if qualified workers are available on a regularized basis. The decasualization program contributes to this objective.

*The New York Shipping Association reported for the year ending September 30, 1961, man-hours worked in the Port of New York totalled 40,782,901, a decline of 5.5 percent.

Employment Information Centers for Longshore Workers

Most of the evils once prevalent along the waterfront of New York and New Jersey originated in the historic and out-moded hiring procedures which fostered favoritism, bribery and kickbacks under criminal domination and control. Over 45,000 men competed in the pierhead "shape-ups" for the 20,000 jobs available each day throughout New York Harbor. These conditions, devoid of any semblance of fairness to the worker, served as breeding grounds for waterfront crime and corruption. Longshoremen were at the mercy of the hiring bosses, often men with extensive criminal backgrounds who had attained their positions of power solely through violence or intimidation.

To correct these conditions, the Commission established in the Port thirteen Employment Information Centers through which all longshoremen, checkers, coopers and port watchmen are hired. The Commission also adopted hiring procedures in accord with accepted labor practices to make certain that employment was available openly and fairly to all qualified. Today, the standardized operations and procedures of the Centers are well understood by longshore workers and employers. The men look to the Centers for information as to job opportunities, the employer for his supply of labor.

By permitting pre-validation of individual pier rosters, such as gang and dock labor lists at each Center, the Commission makes it possible for employers to hire in advance without the men appearing at the Centers. Under these hiring procedures, 90 percent of the Harbor's longshore manpower reports directly to the pier without having to go to a Center for assignment.

Those individuals or gangs regularly hired by one employer may seek employment at a Center when their own pier is inactive. When a labor shortage or surplus exists in any area, the imbalance may be corrected by an exchange of information among the Centers. This provides waterfront workers with access to port-wide job opportunities, where formerly a man worked only when jobs existed at a neighborhood pier. Similarly, employers now have a port-wide labor supply available.

Centers are open every week day from 7:00 A.M. to 7:30 P.M., and on Saturdays, 7:00 A.M. until noon. When required by the industry the Centers can be opened after regular hours, or on Sundays and holidays.

Recognition of the principle of seniority in the labor contract between the New York Shipping Association and the International Longshoremen's Association is commendable.* The complexities of the seniority provision, along with efforts to harmonize

*See Waterfront Commission Annual Report 1959-60, pages 28-38.

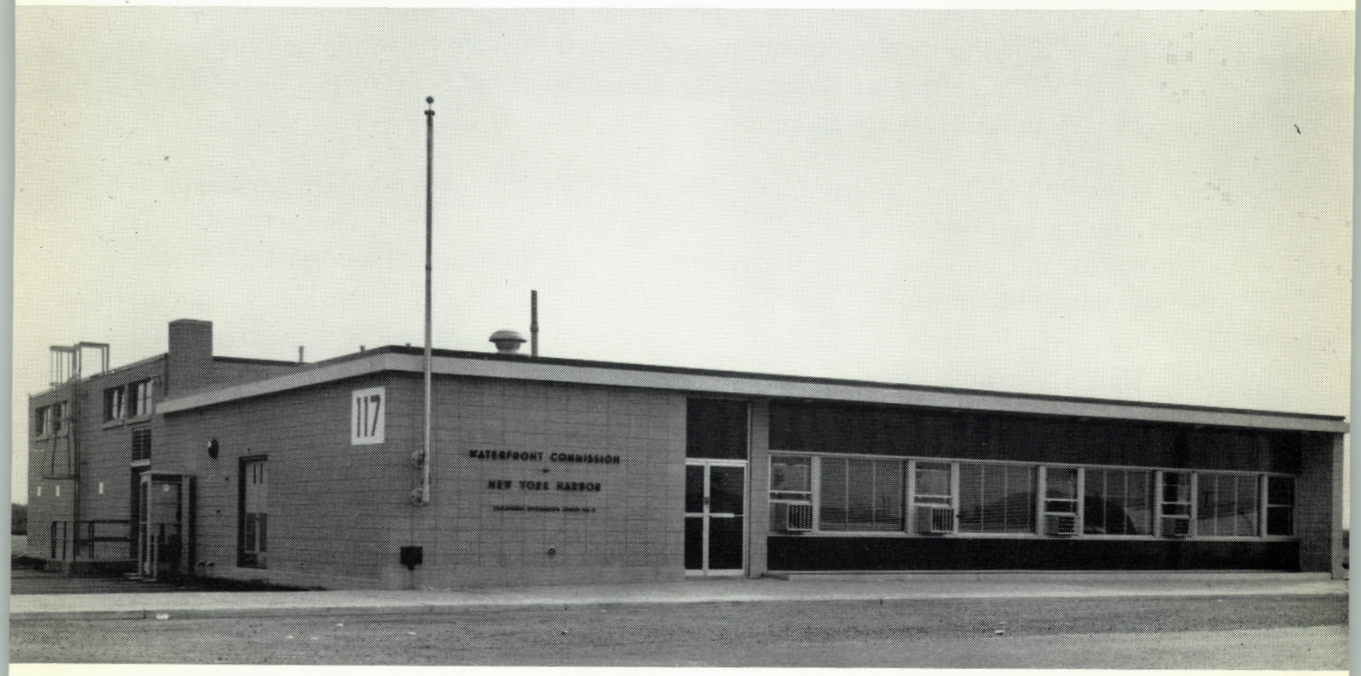
local customs and practices, have been the source of misunderstandings by both employers and dockworkers. Although seniority hiring in accord with the collective bargaining agreement is observed but not enforced by this agency, the Commission has granted temporary variances in hiring procedures to the extent necessary to implement the Seniority Article. Certain breaches of that agreement may constitute violations of the Compact necessitating Commission action. As a result of the complaints received and the deviations noted in the operation of the program, the Commission is conducting studies which have shown irregularities in seniority hirings, some of which may possibly be in violation of the Compact.

Management and labor are responsble for maintaining their own contract. Many on both sides, however, have failed to adhere to the terms of the agreement. As a result, confused hiring conditions have occasionally been created in the Centers.

The Commission is now preparing regulations to establish permanent hiring procedures for seniority. These regulations will accommodate the seniority provisions of the collective bargaining agreement and the objectives of the Compact. The views of both management and labor will be sought and considered before such regulations are adopted.

New Hiring Center at Port Newark

Among improvements in waterfront hiring is the recently completed Employment Information Center No. 11 at Port Newark. Constructed by the Port of New York



Center No. 11, Port Newark

. . . DESIGNED TO MEET ANTICIPATED DOCK LABOR REQUIREMENTS . . .

Authority and leased to the Commission, the new Center is designed to meet anticipated dock labor requirements of both Port Newark and Port Elizabeth. It provides separate areas for efficient hiring of longshoremen and checkers.

Proposed construction of a highway may require relocation of Center No. 3, presently at 34 Renwick Street, Manhattan. The location of Centers Nos. 4 and 5 at 15 Moore Street, Manhattan, is within the area of a projected rehabilitation program in downtown Manhattan and new facilities must be obtained.

Registration and Licensing by the Commission

The Compact requires workers employed in the moving of waterborne cargo at piers and terminals must be registered subject to prescribed standards. Hiring agents, pier superintendents, port watchmen and stevedore companies are licensed in keeping with higher qualifying standards.

Registered longshoremen and checkers are carried indefinitely on the Longshoremen's Register until decasualized or withdrawn. Port watchmen are licensed for three years, while stevedores are licensed for a term of two years. Licenses for hiring agents and pier superintendents remain in force as long as the recipients continue to work for the employers who applied for the licenses.

All registrations and licenses are subject to suspension or revocation for violations of criminal law or Commission regulations. These licensing or revocation powers provide means for removal of unlawful elements from the waterfront.

The Commission finds and determines that public necessity still exists for the continued registration of longshoremen, the continued licensing of the occupations required to be licensed under the Compact, and the continued operation of Employment Information Centers as provided in Article XII of the Compact.

Waterfront Commission Probation Program

The Commission has conducted a program of probationary registration for dockworkers who have committed crimes or violated the Commission's regulations. A total of 122 such men were registered on a temporary basis at the end of the 1960-61 year. While most of this probationary group report for supervision to the Commission Secretary, some have been sponsored by clergymen, settlement houses or veterans organizations. Such sponsors generally have special knowledge of the probationer's background, environment, family responsibilities and equity in waterfront employment. This supervision has been of assistance in the rehabilitation of many men.

Law Enforcement on the Waterfront

The routine and constant task of maintaining law and order on the waterfront is a major responsibility of the Commission. The Division of Investigation discharges the operational and reporting functions of this responsibility in the field.

This Division is continuously concerned with such waterfront problems as organized gambling, loan sharking, theft and pilferage, irregularities in hiring and other illegal activities involving licensed or registered personnel.* The presence of Commission investigators on the docks and piers is a notable deterrent in the constant battle against cargo thefts.

Investigators assigned to passenger piers give particular attention to preventing baggage thefts and gratuity "shake-downs", which have adverse effects on the good reputation of the Port. Efforts of the Commission and passenger steamship operators have achieved substantial progress in reducing these abuses as shown by a consistent decline in complaints.

The Commission wishes to express its appreciation to the various federal agencies, district attorneys and prosecutors, and state and municipal police organizations whose cooperation has made possible fulfilling its responsibilities.

Cargo Protection in the Port of New York

A major share of the nine and one-half billion dollars of waterborne cargo shipped through the Port annually is made up of finished and high-value goods. Such items are easily subject to theft and pilferage because they can be diverted into illicit trade channels with high return. Cargo protection in this Port consequently requires special consideration and attention.

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*In the course of investigating illegal gambling on the Hoboken piers, Commission personnel established the location of a policy or numbers "bank" and the identity of some of its runners and collectors operating on the piers. The information was turned over to the Intelligence Division of the Internal Revenue Service, U. S. Treasury Department. Investigation by the two agencies and the ensuing arrests smashed the bank which had been operating behind steel doors in the rear of what purported to be a vacant store. Records of gambling activities seized in a truck parked in front of the bank indicated an annual business approximating $250,000.

During a routine pier inspection in Brooklyn, Commission investigators found a registered longshoreman handling policy numbers. A notebook found nearby contained 5,000 policy plays which obviously represented the basic records of a "comptroller" for policy on several piers. The longshoreman feared to reveal the identity of associates in the gambling hierarchy. This was the first felony arrest under New York anti-gambling laws which had become effective September, 1960. The longshoreman's registration was revoked.

In another case, Commission investigators established that gambling was boldly being conducted daily in Brooklyn on an organized basis in the headquarters of ILA Local 1814. On May 18, 1961, the union hall was raided by the New York City Police Department, Kings County District Attorney's Office and Commission Investigators. Three former longshoremen were arrested and indicted on a charge of conspiracy to commit crimes of bookmaking and policy. Upon arraignment, the three defendants promptly pleaded guilty; two were sentenced to jail, the other fined.

Loansharking — lending money at usurious rates — as practiced on the waterfront is most despicable in its operation and in its effect on the victimized longshoreman and on the public. It is closely allied

The importance of qualified and trained personnel in providing proper security for cargo movements was recognized when the States adopted the Compact which initiated a program of licensing by the Commission of port watchmen who could meet established standards. In 1957, in order to reenforce this program, and again in January, 1960, standards for port watchmen were raised, particularly in the area of physical and mental fitness. Specific disabilities were set forth, along with lowered age maximums. The objective then was to provide port watching personnel qualified to perform as effectively as possible the arduous duties of their jobs.

The continuing effort to up-grade the port watching program has included training courses for new port watchmen, and refresher programs for those seeking license renewals.

Proper terminal facilities designed with adequate consideration of security problems go far toward alleviating the problem. However, the essential elements continue to be quality, dedication, and ability of the men who must do the port watching, and the men directly responsible for their supervision. Since it is the public which must bear the cost of all such losses, it is entitled to the best possible security force.

Accurate statistical information concerning losses of cargo through theft and pilferage on the piers of the port is unavailable from shipping companies, stevedores, insurance carriers and governmental agencies.

In an effort to fill this void, the Commission inaugurated in 1960 a program of reporting theft and pilferage by both port watchmen and pier superintendents. This was done in the endeavor to tighten cargo protection procedures and to acquire certain factual information which could be used to diminish this type of loss. Commission regulations contain a two-fold requirement for reporting losses: (1) immediate reporting of thefts to effectuate an early recovery of the loot and apprehension of the

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to, and largely stems from, organized gambling. Borrowers sometimes steal cargo in order to meet threatening and abusive demands for payments on loans from waterfront "sharks."

During the past year Commission Investigators working with detectives from the Essex County Prosecutor's Office, arrested a registered longshoreman for loansharking at Port Newark. The shark had been lending money at 10 to 15 per cent interest per week and taking wage assignments. The loans were also secured by collateral supplied by the borrowers in the form of automobile registration cards and wage identification tags or chits. With this chit the loanshark was able to pick up the borrower's pay checks, have them cashed, deduct his loan and interest, and return the balance, if any, to the longshoreman.

Another loansharking operation in Port Newark of more than $200,000 annually, was broken up. In cooperation with the Essex County Prosecutor's Office, warrants were obtained for simultaneous searches at the suspect's home and a nearby shop. Testimony of witnesses resulted in the loanshark's arrest by Newark Police and Commission investigators. After indictment the defendant was sentenced to four months in jail. Both longshoremen have been formally removed from the Longshoremen's Register.

A former longshoreman became involved in two substantial armed robberies because of a debt of $360 to a loanshark. To discharge his debt, the longshoreman agreed to participate in a robbery of stevedore's payroll. He successfully fingered the payroll messenger from whom more than $19,500 was taken at a North River pier. He later joined the gang in the payroll robbery of the New York Daily News office in Brooklyn. The ex-longshoreman is awaiting sentence with other members of the gang.

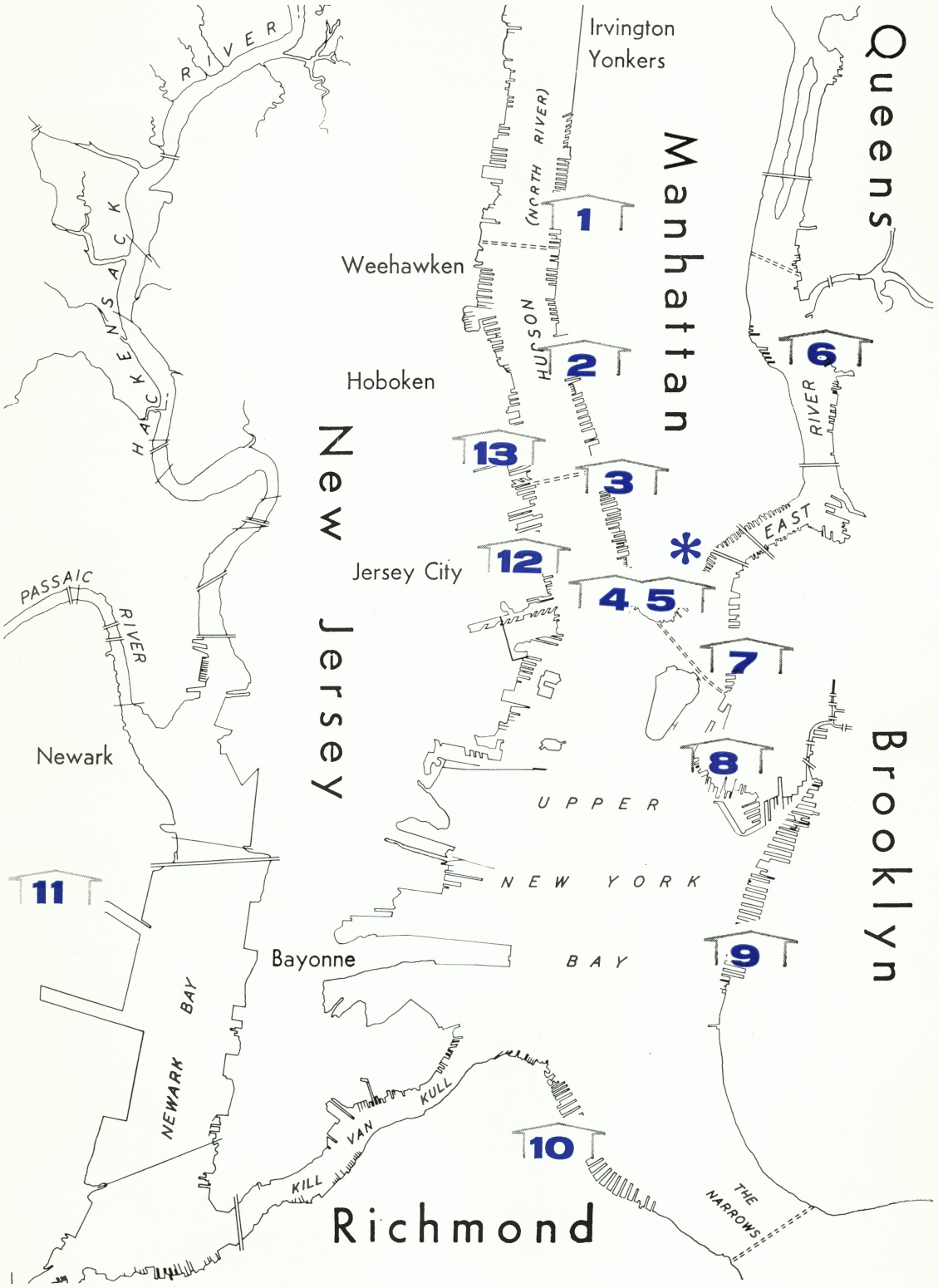
EMPLOYMENT INFORMATION CENTERS IN THE PORT OF NEW YORK

operated by the

WATERFRONT COMMISSION OF NEW YORK HARBOR

CENTER AND LOCATION	PIERS AND AREAS COVERED
CENTER NO. 1 659 11th Avenue Manhattan	*Piers 80-99 North River, Yonkers and Irvington.*
CENTER NO. 2 455 West 16th Street Manhattan	*Piers 53-78 North River.*
CENTER NO. 3 34 Renwick Street Manhattan	*Piers 18-52 North River.*
CENTER NOS. 4 and 5 15 Moore Street Manhattan	*Piers 1-7 North River.* *Piers 4-68 East River.*
CENTER NO. 6 32 Java Street Brooklyn	*Long Island City, Greenpoint, Williamsburg and Navy Yard areas.*
CENTER NO. 7 385 Hicks Street Brooklyn	*Brooklyn Port Authority piers.*
CENTER NO. 8 120 Richards Street Brooklyn	*Atlantic and Erie Basins, Breakwater and Gowanus areas.*
CENTER NO. 9 5504 Third Avenue Brooklyn	*27th Street Pier, Green and Bush Docks and Army Base areas.*
CENTER NO. 10 22 Wave Street Stapleton	*Staten Island.*
CENTER NO. 11 117 Tyler Street Port Newark	*Port Newark and Elizabeth-Port Authority piers.*
CENTER NO. 12 Harborside Building 34 Exchange Place Jersey City	*Jersey City and Bayonne areas.*
CENTER NO. 13 60 Hudson Street Hoboken	*Hoboken, Weehawken and Edgewater areas.*

***COMMISSION HEADQUARTERS — 15 PARK ROW, NEW YORK CITY**


Irvington
Yonkers
Queens
Manhattan
(NORTH RIVER)
HUDSON
RIVER
EAST
RIVER
Weehawken
Hoboken
Jersey City
New Jersey
HACKENSACK
RIVER
PASSAIC
RIVER
Newark
Bayonne
UPPER
NEW YORK
BAY
Brooklyn
NEWARK
BAY
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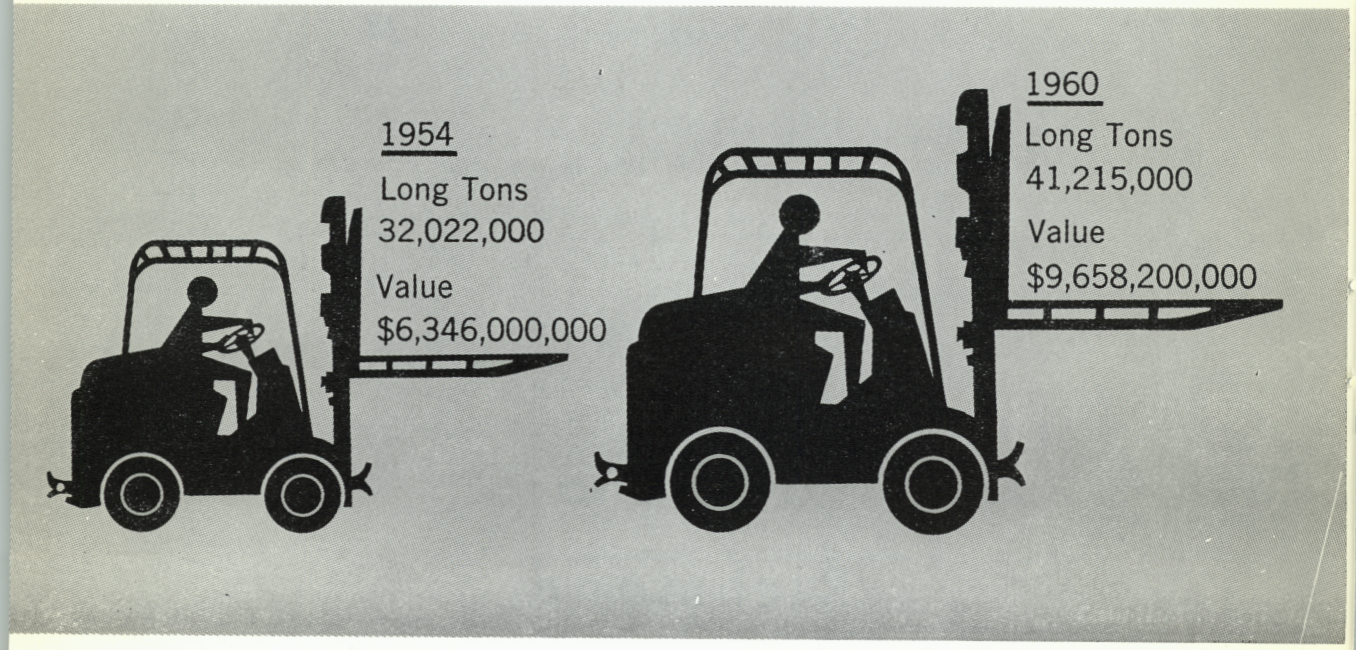
thieves, and (2) regular reporting of losses on a quarterly basis for statistical purposes and long-range studies. Introduction of the port watchman's memorandum book for the reporting of thefts or violations of law or irregularities observed during a tour was also required to improve security measures.

The quarterly reporting procedure — a responsibility of the pier superintendents — is not universally adhered to by those charged with this responsibility. In some instances property recovered by Commission investigators has not been reported as missing. Investigations frequently reveal that such items, listed as "short-landed", rather than as stolen or mislaid, are found secreted in dock areas. Other instances reveal detailed entries only for the week prior to the close of the quarter.

Accurate statistics for pilferage or theft losses are helpful in determining the types of cargo and the piers and areas most subject to dock larceny. With such information improved precautionary techniques and measures can be developed. Complete information of this kind should also establish a factual basis for lowered cargo insurance rates for those carriers and terminals showing the best experience.

The effectiveness of the reporting program as well as other efforts by the Commission to improve the quality of port security can be assured only through far more vigorous and painstaking cooperation by management and an intensified educative program directed to the employees responsible for security on the piers.

EXPORT AND IMPORT CARGO TRAFFIC — PORT OF NEW YORK



Source: Port of New York Authority

Because of the importance of reducing port-wide pilferage losses in making this Port more attractive to shippers, the Commission will meet with representatives of the various segments of the shipping industry and labor to determine the modifications to present regulations necessary to achieve the objectives of the Waterfront Commission Compact.

While import and export cargo tonnage in the Port since 1954 increased over 28 per cent, and the dollar value of these goods moved from 6.3 to 9.6 billion dollars, the total hours worked by port watchmen throughout this port have steadily declined. For the fiscal year of the New York Shipping Association ending September 30, 1960, the port watchmen man hours had dropped 22.6 per cent compared with 1954. Despite recognition accorded port watching manpower, a key to effective port security, and the efforts of the Commission to improve port watching, this decline continues.

The slackening in cargo protection is apparent in the pier raids conducted by Commission investigators, they frequently find piers insufficiently manned and evidence of unhampered pilferage or theft because of inadequate protection. Good security can achieve beneficial and tangible effects, chief of which should be savings to the ultimate consumer.

Waterfront Commission Litigation During 1960-61

The courts of the States of New York and New Jersey and the Supreme Court of the United States have upheld the constitutionality of challenged sections of the Waterfront Commission Act. The Commission's powers to compel the attendance of witnesses and the production of evidence, the legality of the Commission's licensing and registration procedures, and its methods of conducting its hearings have all been confirmed.

While the volume of litigation remains the same as in 1959-60, these efforts were directed to legal actions necessary to assure compliance with the objectives of the Waterfront Commission Act. Much of the litigation instituted by ILA leaders involved legal and factual issues which previously had been well settled.

In October, 1960, the Supreme Court of the United States, by denying a petition for rehearing in *DeVeau* v. *Braisted,* 364 U.S. 856 (1960), affirmed the constitutionality of Section 8 which prohibits the collection of union dues from persons licensed or registered by the Commission under specified circumstances.*

Immediately after the amendments to Section 8 took effect in New York in June, 1961, the ILA sought to have the amendments declared unconstitutional on the

*See *Infra* page 18.

grounds that they lacked Congressional approval, that they conflicted with various provisions of federal law, and that they violated the due process clause of the United States Constitution. A motion for a preliminary injunction to restrain the enforcement of the amendments temporarily was denied by the Supreme Court of New York. *Bradley et al.* v. *Waterfront Commission and Hogan,* 219 N.Y.S. 2d 137 (1961). A motion for summary judgment by the Commission and the district attorney dismissing the complaint was granted, the court upholding the constitutionality of the 1961 amendments. *Bradley et al.* v. *Waterfront Commission and Hogan,* 220 N.Y.S. 2d 681 (1961).

Section 7 of the Waterfront Commission Act which makes it unlawful for any person to loiter about a waterfront pier or terminal without a satisfactory explanation was attacked in *People* v. *Merolla,* 9 N.Y. 2d 62 (1961). The defendant, a known gambler barred from the piers by the Commission, was arrested and convicted. Merolla appealed his conviction, attacking the statute. The Court of Appeals rejected the appeal and sustained Section 7.

The Commission's powers to investigate a waterfront work stoppage ostensibly called because the workmen objected to the employment of a particular security officer was upheld by the Supreme Court of New Jersey in the twin cases of *Waterfront Commission* v. *Murphy,* 35 N.J. 62 (1961), and *Waterfront Commission* v. *Moody,* 35 N.J. 62 (1961). The Court stated that the Commission's power to investigate any activity which reasonably appears to inhibit the effectiveness of the port security system is essential to the fulfillment of the goal of the Waterfront Commission Act.

In public hearings held by the Commission in June, 1960, Anthony (Tony Cheese) Marchitto, a trustee of two ILA locals previously jailed for contempt, was subpoenaed to answer questions regarding his association with known hoodlums and criminals in control of union locals and influencing the affairs of the ILA. When Marchitto was called to the stand, he refused to testify and invoked the constitutional privilege against self-incrimination. The Commission granted him immunity and directed him to answer. A contempt conviction following his persistent refusal was upheld by the Court of Appeals in *Waterfront Commission* v. *Marchitto,* 10 N.Y. 2d 707 (1960).

In *Del Mar* v. *Thompson, et al.* (*Waterfront Commission*), 214 N.Y.S. 2d 256 (1961), the Appellate Division of the New York Supreme Court unanimously affirmed the Commission's action revoking a hiring agent's license for allowing a criminal barred from the docks to select the men the former would employ. The New York Appellate Division in *McNamara* v. *Waterfront Commission,* 11 A.D. 2d 1017 (1960), upheld the power of the Commission to order temporary suspension of a hiring agent's license, pending hearing and final determination.

Supplemental Legislation Recommended by the Waterfront Commission

The Waterfront Commission Act was created to rid the waterfront of destructive abuses and to foster the economy of the Port. At that time the Legislatures of the two States, in passing Section 8 of the Act, sought to divest hoodlums and racketeers of their entrenched control over waterfront labor unions. Section 8 prohibits collection of dues for a union representing persons licensed or registered by the Commission if this union has a convicted felon as an officer or agent. This statute has been effective within its limited application in bringing about the removal of felons as officers and agents of waterfront unions.

The Commission, however, discovered that former officers and agents, disqualified because of felony convictions, were retaining their influence in waterfront affairs by the subterfuge of being listed as "clerks" on the payrolls of the same ILA locals. An investigation to determine just how Section 8 was being circumvented was then undertaken.

In public hearings of June, 1960, it was revealed that: (1) criminals controlled ILA locals not subject to Section 8, and wielded real influence in the high councils of the ILA; (2) criminals, ineligible to be officers or agents because of Section 8, were placed on payrolls of the same ILA locals as "employees" and continued to draw large salaries for little or no work; (3) criminals were finding refuge on the payrolls of ILA welfare funds; and (4) notorious criminals were getting paid for "no show" jobs by organizations rendering services to the ILA.

The hearings also dealt with another category of waterfront workers – chenangoes – who were not required to be registered under the existing law. These men worked side by side with registered longshoremen on the same piers, moving the same cargo. Barred from longshore work on the waterfront because of their serious criminal background, many workers continued on the piers by the simple expedient of becoming chenangoes.

In accord with original legislative objectives of the Waterfront Commission Act, the Commission recommended in its Special Report of December, 1960, to the Governors and the Legislatures of the States of New York and New Jersey supplemental legislation to extend the coverage of Section 8 to: (1) any union local which derives charters from an international union representing 100 or more employees registered or licensed by the Commission; (2) employees as well as officers and agents of such locals; (3) any officer, agent or employee of a welfare fund of such locals; and (4) encompass certain specified misdemeanors as well as felonies.

To correct other disclosed abuses, the Commission also recommended that chenangoes be registered in the same manner as longshoremen, and that it be made

unlawful for any person to interfere with the duties of licensed or registered personnel without justification in law.

The New York Legislature enacted and Governor Rockefeller approved all of the legislation as recommended. The extension of Section 8 took effect in New York on June 2, 1961.*

The effects in New York have been salutary. Two well-known waterfront hoodlums, John Keefe and John Applegate, carried as "clerks" with substantial salaries on the payroll of ILA Local 824, have resigned. In Brooklyn, five officials of two ILA locals resigned when faced with investigation. Many other cases are being studied for possible prosecution under the statute.

The same bill is pending in both houses of the New Jersey Legislature. The Commission renews its recommendations for adoption of this legislation so that it can be fully effective in both states. The reasons necessitating it have been fully set forth in the Special Report of December, 1960, as well as in supplementary memoranda to the legislators, and in testimony before the Assembly Committee on Labor and Industrial Relations on April 28, 1961.

Administrative Report of the Waterfront Commission

The budget of the Waterfront Commission for fiscal 1961-62, as approved by Governor Rockefeller and Governor Meyner, following a careful review by the budget staffs of both States, as well as by the New York Shipping Association, has been set at $2,080,238. Accordingly, the rate of assessment to the shipping and stevedoring industry was set at 1.2 percent of the payroll of licensed and registered personnel.

During the past year functional revisions of the Law and Investigation divisions were completed. Completed projects and investigations required re-alignment of the legal staff to continue full effectiveness. The investigative personnel was re-grouped to permit quick adaptation to changing problems.

At the beginning of 1960 an internal management survey team made detailed analyses of every phase of the Commission's activities. Certain recommendations have already been implemented and others are being considered.

Staff changes during the year included the appointment of Thomas F. Jones to head the Division of Investigation, John J. Murphy as secretary to the Commission, and George A. Merrill as assistant to the executive director. The commissioners in June 1961, regretfully accepted the resignation of Hyman S. Lipman, director of administration since 1953.

*These amendments to Section 8 were sustained in *Bradley et al.* v. *Waterfront Commission* (See *infra* page 18).

The Commission records with sorrow the deaths of Paul A. Alfieri, director of investigation; Theodore A. Tetreault, assistant counsel; James M. Convey, center manager; John L. Linder, assistant center manager; and Frank J. Huber, validating clerk, during the past year.

Respectfully submitted,

DAVID C. THOMPSON
Commissioner for New Jersey

JAMES O'MALLEY, JR.,
Commissioner for New York

WATERFRONT COMMISSION OF NEW YORK HARBOR

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED JUNE 30, 1961

RECEIPTS:		
Assessments on employers of persons registered or licensed by the Commission		$1,885,692.30
Interest received on United States Treasury bills		5,607.83
Penalties		500.00
Interest received on badge deposit savings account		304.60
Badge deposits received (net)		168.00
		1,892,272.73
DISBURSEMENTS:		
Salaries	$1,453,376.15	
Rentals	195,001.08	
Retirement, group insurance and social security taxes	54,152.88	
Traveling expenses	44,782.71	
Telephone, telegraph and postage	43,351.87	
Special supplies and expenses	36,671.46	
General office supplies and expenses	24,589.95	
Printing	20,474.12	
Repairs and maintenance	16,645.54	
Furniture, fixtures and equipment	16,374.03	
Legal and consultant fees, etc.	13,631.21	
Insurance	13,567.46	
Light and power	13,204.04	
Overtime meal allowances	13,049.88	
Administration of seniority plan	11,509.40	
		1,970,381.78
Excess of disbursements over receipts for the year		(78,109.05)
Cash balance, June 30, 1960		21,075.82
United States Treasury bills, at cost, June 30, 1960		198,328.00
Excess of receipts over disbursements to June 30, 1961 represented by balances as below		$ 141,294.77
Cash (net of taxes withheld from employees)	$ 131,154.77	
Special badge deposit account	10,140.00	
	$ 141,294.77	

The Waterfront Commission started its 1961-62 fiscal year with an excess of receipts over disbursements amounting to $141,294.77. This carry-over figure as in prior years was taken into consideration in the preparation of the Commission's budget for the current fiscal year.

PRICE WATERHOUSE & CO.

56 PINE STREET

NEW YORK 5

July 14, 1961

Waterfront Commission of New York Harbor
New York, New York

In our opinion, the accompanying statement presents fairly the cash receipts and cash disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1961 and is presented on a basis consistent with that of the preceding year. Our examination of this statement was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accounts of the Commission are maintained on the basis of cash receipts and disbursements and accordingly do not reflect expenses incurred but not paid, the amounts of which were not material at June 30, 1961.

Price Waterhouse & Co.

RESUME OF LITIGATION

CONSTITUTIONALITY OF WATERFRONT COMMISSION ACT

DeVeau v. *Braisted*, 166 N. Y. S. 2d 751 (S. Ct. 1957), aff'd, 5 A. D. 2d 603 (2nd Dep't 1958), aff'd, 5 N. Y. 2d 236 (1959), aff'd, 363 U. S. 144 (1960), petition for rehearing denied, 364 U. S. 856 (1960).	U. S. Supreme Court denied a petition for rehearing of its decision which sustained the constitutionality of Section 8 of the Waterfront Commission Act relating to the holding of union office by felons.
People v. *Merolla*, 9 N. Y. 2d 62 (1961) (Waterfront Commission as *amicus curiae*).	N. Y. Court of Appeals sustained constitutionality of Section 7 of the Waterfront Commission Act, which prohibits loitering in a waterfront area by affirming a conviction of the defendant for such loitering.
Noonan, et al. v. *Waterfront Commission and District Attorney of Kings County*, 60 Civ. 1302, U. S. D. C., S. D. N. Y., 1960 (unreported).	Action in the United States District Court of the Southern District of New York to declare Section 8 of the Waterfront Commission Act unconstitutional discontinued by the plaintiffs as a result of the *DeVeau* decision, *supra*.
Bradley, Hasselgren, et al. v. *Waterfront Commission and Frank S. Hogan*, 219 N. Y. S. 2d 137 (S. Ct. N. Y. Co. 1961) (Backer J.) 220 N. Y. S. 2d 681 (S. Ct. N. Y. Co. 1961) (Streit, J.).	An action to enjoin the Commission and the N. Y. County District Attorney from enforcing 1961 amendments to Section 8 of the Waterfront Commission Act and to declare the amendments unconstitutional. A preliminary injunction was denied (Backer, J.), and the Commission's motion to dismiss the entire action was granted (Streit, J.).

ENFORCEMENT OF COMMISSION SUBPOENAS

Waterfront Commission v. *Marchitto*, N. Y. L. J., March 6, 1961, p. 13, col. 3 (S. Ct. N. Y. Co.), aff'd, 13 A. D. 2d 725 (1st Dep't 1961), leave to appeal to Ct. App. denied, 13 A. D. 2d 913 (1st Dep't 1961), appeal dism'd, N. Y. L. J. June 13, 1961, p. 16, col. 2 (Ct. App.), leave to appeal from contempt order denied and leave to appeal from order denying discovery denied, 10 N. Y. 2d 707 (1960).	Witness who refused to testify at Commission public hearings despite grant of immunity, was adjudicated in contempt by the N. Y. Supreme Court (March 6, 1961, McGivern, J.). The Appellate Division, 1st Dep't. unanimously affirmed the contempt order of the lower court and also its denial of a motion by the defendant for pre-hearing discovery (May 4, 1961). A motion for leave to appeal was denied by the Appellate Division (June 6, 1961). An appeal was then taken to the Court of Appeals alleging constitutional grounds. The Commission's

motion to dismiss defendant's appeal on the grounds that no substantial constitutional question was involved was granted (June 9, 1961). The N. Y. State Court of Appeals denied defendant's application for leave to appeal from the contempt order and dismissed defendant's motion for leave to appeal from an order denying the appellant discovery (Oct. 5, 1961). Mr. Justice Harlan granted defendant a stay pending a petition for a writ of certiorari to the U. S. Supreme Court.

Waterfront Commission v. *Moody,* 35 N. J. 62 (1961); *Waterfront Commission* v. *Murphy,* 35 N. J. 62 (1961).

The Supreme Court of N. J. unanimously affirmed a judgment of contempt against two New Jersey ILA union officials for disobeying Commission subpoenas issued in an investigation of a work stoppage reportedly instituted to obstruct the proper exercise of a management prerogative. The defendants' appeal to the U. S. Supreme Court was dismissed. Pending this appeal, requests for stays were denied by the Superior Court of New Jersey, the Supreme Court of New Jersey, and twice by the U. S. Supreme Court (Mr. Justice Brennan).

Bradley, President of ILA, et al. v. *Waterfront Commission,* N. Y. L. J. March 15, 1961, p. 13, col. 4 (S. Ct.).

The N. Y. Supreme Court denied a motion to quash a Commission subpoena calling for the production of the seniority lists of the ILA.

REVIEW OF COMMISSION DETERMINATIONS

McNamara v. *Waterfront Commission,* 11 A. D. 2d 1017 (1st Dep't 1961).

The Appellate Division of the N. Y. Supreme Court unanimously modified an order of the lower court, holding that the Commission could temporarily suspend a hiring agent's license pending final action in a Commission proceeding based upon the hiring agent's alleged participation in payroll padding, upon a determination that the continuance of the license would be "inimicable to the public peace or safety." The Court held that the Commission's power to temporarily suspend a license or registration pending hearing and final action is not

	limited to conduct of a violent character or that tending to create a public disorder in the nature of a breach of the peace.
Continental Terminal Operating Corp. v. *Thompson, et al.,* 13 A. D. 2d 817 (2d Dep't 1961).	Proceeding in N. Y. Supreme Court, Kings County, to review the Commission's denial of petitioner's application for a stevedore's license. The Commission's motion to dismiss the petition on the grounds that it was defective was denied by the Supreme Court and affirmed by the Appellate Division, 2nd Dep't. The Supreme Court ordered a hearing before a referee (N. Y. L. J. June 30, 1961, p. 8, col. 6), which decision is being appealed by the Commission.
Joseph Pasquale v. *Waterfront Commission,* 65 N. J. *Super.* 498 (App. Div. 1961).	N. J. Superior Court affirmed the Commission's determination denying petition for leave to reapply for longshoreman's registration.
Donovan v. *Waterfront Commission,* (S. Ct.) N. Y. L. J. Nov. 16, 1960.	N. Y. Supreme Court affirmed the Commission's determination revoking registration of longshoreman on the ground that he was a danger to public peace and safety.
Anthony Del Mar v. *Thompson, et al.,* 214 N. Y. S. 2d 256 (App. Div. 1st Dep't 1961).	The Appellate Division of the N. Y. Supreme Court unanimously affirmed Commission's determination revoking hiring agent's license with leave to reapply in 10 days.
Michael Murphy v. *Waterfront Commission,* (Docket No. A-710-60) (N. J. App. Div. 1961).	Appeal to Appellate Division of the Superior Court of N. J. to review Commission's determination denying a petition for leave to reapply for registration as a longshoreman. This action is currently pending.

MISCELLANEOUS

State v. *Murphy,* 36 N. J. 172 (1961).	The Supreme Court of N. J. affirmed an order of the County Court denying the Commission's motion to quash a subpoena duces tecum seeking information obtained by the Commission in an investi-

	gation of a waterfront payroll padding scheme. The subpoena was served upon the Commission by the Court in a criminal action for conspiracy in Hudson County based on the defendant's alleged involvement in the payroll padding scheme. The Commission appealed to the Appellate Division and the Supreme Court of N. J. certified the appeal on its own motion.
Bolger v. *The United States and Michael Cleary* (Waterfront Commission Investigator), 189 F. Supp. 237 (S. D. N. Y. 1960), aff'd, 293 F. 2d 368 (2d Cir. 1961).	Federal District Court granted an injunction against a Commission investigator from testifying at a state criminal trial and administrative hearing before the Commission as to his observations during an investigation conducted by federal customs agents on the ground that a search and seizure by the customs agents was illegal. The Court of Appeals for the 2nd Circuit affirmed the District Court by a 2 to 1 decision. The Commission's petition for a rehearing *en banc* was unsuccessful since the Court split evenly, 3 to 3. The Commission then applied for leave to re-file its petition for a rehearing *en banc* which was denied.
Ben Cohen, Sec'y-Treas. of Local 153, AFL-CIO v. *American Export Lines and Waterfront Commission*, N. Y. L. J. p. 19, col. 8, Dec. 1, 1960 (S. Ct.)	Action in the N. Y. Supreme Court to enjoin and declare invalid a Commission regulation permitting the temporary use of non-registered employees of waterfront employers in emergency situations to protect the public health and safety where prior Commission approval has been obtained. Motion for a temporary injunction was withdrawn by the plaintiff.
Local 824, ILA v. *American Export Lines and Waterfront Commission*, N. Y. L. J. p. 14, col. 8, Dec. 1, 1960 (S. Ct.)	Action in the N. Y. Supreme Court to enjoin and declare invalid a Commission regulation permitting the temporary use of non-registered employees of waterfront employers in emergency situations to protect the public health and safety where prior Commission approval has been obtained. Action was discontinued pursuant to written stipulation.

John Bowers, Vice-Pres. of Local 824, ILA v. *Waterfront Commission, et al.*, N. Y. L. J. p. 12, col. 2, April 13, 1961 (S. Ct.)

Action in the N. Y. Supreme Court to enjoin and declare invalid a Commission regulation permitting the temporary use of non-registered employees of waterfront employers in emergency situations to protect the public health and safety where prior Commission approval has been obtained. Plaintiffs also sought money damages against the Commission and its officers, alleging that the regulation was enforced during work stoppages thus interfering with plaintiffs' right to strike. The complaint, insofar as money damages against the Commission and Commission officials were sought, was dismissed. The remainder of the action is currently pending.

DIVISION OF LAW

Fiscal Year 1960-61

Applications Requiring Legal Review	1,731
Petitions Processed	248
Investigations Conducted	691
Hearings:	
Formal	164
Summary	60

DIVISION OF INVESTIGATION

Fiscal Year 1960-61

Investigations	3,773
Active Waterfront Commission registrants arrested	286
Arrests by Commission investigators:	
a. For pilferage	42
b. For gambling	26
c. For other offenses	31

APPLICATIONS RECEIVED AND PROCESSED DURING FISCAL YEARS INDICATED

	1953-54*	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
Longshoremen	36,272	5,196	3,681	7,296[a]	5,940	3,491	3,983	2,926
Checkers	—	—	—	4,077[b]	618	320	398	265
Port Watchmen	2,890	458	265	2,893[c]	573	350	2,415[c]	335
Pier Superintendents	457	88	87	69	81	59	88	73
Hiring Agents	787	147	103	129	102	77	127	107
Stevedore Companies	77	7	54[d]	4	45[d]	4	45[d]	—[d]
TOTALS	40,483	5,896	4,190	14,468	7,359	4,301	7,056	3,706

* Initial year of Commission operations.

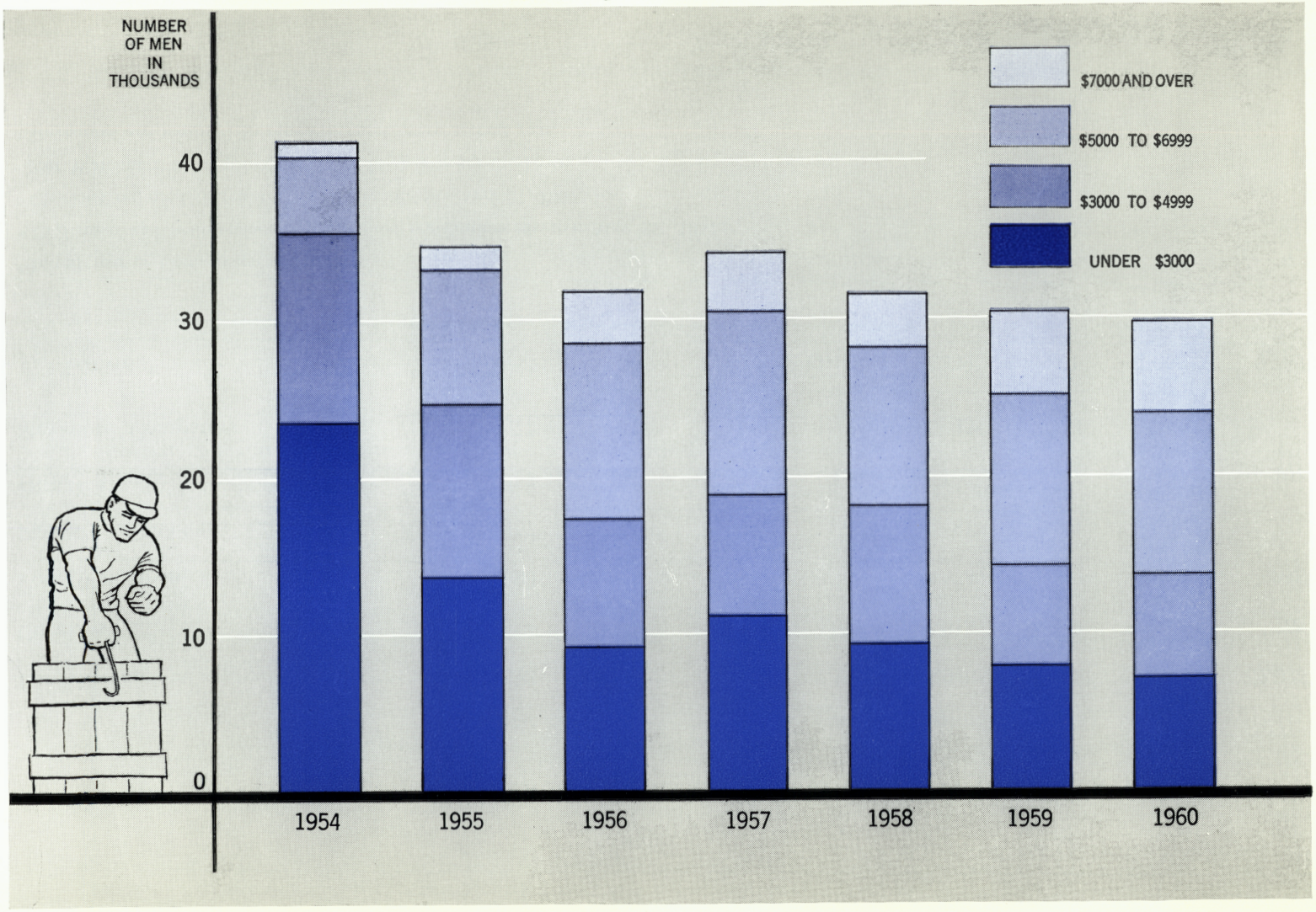
[a] Craftsmen and maintenance men required registration effective May 27. 1957.

[b] Checkers required to register separately effective May 27, 1957.

[c] Port Watchmen are required to renew licenses every third year.

[d] Stevedores are required to renew licenses every second year.

COMPARISON OF EARNINGS / Longshoremen and Checkers



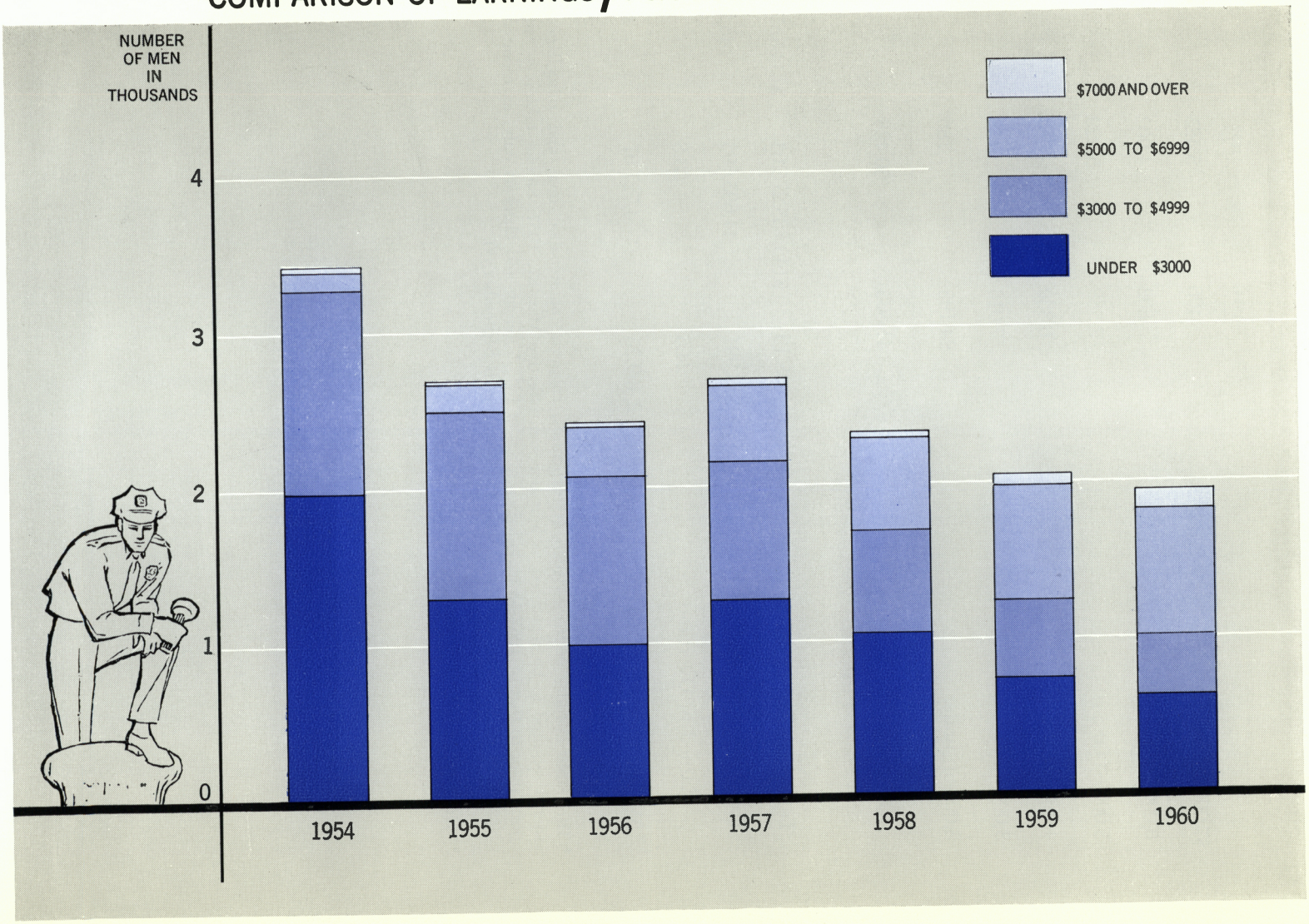
COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS*

	1954	1959	1960
$7,000 or over	406	5,425	5,797
6,000-7,000	802	4,902	4,943
5,000-6,000	2,589	5,929	5,480
4,000-5,000	6,330	3,954	3,933
3,000-4,000	7,013	2,432	2,489
3,000-or under	24,193	7,786	7,125
TOTALS	41,333	30,428	29,767
Total Earnings	$102,061,108.19	$143,835,273.03	$144,855,715.93
Total Hours Worked	37,813,991	44,695,693	43,270,227
% Earned in Overtime	24.3	23.8	23.6
**Average Annual Wage	2,469.25	4,727.07	4,866.32

* This table includes craftsmen such as carpenters, coopers, maintenance men and miscellaneous personnel required to be registered as longshoremen effective May 27, 1957. Similar tables in Annual Reports prior to that of 1957-58 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association whose fiscal year ends September 30.

** Does not include fringe benefits.

COMPARISON OF EARNINGS / Port Watchmen



COMPARISON OF EARNINGS OF PORT WATCHMEN

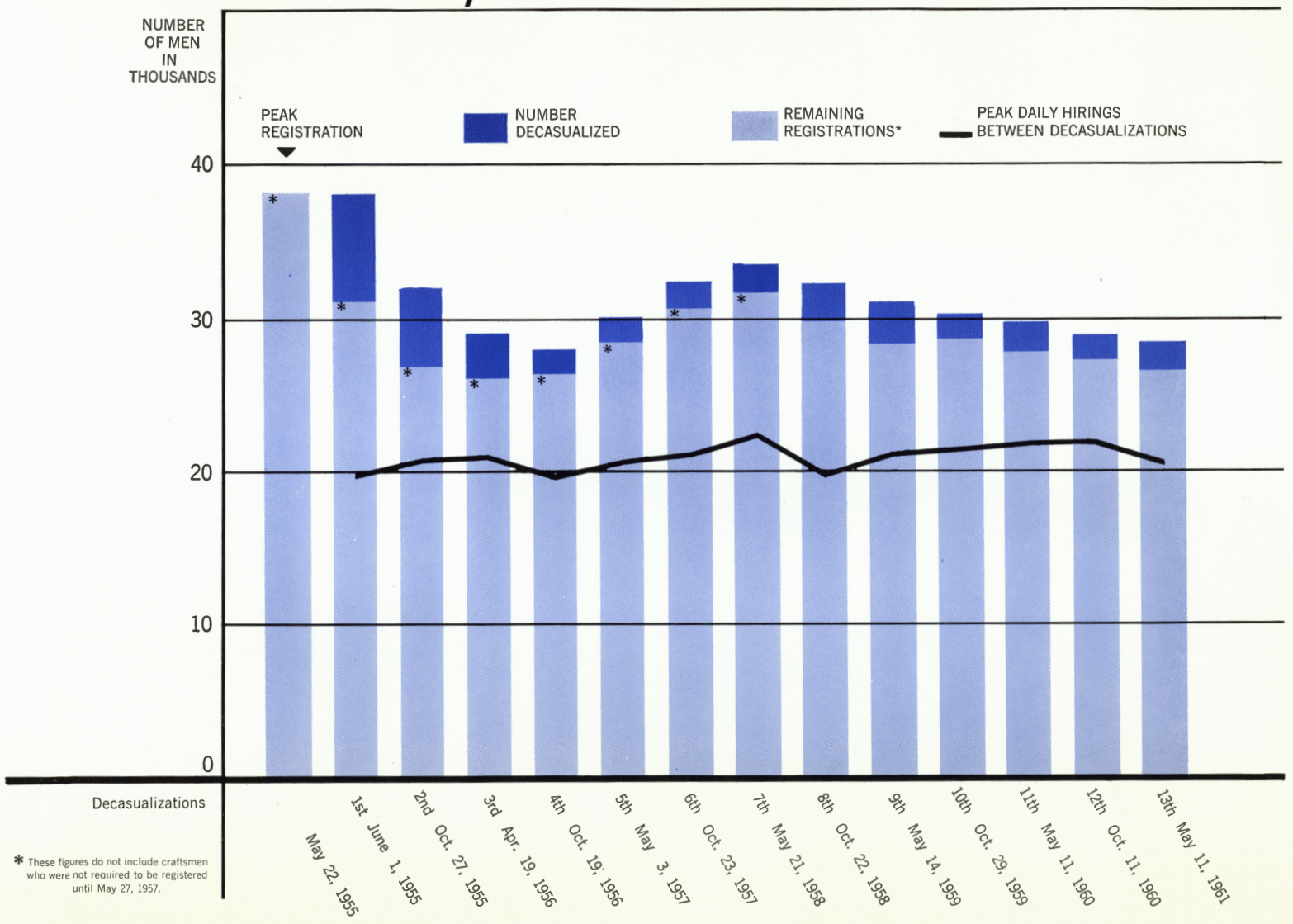
	1954	1959	1960*
$7,000 and over	5	53	118
$6,000 to $7,000	21	238	380
$5,000 to $6,000	137	513	435
$4,000 to $5,000	735	299	227
$3,000 to $4,000	546	173	132
Under $3,000	1,977	779	653
Total Reported	3,421	2,055	1,945*
Total Earnings	$7,707,271	$7,575,667	$8,035,299*
Total Hours Worked	4,400,903	3,513,997	3,415,563
Average Annual Wage	$2,252	$3,686	$4,131*

*1960 figures include supervisory security personnel required to be licensed under Waterfront Commission regulations effective January 1, 1960.

The increase in the average annual wage per man in the year 1960 is 83% over the year 1954. The increase in wage rates was from $11.18 per day in 1954 to $16.00 per day in 1960 ($16.24 effective 10/1/60) or approximately 43%.

Source: New York Shipping Association for fiscal year ending September 30, 1960.

DECASUALIZATION / Longshoremen and Checkers



* These figures do not include craftsmen who were not required to be registered until May 27, 1957.

DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		Number Decasualized	Remaining Registrations
Peak Registration	May 22, 1955	—	38,693*
1st Decasualization	June 1, 1955	7,141	31,574*
2nd "	Oct. 27, 1955	5,115	27,284*
3rd "	Apr. 19, 1956	2,938	26,486*
4th "	Oct. 19, 1956	1,545	26,746*
5th "	May 3, 1957	1,695	28,928*
6th "	Oct. 23, 1957	1,775	31,056*
7th "	May 21, 1958	1,898	31,946*
8th "	Oct. 22, 1958	2,510	30,364
9th "	May 14, 1959	2,753	28,886
10th "	Oct. 29, 1959	1,667	28,928
11th "	May 11, 1960	1,807	28,355
12th "	Oct. 27, 1960	1,577	27,535
13th "	May 11, 1961	1,859	26,920

* These figures do not include craftsmen who were not required to be registered until May 27, 1957.

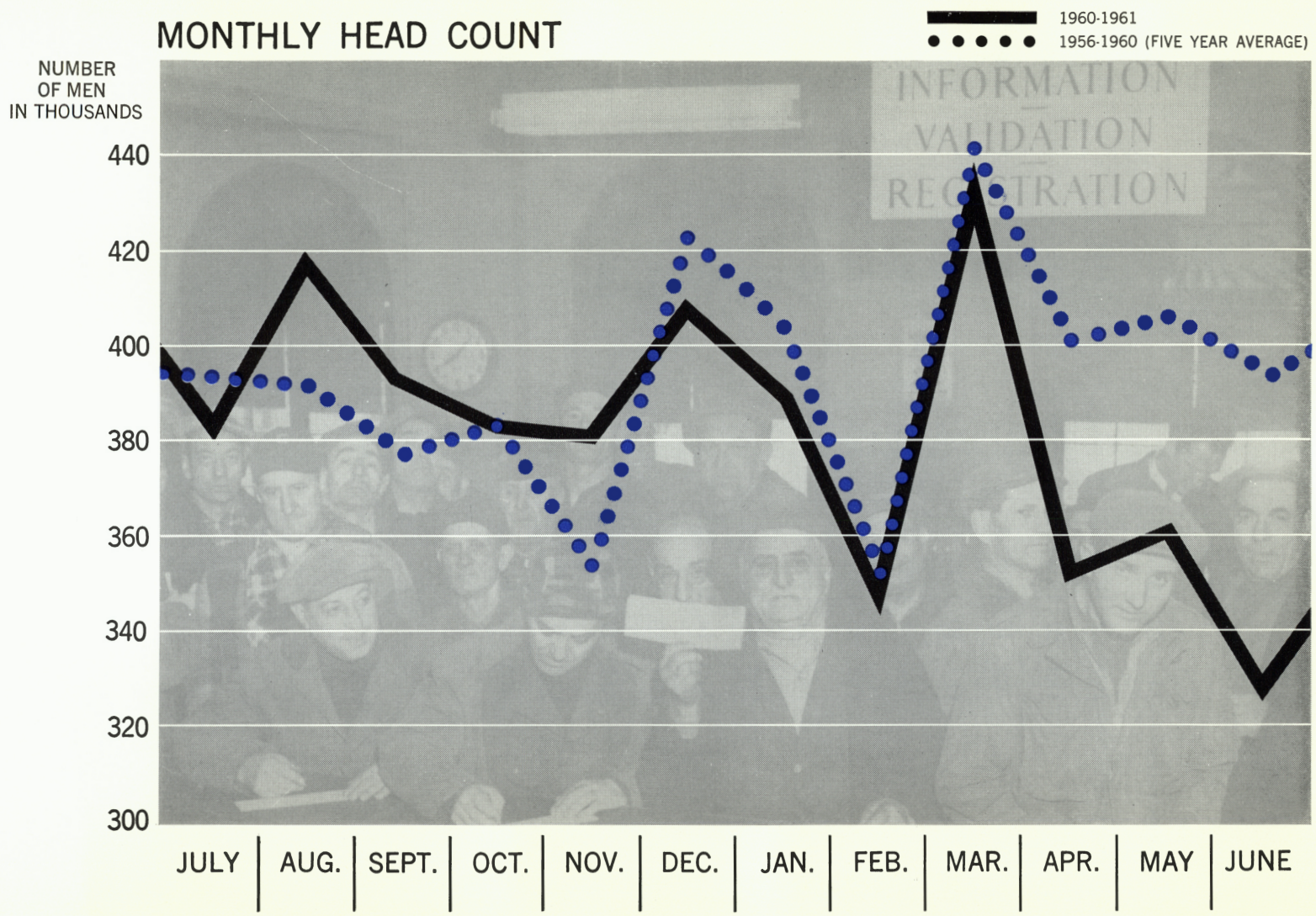


Photo: Newark News,

REGISTRATIONS AND LICENSES

In effect June 30th

	1954	1955	1956	1957	1958	1959	1960	1961
Longshoremen)				27,537[1]	27,948	24,967	24,182	22,661
)	35,117	31,639	27,050					
Checkers)				4,062	4,381	4,173	4,268	4,140
Hiring Agents	612	592	597	618	645	630	622	589
Pier Superintendents	355	365	379	380	407	408	411	392
Port Watchmen	2,796	3,009	3,010	2,319	2,414	2,218	2,021[2]	2,047[2]
Stevedores	54	52	48	45	46	45	39	36
TOTALS	38,934	35,657	31,084	34,961	35,841	32,441	31,543	29,865

[1]Craftsmen required to register as longshoremen, and checkers required to register separately effective May 27, 1957.
[2]Includes supervisory personnel required to be licensed under Waterfront Commission regulations effective January 1, 1960.

COMMISSION DETERMINATIONS

Year ended June 30, 1961

	APPLICATIONS		REVOCATIONS					
	Denied	Granted	Revoked	Revoked with Leave to Reapply	Suspended	Reprimanded	Suspended Pending Hearing	TOTALS
Longshoremen	58	10	36	43	12	1	21	181
Checkers	7	2	6	3	0	0	8	26
Hiring Agents	0	2	0	1	0	0	1	4
Pier Superintendents	0	0	0	1	0	0	1	2
Port Watchmen	2	0	0	0	0	0	2	4
Stevedores	—	—	—	—	—	—	—	—[d]
								217
Summary Proceedings								60

[d] Stevedores are required to renew licenses every second year.

PETITIONS

	Grant	Deny	TOTALS
To Remove Ineligibility by Reason of Criminal Conviction	7	1	8
For Reconsideration of Leave to Reapply	32	29	61
For Waiver of Physical Fitness Standards (Port Watchmen)	119	12	131
For Rehearing	4	0	4
To Withdraw	7	0	7
			211

THE WATERFRONT COMMISSION OF NEW YORK HARBOR

1960-61

DAVID C. THOMPSON
Commissioner for New Jersey

JAMES O'MALLEY, JR.*
Commissioner for New York

MYLES J. AMBROSE
Executive Director

WILLIAM P. SIRIGNANO
General Counsel

PERCY A. MILLER, JR.
Director of Employment Information Centers and Licensing

THOMAS F. JONES
Chief Investigator

CHARLES E. McGEE
Director of Information and Research

JOHN J. MURPHY
Secretary to the Commission

* Resigned July 11, 1961. Harold R. Tyler, Jr., appointed July 11, 1961, as Commissioner for New York.

WATERFRONT COMMISSION OF NEW YORK HARBOR
15 Park Row, New York 38, New York

WATERFRONT
COMMISSION
OF
NEW YORK
HARBOR