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**WATERFRONT
COMMISSION of
NEW YORK
HARBOR**

1973-1974

**ANNUAL
REPORT**

THE WATERFRONT COMMISSION OF NEW YORK HARBOR

“Many longshoremen came to look upon the Commission as the source of good on the waterfront . . . Many have seen the agents of the Commission as friends and protectors.”

(Professor Vernon H. Jackson, in “Strife on the Waterfront; The Port of New York since 1945”)

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PICTURE CREDITS: Training ship photo, courtesy of Neil Boenzi and the New York Times; The Williamsburg by Seatrain Lines; others by Port Authority of New York-New Jersey and the Waterfront Commission.

ANNUAL REPORT
1973-1974



THE WATERFRONT COMMISSION OF NEW YORK HARBOR

New Jersey State Library

*To the Honorable Malcolm Wilson,
Governor, and the Legislature
of the State of New York*

*To the Honorable Brendan T. Byrne,
Governor, and the Legislature
of the State of New Jersey*



The Waterfront Commission of New York Harbor reports that conditions in the Port of New York-New Jersey for the fiscal period of 1973-1974 continued to show improvement in three principal areas: economic growth, increased productivity and a reduction in reported instances of theft and pilferage on the waterfront. The Commission's enforcement and regulatory programs, plus continuous insistence on compliance with the provisions of the Waterfront Commission Compact, have, it is generally acknowledged, resulted in a greater regard for and a stricter observance of the law on the waterfront.

These results could not have been accomplished without a greater understanding by waterfront workers and their union representatives, waterfront employers and waterfront employers' associations, of the importance to the harbor of a law-abiding atmosphere. For this, the Commission gratefully acknowledges their cooperation. The tension and turmoil prevalent on the docks only two decades ago have been contained and we now find a trend to industrial tranquility and a posture approaching a stable work force. The port is enjoying an improved image and reputation as a result of the cooperative effort of labor, industry and government. Even greater results can accrue to the port by a continuation of the new atmosphere of mutual respect and cooperation.

The gains that have been achieved must be zealously guarded to prevent a return to the shocking conditions which existed only two decades ago. *The healthy condition the port enjoys today, as compared to yesterday, is no guarantee of its condition tomorrow.* The potential for change is ever present, whether it be further progress or speedy regression. The port is a Goliath, bustling with energy and activity. Its payroll exceeds a half-billion dollars a year. The cargo it handles runs into the billions. The temptations it presents to the unlawful must be constantly countered by lawful means. It is therefore essential that all in the shipping industry support the Waterfront Commission's unflagging determination to make certain that the days of violence and corruption on the waterfront are over—and should never return.



The Port of New York-New Jersey—1973-1974

The Port of New York-New Jersey is the richest and busiest in the United States, and one of the largest in the world. Described as one of the great natural harbors of the world, it is comprised of 755 miles of developed waterfront on both sides of the Hudson River, with a capacity for servicing 400 deepsea vessels, and is the center of the world's foreign, as well as America's domestic sea trade. Last year, 18,230 ocean-going vessels arrived at or sailed from the port—an average of fifty ships a day and one every twenty-eight minutes. The Port of New York District is located within a radius of twenty-five miles of the Statue of Liberty and serves thousands of communities and almost 14,000,000 persons within its boundaries. It has been estimated that one of every four jobs in the area is dependent, directly or indirectly, on the activities of the port. Approximately 600 international forwarders and customs house brokers participate in the movement of cargo, and some ninety banks offer international financial services connected with foreign trade. Almost seventy foreign nations maintain consulates in the area and ninety foreign nations have established trade relations in the port. Over one hundred and seventy steamship lines use the port's facilities, which include some of the world's finest berths and the most elaborate ship repair and drydock operations. It is easily understandable why the port's continued vitality and contribution to the nation's economy depend in large measure on its reputation as a stable and orderly cargo terminus.

The enhanced status of the port is reflected in the recent gains in the volume and value of the tonnage handled. This past year, total oceanborne trade reached record levels in the port. Bulk and general cargo increased from 60,543,778 tons in

1972 to 75,473,031 tons in 1973—a rise of 24.7 percent. The growth in tonnage was slightly larger than that of the nation as a whole and resulted in an increase in the port's share of total oceanborne trade in the United States. The value of the tonnage handled in the port in 1973 totaled \$29.3 billion—an increase of 27.9 percent.

The tonnage figures cited do not include an additional 70,000,000 tons of "domestic" cargo consisting of oceanborne coastal, intercoastal and government shipments handled in the port last year, which brought total oceanborne trade in the port to approximately 146,000,000 tons. Bulk cargo includes such items as oil, grains and ores, while general cargo is made up of packaged items of high value. It is this general cargo which is required under the Compact to be handled exclusively by longshoremen and other waterfront workers registered by the Waterfront Commission.

Last year's total of oceanborne trade showed an increase in such general cargo in foreign trade from 14,883,430 tons to 16,231,087 tons while the volume of general cargo in domestic trade increased from 6,106,000 tons in 1972 to 6,411,000 in 1973. This represented a total of 22,642,087 tons of general cargo handled in the port in 1973 as compared to 20,989,430 tons in 1972. Despite this increase in tonnage, the port showed greater manpower productivity, since total manhours decreased from 26,038,914 in 1972 to 24,410,868 in 1973. While manhours decreased, total earnings, however, rose from \$147,426,053 in 1972 to \$159,684,265 in 1973 and the individual average salary for longshoremen increased from \$7,897 to \$10,448.

* * *



The Port—Yesterday vs. Today

It is difficult to realize the extent of waterfront reforms brought about by the Waterfront Commission without recalling the conditions which existed on the waterfront only two decades ago. After World War II, criminal activities on the piers increased to such an extent that the waterfront on both sides of the river was practically a private preserve for criminals and racketeers of all types. The piers were dominated by mobsters who used force and the fear of force to extract illegal fees from the shippers who operated the piers, the truckers who serviced the piers and the longshoremen who loaded and unloaded cargo and who were dependent upon the whim and greed of dock bosses in order to eke out a living.

The worst condition in the port in those years was the plight of the dock worker, caused by the vast oversupply of dock labor and the outmoded practice of hiring men at daily outdoor shape-ups—both of which played directly into the hands of the dock racketeers. Up to 40,000 men gathered at the piers in both states each morning to seek approximately 17,000 jobs available in the port—and found themselves at the mercy of the hiring boss who was, in most instances, the virtual dictator of pier activities. Whether they were hired or not depended all too often on their willingness to kick back part of their wages to the boss, to gamble with bookmakers and policy operators prevalent on the piers, and to borrow from waterfront loan-sharks at usurious rates. Their economic survival was so dependent on these dock dictators that they were compelled to go along with the “system” which reduced them to the status of near-slavery. Those who complained about their treatment not only lost their jobs or chances for future employment, but often were beaten and sometimes killed because they protested their exploitation. (So long as dock workers require a license to seek longshore work, the return to the old system of exploitation is not possible. Unfortunately, there are some on the waterfront who would be only too eager to see a return to “the old system.”)

Another corrupt practice prevalent in those days was the public loading racket, which specialized

Yesterday . . .



The old-fashioned outdoor shapeup

Today . . .



The modern Commission indoor hiring center

in victimizing consignees of cargo. This scheme was spearheaded by groups of strongarm men calling themselves public loaders who established themselves outside each pier and claimed prescriptive rights to payments for the unloading and loading of all trucks which came to the piers. This resulted in payments of illegal tribute by the consignees who had to pay public loading fees to the “loaders” whether or not they actually performed any services. The “take” from this public loading racket amounted to millions annually, for which no government taxes were ever paid. (This was one of the most vicious and lucrative rackets on the piers and there are many who would like to see its return.)

In short, the waterfronts of New York and New Jersey had become a jungle where legitimate workers and pier operators and the public found themselves at the mercy of the underworld and a criminal system which continued to grow as it fattened on its illegal profits.

These deplorable conditions led to investigations by the New York State Crime Commission and the New Jersey Law Enforcement Council. Their findings, which documented in detail the serious evils and criminal conditions that existed, were given such widespread attention in the public press and communications media that the public and the government of both states became so aroused that the legislatures in both New York and New Jersey swiftly passed the Waterfront Commission Act which established the bi-state Waterfront Commission with the mandate from each state to “eliminate these evils . . . for the protection of the public safety, welfare, prosperity, health, peace and living conditions of the two states.”

Armed with law enforcement, licensing and regulatory powers, the Commission began immediately to roll back the tide of criminality. The public loaders and their illegal exaction of fees were eliminated from the piers. The outdoor shape-up was abolished. Hiring halls were established under the supervision of the Waterfront Commission. The excessive labor pool was reduced by removing the

casual worker from the waterfront and establishing the method for a stable work force. The bookies, policy operators and loansharks—when identified—were driven from the piers. All workers were registered and private pier guards, employed by shippers to guard cargo, were licensed by the Commission. Pier and terminal operators, as well as their hiring agents and superintendents, were licensed. Union officials with criminal records, who were refused certificates of good conduct by the state in which they were convicted, were ousted from their positions of power in the union. The port was returned to the people who use it.

The swift reforms instituted by the Commission were so effective in most areas that the reputation of the port as a crime-ridden area enjoyed a welcome and dramatic change. The cloud of criminality was lifted from the piers and the dock worker and pier operator alike could face each morning with a lack of fear and a newly-found optimism. No longer did the pier and terminal operator face the threat of quickie strikes, called at the whim of a pier boss who, in most instances, sought to blackmail him by work stoppages. No longer did the longshoreman have to gather at a pier head in all sorts of weather to hope for a chance to be chosen for a day's work. No longer was he a slave to the greed and connivance of gamblers and loansharks. No longer was he the target of murder and mayhem. For the first time in waterfront history, he could report for work at a government-regulated indoor hiring center, assert his seniority, and obtain equal and fair treatment in hiring and recog-

nition. And, as the port improved, so did the worker's financial status. The meager wages and part-time employment disappeared. The average salary for a longshoreman in 1953 was \$2,500 a year; now the average annual salary of a longshoreman is over \$10,000 and 13% of the men earned between \$15,000 and \$20,000 last year. With his new-found status, the longshoreman became a respectable member of the labor community—and his own community as well. He is now able to obtain loans from banks instead of loansharks, live in his own home in a desirable neighborhood instead of a ghetto, and send his children to college.

These dramatic changes on the waterfront have been reported by Professor Vernon H. Jensen in his latest book published in 1974: "Strife On The Waterfront; The Port of New York Since 1945." In his account of the waterfront's labor history, he stated: "Many longshoremen came to look upon the Commission as the source of good on the waterfront, more perhaps than the number who looked to the I.L.A. for protection. Many have seen the agents of the Commission as friends and protectors." He added: "The Waterfront Commission has been a major factor in labor relations on the waterfront in the Port of New York because the hiring of longshoremen is a central fact of life and significant parts of the collective agreement deal with it." He concluded that the Commission, since its formation, "has exerted a salutary influence" on the shipping industry in New York.*

*Professor Jensen of the New York State School of Industrial and Labor Relations of Cornell University is a recognized expert on labor relations. He is also the author of: "Hiring of Dock Workers and Employment Practices in the Ports of New York, Liverpool, London, Rotterdam and Marseilles"; "Decasualization and Modernization of Dock Workers in London"; and other books on labor and industry.



On Patrol—Waterfront Commission police officer checks in with headquarters

The Waterfront Commission— Structure and Functions

The Waterfront Commission is a specialized regulatory and law enforcement agency unique in the United States. It was created by the legislatures of New York and New Jersey to preserve the economic well-being of the people of the States of New York and New Jersey by protecting the waterfront worker from criminal exploitation, the shipping industry from unlawful coercive practices, and the general public from unlawful abuses in the shipment of cargo across the piers.

Comparatively small, the Commission has the distinction of being able to enforce waterfront reforms across the state, county and city lines over an area of 755 miles of waterfront in both states. Although its functions have increased by legislative mandate over the years, it has kept its staff at a reasonable minimum consistent with the accomplishment of its objectives. At the present time, the Commission is functioning with a total of 215 highly trained men and women—reduced over the years from a high of 278 in 1957.

During the fiscal year, the Commission was able to reduce its staff further and, together with other economies, effect a saving of 2.5% in its approved budget of \$4,532,173. This has allowed the Commission to reduce its overall assessment rate from 1.88% to 1.84% for fiscal '74-'75. (Unlike most government agencies, the Commission's funds do not come from the taxpayers of New York and New Jersey, but from assessments paid by waterfront employers according to the amounts of their payrolls to employees registered by the Waterfront Commission.)

* * *

The Waterfront Commission of New York Harbor is headed by two Commissioners, one from each state appointed by his respective Governor with the approval of the state's legislature. Its staff operations are directed by its chief executive officer, the Executive Director. The Commission staff is divided into six divisions which handle the day-by-day work of the Commission, including special investigations concerning matters involving the welfare and well-being of the port.

The Executive Division administers all of the Commission's operations in accordance with the policies and programs formulated by the Commissioners. The Division also prepares legislation and regulations, handles all business contracts and leases and is responsible for all Commission litigation. It supervises directly the Finance Office and, through its division heads, the operations of all the Commission's divisions.

The accounting staff is also assigned to the Executive Division and provides all necessary accounting services for the Commission. The accountants audit the books and records of more

than 110 waterfront companies licensed by the Commission, participate in investigations conducted by the Legal, Law Enforcement and Licensing Divisions, and administers the assessments imposed by law for the Commission's budgeted expenses.

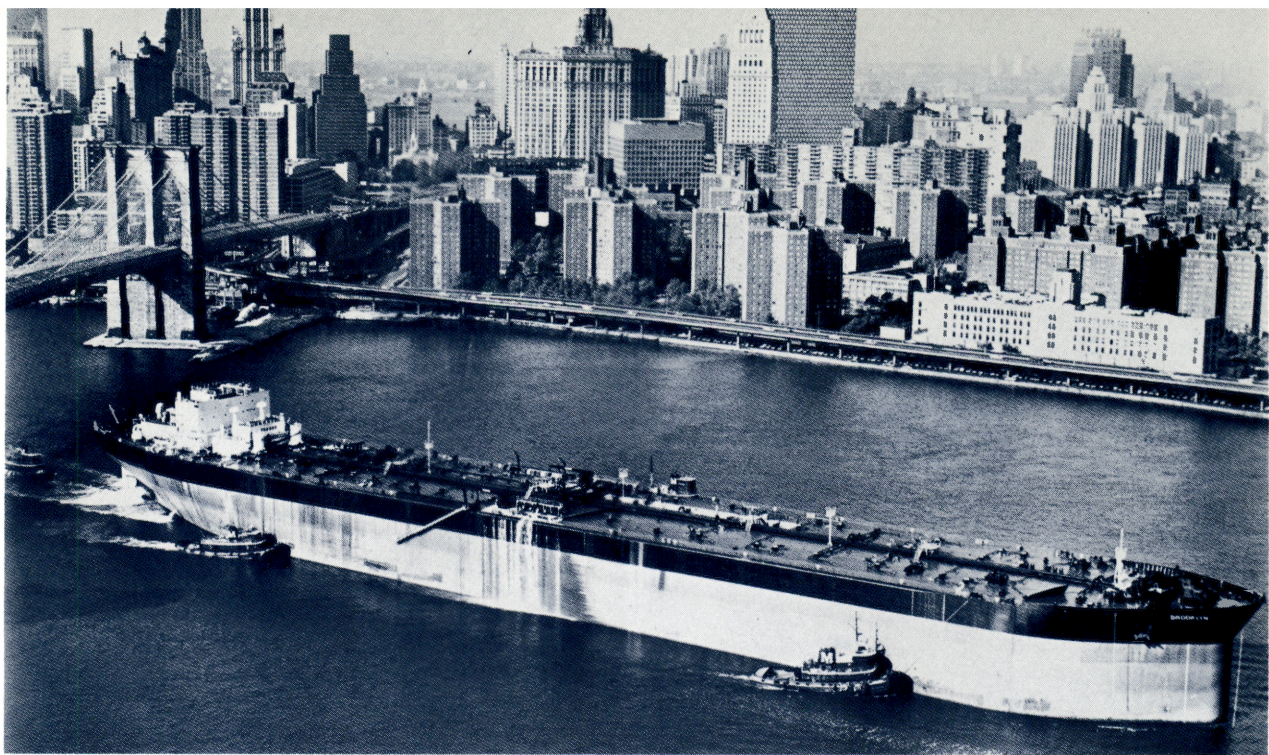
The Division of Law participates in the various investigations of violations of law with respect to the port; prepares and conducts administrative trials to determine whether licenses and registrations issued by the Commission should be revoked; assists state and federal prosecutors in criminal cases developed by the Waterfront Commission staff; and processes petitions submitted to the Commission by licensees and registrants. The attorneys assigned to this division, as well as the other divisions, are members of the Bar of New York or New Jersey and are recruited from major law schools in the New York-New Jersey metropolitan area and from United States and State District Attorneys' offices.

The Division of Law Enforcement, composed of special agents and police officers, many of whom have prior experience with the Federal Bureau of Investigation, the New York City Police Department and other law enforcement agencies, conducts full-scale investigations into waterfront violations. The Division also inspects cargo security conditions at the various waterfront piers, terminals and warehouses, provides lectures for a training course for the private pier guards licensed by the Commission, and conducts pre-employment security investigations concerning prospective employees of the Commission.

The Licensing Division, consisting of attorneys and licensing examiners, is responsible for the processing and review of all applications submitted for licensing or registration by the Commission and for executing the Commission's "decasualization" program to keep the available supply of labor in balance with the work needs of the Port. The attorneys assigned to the Licensing Division hold administrative hearings to determine whether applications for licenses and registrations should be granted or denied.

The Division of Employment Information Centers operates employment centers in the Port through which the daily hiring of waterfront workers is regulated. The Division maintains extensive statistics concerning longshore, checker and pier guard hirings to determine employment trends in the harbor. All the employment centers are computerized to give waterfront workers swift and detailed information concerning job opportunities and assignments.

The Division of Administration provides administrative services to the other divisions with its hearing reporters, stenographers and clerks, to meet the specialized needs of each division and the overall functions of the Commission.



The Turbo Tanker Williamsburg heads out to sea after christening in August. With her sistership, Brooklyn, she is one of the largest ever built in the United States, weighing 225,000 dead weight tons.

Some Highlights of the Year

The effectiveness of the Waterfront Commission stems from its unique position as a bi-state law enforcement agency whose jurisdiction and responsibilities are particularly concerned with the problems of the port. During its brief but dramatic history, the Commission has been acknowledged as the specialized agency concerning criminal activities on the piers. As a result, and in cooperation with the various law enforcement agencies and prosecutors' offices in both states, and the Federal Government, the Commission has been able to effect a more cohesive effort with such agencies against waterfront crime.

On a regular basis, the Commission—through its comparatively small team of agents—keeps abreast of the activities of underworld characters, both veteran mobsters and a new generation of associates, who continually try to regain control of the docks and once again return the waterfront to a criminal jungle. Each relevant piece of intelligence gathered by the agents becomes the focal point of a thorough investigation in which the full talents of the investigators, accountants and attorneys of the Commission are brought into play. As a result of this teamwork, many cases are developed leading to arrests and criminal prosecutions and Commission hearings where persons registered by the Commission are involved and determinations are made as to whether such persons should be removed from the waterfront. A few of the Commission's actions follow:

In the past year, Commission special agents uncovered and broke up a racket involving the theft of containers and trailers and the sale of their tires to gypsy truck drivers. The thieves' technique was to steal the trucks from waterfront facilities on both sides of the Hudson, haul them to a way-side garage in Jersey City and strip the good tires from the vehicles at night. They then replaced the good tires with worn and worthless "rubber" and

abandoned the stolen trucks in various areas of New Jersey. In six weeks, Commission agents recovered four cargo containers and five chassis with a value of at least \$50,000. It was estimated that the theft of the tires, valued at \$800 each, ran into the thousands of dollars. Containers had been stolen from companies in both New York and New Jersey and, in many cases, the owners were unaware of the thefts until notified by the Commission. In the last case, Commission agents moved in on the garage one night and caught both the garage owner and a truck driver in the process of stripping the tires from a container stolen only a few hours before from a trucking company in lower Manhattan. When the owner discovered his loss next morning and reported his truck as missing, he was informed that the container was in police custody—and could hardly believe it. The thieves were charged with grand larceny and are awaiting trial.

Throughout the years, the Commission has concentrated on weeding out from waterfront employment men who persist in absenting themselves from their jobs on the piers without their employers' knowledge and who continue to fraudulently collect salaries for services they do not perform. In the past, the practice was so prevalent that the men earned the nickname "phantoms," but over the years the Commission has eliminated dozens of phantoms from the port. In its latest crackdown, which is still continuing, the Commission brought charges against four alleged phantoms from piers in Brooklyn and New Jersey and also charged two timekeepers with falsifying payroll records. The four men were charged with collecting a total of \$1,866 in a few months for work they never performed. One of the men, who admitted the violation at a Commission hearing, had been found by Commission agents spending most of his time at a restaurant he owned in Connecticut.



Loading containers at Port Newark

* * *

The Commission also continued its drive against waterfront workers who take payments from truck drivers in return for preferential access to the piers. In one case, a checker-dock boss at Port Elizabeth was charged with demanding and receiving "various sums of money under extortionate circumstances from truck drivers, truck dispatchers and trucking company owners" to allow the truckers to beat waiting lines. Evidence to prove the charges will be presented at an administrative hearing in the near future.

* * *

The Commission continued its war against gambling on the piers, refusing to accept the common theory that such activities are "harmless," and convinced that the receipts from this so-called "popular sport" represent the financial backbone of the underworld whose profits are used to finance other more serious crimes. In the past year, many perennial problem waterfront figures have had their licenses revoked as the result of gambling arrests. In the last year, fifty-two gambling arrests were made on the piers; ten of those arrested were registered dock workers, who are slated for hearing. In one case, a longshoreman arrested last May with 3,000 policy plays and \$3,420 in cash in his pockets was taken to Commission hearing for promoting gambling on the piers and had his registration revoked.

* * *

Underworld Watch

While continued watchfulness on the piers by Commission agents often leads to dramatic arrests and recoveries, a less colorful but just as important type of Commission surveillance is accomplished behind the scenes by the Commission's attorneys and accountants and special agents. It is in this area that the efforts of organized crime to infiltrate legitimate waterfront businesses are blocked and defeated in a silent and never-ending war in which systematic checking of books and records and the questioning of potential witnesses and intensive background checks are the prime weapons. Thorough investigations of stevedoring firms, and others seeking licenses to operate on the waterfront or to service the shipping industry, are undertaken to expose any patterns of manipulation and chicanery and any shadow of organized crime that may be lurking behind a seemingly respectable business front. Although these types of investigations take a great amount of manpower and time, the results justify the Commission's efforts to halt any return of the mob to the docks.

One such investigation culminated this year with the Commission revoking the temporary license of a maintenance company and denying it a permanent license to do maintenance work in the port. An exhaustive examination of the company's books, and the Commission hearing, revealed that control of the firm had been taken over by labor racketeers. The evidence showed that two racketeers had insinuated themselves into the ownership of the company. They acquired seventy-five percent of the stock of the company and complete control of its operations, without any investment. Their involvement in organized crime was revealed by the Commission when one of them was found to be a frequent visitor at a regular meeting place of notorious leaders of organized crime. Commission motion pictures taken during daily filmings by Commission agents at the store-front meeting place in lower Manhattan revealed the presence of this man in conversation with members of the underworld. As a result, the firm's license was denied because its president lacked "good character and integrity." The mobsters who frequented the meeting place scattered after the Commission revelations, but the investigation into their activities is still continuing.

In another case, the Commission fined a stevedoring company \$8,000 and ruled it could only be licensed if its president was eliminated from the business. The ruling came after investigation showed the former head of the company had committed a series of frauds, including the failure to maintain true and accurate accounts of its receipts and disbursements. It showed that the company had issued a series of checks fraudulently listed as payments to other companies when the money was actually retained by the head of the company. As a result of the ruling, the head of the firm resigned and divested himself of all stock ownership and control, and the company is in the process of paying off the fine.

So intense and complete are the Commission's investigations of possible criminality in the issuance of licenses that many firms have withdrawn their application for licenses with the Commission when subjected to Commission scrutiny. One such withdrawal was made by a stevedore who learned that Commission accountants discovered a series of violations of waterfront regulations while examining the company's books and records. One such example showed that, in an eighteen-month period, 218 checks totaling approximately \$35,000, and ostensibly payable to vendors and customers or charged to various expenses, were cashed by the company itself. As a result, the company abandoned its attempt to perform waterfront services and requested that it be permitted to withdraw its application. The Commission granted the withdrawal "with prejudice," meaning the firm could no longer perform services on the waterfront. The information, however, was turned over to the Internal Revenue Service, since possible violations of the tax laws were involved. The company has since paid \$26,000 plus interest to the government.

In still another case, a Commission investigation into a marine carpentry business seeking to do business with waterfront firms revealed that suspicious payments were being made to individuals referred to in the company records only by a letter of the alphabet. The owner of the company claimed that these were notations of payments made to loansharks who had advanced her money for the business, but denied knowing who these people actually were. The investigation also showed that the company was using the services of a general manager who had previously sought to operate his own carpentry business but withdrew his application when the Commission began to investigate him. Evidence also indicated that this man was a hidden owner in the applicant firm and that he and the head of the firm had given false testimony in various interviews conducted by the Commission. As a result, a Commission hearing was recommended and approved, but before the firm was brought to hearing, it changed its mind about obtaining a license and sold its business to another stevedore already licensed by the Commission.

Employment Information Centers

The Commission has almost completed its planned program for consolidation of its employment information centers to provide more effective utilization of waterfront manpower, and has reduced the number of such centers from thirteen to six. Four centers in Brooklyn were combined into one new center at 60th Street and Third Avenue, and four centers in Manhattan were merged into one center especially designed for the hiring of workers at Hudson Street in December of 1973. This center serves Manhattan longshoremen and carpenters, and also provides coopers and checkers for the entire port. The centers in Staten Island and Port Newark have been retained and the final step in the consolidation program will be taken shortly when the Hoboken and Jersey City centers will be merged into one center for Hudson County.

The Commission use of computer hiring has played a major part in allowing consolidation of centers and is proving to be a great convenience to the waterfront worker. Under the new system, the longshoreman can now call the center for information on work availability and be hired for work next day, eliminating the need for him to appear at a center in person. By this swift method of "prior day ordering," the larger number of centers previously operated in the port are no longer necessary and the process of reporting for work directly to a pier is speeded.

Litigation

Throughout the years, there have been court challenges of Commission determinations, but the agency's findings, although modified in a few instances, have never been upset. This record continued last year and the following are summaries of two cases argued by the Commission's Litigation and Review staff and decided during the fiscal year.

[In the Matter of Anthony F. Gallagher, Superior Court of New Jersey, Hudson County Law Div.]

Pursuant to a licensing investigation conducted by the Commission concerning the operation of Bar Mar Warehouse, a subpoena duces tecum was issued to Bar Mar, to Anthony F. Gallagher (its president), and to Bar Bea Trucking (an affiliated company). The subpoena required the production of books and records for examination by the Commission and testimony before the Commission. When the subpoenas were not complied with, the Commission brought an action for civil contempt on the basis of Gallagher's failure to obey a lawful subpoena issued by the Commission. Then, by agreement between Gallagher and the Commission, a consent judgment was entered into which stated that Gallagher failed to obey a lawful Commission subpoena and which ordered Gallagher to comply with the subpoena or else face imprisonment and, in addition, to pay for the Commission's court costs. In observance of the judgment, Gallagher then had the books of Bar Mar and Bar Bea delivered for inspection to the Commission.

[In the Matter of McRoberts Protective Agency vs. Waterfront Commission, New York Supreme Court, App. Div., 1st Dept.]

This case arose out of pending Commission hearings being held to determine whether the licenses of employees of McRoberts Protective Agency should be revoked for the employees' conspiracy and actions in preparing false records and in aiding and abetting McRoberts Protective Agency in fraudulently overbilling McRoberts' customers. McRoberts moved to strike all counts in the notice of hearing which referred to wrongdoing by McRoberts and to be given the right to intervene in the proceedings as a party. The Commission denied the motion to strike and granted McRoberts a limited right to intervene for the purpose of introducing evidence and examining witnesses. McRoberts then brought an action in Special Term of the Supreme Court to review the Commission's orders. The Court dismissed the

petition for review and stated it would not intervene to review interlocutory determinations of the Commission. McRoberts then appealed to the Appellate Division from the judgment of dismissal and also moved to stay the Commission's hearings. The Court denied McRoberts' motion for a stay and unanimously affirmed the determination of Special Term.

Administration

The beginning of the new fiscal year of 1974 brought with it the appointment of a new Commissioner from New Jersey selected by Governor Brendan T. Byrne and unanimously confirmed by the New Jersey legislature. He is Ralph C. DeRose, an attorney in East Orange and a former state senator. Mr. DeRose succeeded Richard J. Vander Plaats. The Commissioner from New York, Mr. Joseph Kaitz, was re-appointed by Governor Malcolm Wilson for his fifth consecutive three-year term.

At the time of the distribution of this report, the Commission will have moved its offices from 15 Park Row to a nearby building at 150 William Street. It was the Commission's first move of its headquarters in 21 years. Unlike its old quarters, which occupied two-and-a-half floors, the new offices will be entirely on one floor and should result in swifter communication and more efficient operations.

It is with great sorrow that we report the deaths of two former Commissioners from New Jersey. Major General Edward C. Rose, the first Commissioner from New Jersey, who served from September 8, 1953 through November 23, 1954, died on September 10, 1973. David C. Thompson, the Com-

mission's fourth Commissioner from New Jersey from April 14, 1958 through March 24, 1964, died on August 15, 1974. James E. Morrissey, a validating clerk in Staten Island, died on March 20, 1974.

The year also witnessed the retirement of eleven valued employees whose services and personalities will not be forgotten. They were: Dolores Wepner, William Schneider, Gerald J. Cusick, Frank A. Feeney, John Henderson, Stella Ruggirello, Dorothy T. Lee, Adele Widmayer, Samuel P. Chambers, James A. McMichael, and Robert M. Hansen.

CONCLUSION

Since its inception, the Waterfront Commission has used its regulatory powers to enhance the health and safety and well-being of the people of New York and New Jersey, and to re-establish and maintain the reputation and the economic stability and security of the port. The preservation of these gains, emphasized by the need for constant watchfulness and improvement on the waterfront, requires that the Commission finds and hereby determines that public necessity still exists for the continued registration of longshoremen, the continued licensing of occupations and employment as mandated by the Waterfront Commission Act and its amendments, and the continued operation of its Employment Information Centers as provided for in Article XII of the Compact.

Respectfully yours,

JOSEPH KAITZ
Commissioner
for New York

RALPH C. DeROSE
Commissioner
for New Jersey

S. D. LEIDESDORF & CO.

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ACCOUNTANTS' REPORT

To the Commissioners
Waterfront Commission of New York Harbor

We have examined the statement of cash receipts and disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1974. Our examination 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.

In our opinion, the accompanying statement of cash receipts and disbursements presents fairly the cash transactions of the Waterfront Commission of New York Harbor for the year ended June 30, 1974, on a basis consistent with that of the preceding year.

New York, N. Y.
July 23, 1974

A. D. Leidesdorf & Co.

WATERFRONT COMMISSION OF NEW YORK HARBOR

Statement of Cash Receipts and Disbursements for the Year Ended June 30, 1974

Balance of funds at beginning of year:		
Cash balance (net of amounts withheld from employees' earnings)		\$ 176,920.61
Cash in badge deposit savings account		11,380.00
Time certificates of deposit		<u>223,000.00</u>
		411,300.61
Receipts:		
Assessments on employers of persons registered or licensed by the Commission	\$4,597,925.20	
Interest on time certificates of deposit	72,564.20	
Interest on badge deposit savings account	553.81	
Penalties and fines	2,000.00	
Consulting income	<u>4,760.17</u>	<u>4,677,803.38</u>
		5,089,103.99
Disbursements:		
Salaries	2,848,489.29	
Rentals	336,333.19	
Retirement, group insurance and social security taxes	853,445.57	
Law Enforcement Assistance Administration grant expenditures	5,506.24	
Special services and expense	39,103.52	
Communications	66,291.83	
Carfare, auto and travel expense	46,696.90	
Leasehold alterations	5,530.00	
General office expense	29,977.70	
Repairs and maintenance	44,326.52	
Furniture, fixtures and equipment	30,787.53	
Hearing officers, auditors and consultant fees	23,381.40	
Insurance	41,459.52	
Light, heat and power	32,330.70	
Printing	11,628.83	
Miscellaneous overtime expense	2,140.23	
Seniority plan costs	5,743.60	
Badge deposits—net	<u>655.00</u>	<u>4,423,827.57</u>
Excess of receipts and balance of funds at beginning of year over disbursements—balance of funds at end of year consisting of:		
Cash in checking accounts and on hand	341,956.75	
Less taxes and other withholdings from employees	<u>67,405.33</u>	
	274,551.42	
Cash in badge deposit savings account	10,725.00	
Time certificates of deposit	<u>380,000.00</u>	<u>\$ 665,276.42</u>

**WATERFRONT COMMISSION
EMPLOYMENT INFORMATION CENTERS**

Showing Comparison of Hirings for the years ending June 30th, 1973-1974 and 1972-1973

Center and Location	Piers and Areas	Hirings		Increase or Decrease	% Change	% Share of Port Employment	
		1973-1974	1972-1973			1973-1974	1972-1973
Manhattan Center 261-281 Hudson Street	Piers 64-99 North River including Irvington and Yonkers Piers 18-62 North River Piers 1-17 North River Piers 4-68 East River	211,545	252,902	- 41,357	-16.35	07.84	09.4
TOTAL—MANHATTAN		211,545	252,902	- 41,357	-16.35	07.84	09.4
Brooklyn Center 5914 3rd Avenue	Brooklyn Port Authority Piers, Long Island City, Greenpoint and Williamsburg Atlantic and Erie Basins, Breakwater and Gowanus Bush Docks 21st Street, Green Docks and 39th Street	1,173,671	1,171,547	+ 2,124	+00.18	43.51	43.4
TOTAL—BROOKLYN		1,173,671	1,171,547	+ 2,124	+00.18	43.51	43.4
Staten Island 22 Wave Street		132,194	157,712	- 25,518	-16.18	04.90	05.9
TOTAL—STATEN ISLAND		132,194	157,712	- 25,518	-16.18	04.90	05.9
Port Newark	Port Newark and Port Elizabeth Perth Amboy and Carteret	860,309	782,043	+ 78,266	+10.01	31.89	29.0
Hudson County	Jersey City and Bayonne Hoboken, Weehawken and Edgewater	320,009	333,990	- 13,981	-04.18	11.86	12.3
TOTAL—NEW JERSEY		1,180,318	1,116,033	+ 64,285	+05.76	43.75	41.3
PORTWIDE TOTALS		2,697,728	2,698,194	- 466	-00.017	100.00	100.0

NOTE: Manhattan Center officially opened on December 10, 1973; this is the date when former Manhattan Centers 1, 3 & 4 ceased operations.

Commission Actions

COMMISSION DETERMINATIONS

Year Ended June 30, 1974

	APPLICATIONS AND REVOCATIONS								Totals
	Denied	Granted	Revoked	Revoked L/R	Sus-pended	Repri-mand	Dismiss Charges	Suspend P/H	
Longshoremen	3	0	14	25	7	7	3	5	64
Checkers	0	0	7	9	3	1	3	1	24
Hiring Agents	1	0	0	1	0	0	0	0	2
Port Watchmen	11	2	10	5	0	0	0	2	30
Pier Superintendent	0	0	0	0	0	0	0	0	0
Stevedores	3	0	3	0	0	0	0	0	6
Maintenance	14	10	3	3	2	1	0	0	33
Totals	32	12	37	43	12	9	6	8	159

PETITIONS

Year Ended June 30, 1974

	Denied	Granted	Totals
Petitions for Reconsideration	11	9	20
Petitions for Leave to Reapply	6	2	8
Petitions for Rehearing	3	0	3
Petitions to Withdraw	0	11	11
Petitions to Remove Ineligibility	0	1	1
Petitions for Restoration of Registration	26	16	42
Petitions to Vacate Temporary Suspension	4	0	4
Totals	50	39	89

DIVISION OF LAW

Year Ended June 30, 1974

Investigations Conducted and Completed	165
Recent Arrests Conducted and Completed	116
Hearings Ordered	146
Hearings Completed	91
Petitions: For Reconsideration or Leave to Reapply	48
Probations	62
Witnesses	1,133

DIVISION OF LICENSING

Year Ended June 30, 1974

Applications investigated and processed	391
Witnesses and applicants questioned	668
Summary Proceedings completed	12
Petitions	35
Investigations conducted and completed	74
Requests for Reinstatement for Withdrawal and Decasualization	69
Total Hearings ordered by the Licensing Division	31
Total Hearings conducted and completed by the Licensing Division	32
Probationers Reviewed	19

DIVISION OF LAW ENFORCEMENT

Year Ended June 30, 1974

Investigations conducted (including those for administrative hearings, licensing applications, intelligence files, pier security evaluations, etc.)	3,279
Arrests and Apprehensions	
for theft	79
for gambling	52
for other offenses	27
Active Waterfront Registrants Arrested By Other Law Enforcement Agencies	59

AVERAGE ANNUAL EARNINGS OF LONGSHOREMEN AND CHECKERS PORT OF NEW YORK

For Fiscal Year*	Total Payroll	Average Number Registrants	Average Earnings**
1960/1961	\$144,868,164	27,998	\$5,174
1961/1962	151,425,536	26,515	5,711
1962/1963	155,134,148	27,034	5,738
1963/1964	166,007,689	26,106	6,359
1964/1965	167,375,968	24,281	6,893
1965/1966	186,554,856	23,848	7,823
1966/1967	183,513,600	22,927	8,004
1967/1968	173,836,302	21,141	8,223
1968/1969***	166,503,418	20,922	7,958
1969/1970	200,640,587	20,493	9,791
1970/1971	192,875,192	18,197	10,599
1971/1972****	166,053,950	17,654	9,406
1972/1973	153,257,642	16,106	9,516
1973/1974	173,312,267	15,057	11,510

SOURCE: Waterfront Commission of New York Harbor.

* Fiscal year begins July 1st.

** Fringe benefits, with the exception of vacations and holidays, are not included.

*** Includes 56-day Longshoremen's Strike (12/21/68 to 2/14/69.)

**** Reduction due to 59-day strike in 1971.

AVERAGE ANNUAL EARNINGS OF PRIVATE PIER GUARDS

For Fiscal Year*	Total Payroll	Average Number of Registrants	Earnings**
1960/1961	\$8,397,935	2,028	\$4,141
1961/1962	7,973,755	1,998	3,991
1962/1963	8,028,333	1,819	4,414
1963/1964	8,003,427	1,731	4,624
1964/1965	8,410,423	1,745	4,820
1965/1966	8,858,295	1,706	5,192
1966/1967	9,155,820	1,634	5,603
1967/1968	8,921,905	1,654	5,394
1968/1969	9,042,859	1,639	5,517
1969/1970	9,468,153	1,557	6,081
1970/1971	9,741,941	1,515	6,430
1971/1972***	8,435,778	1,416	5,957
1972/1973	8,286,921	1,356	6,111
1973/1974	8,483,594	1,172	7,238

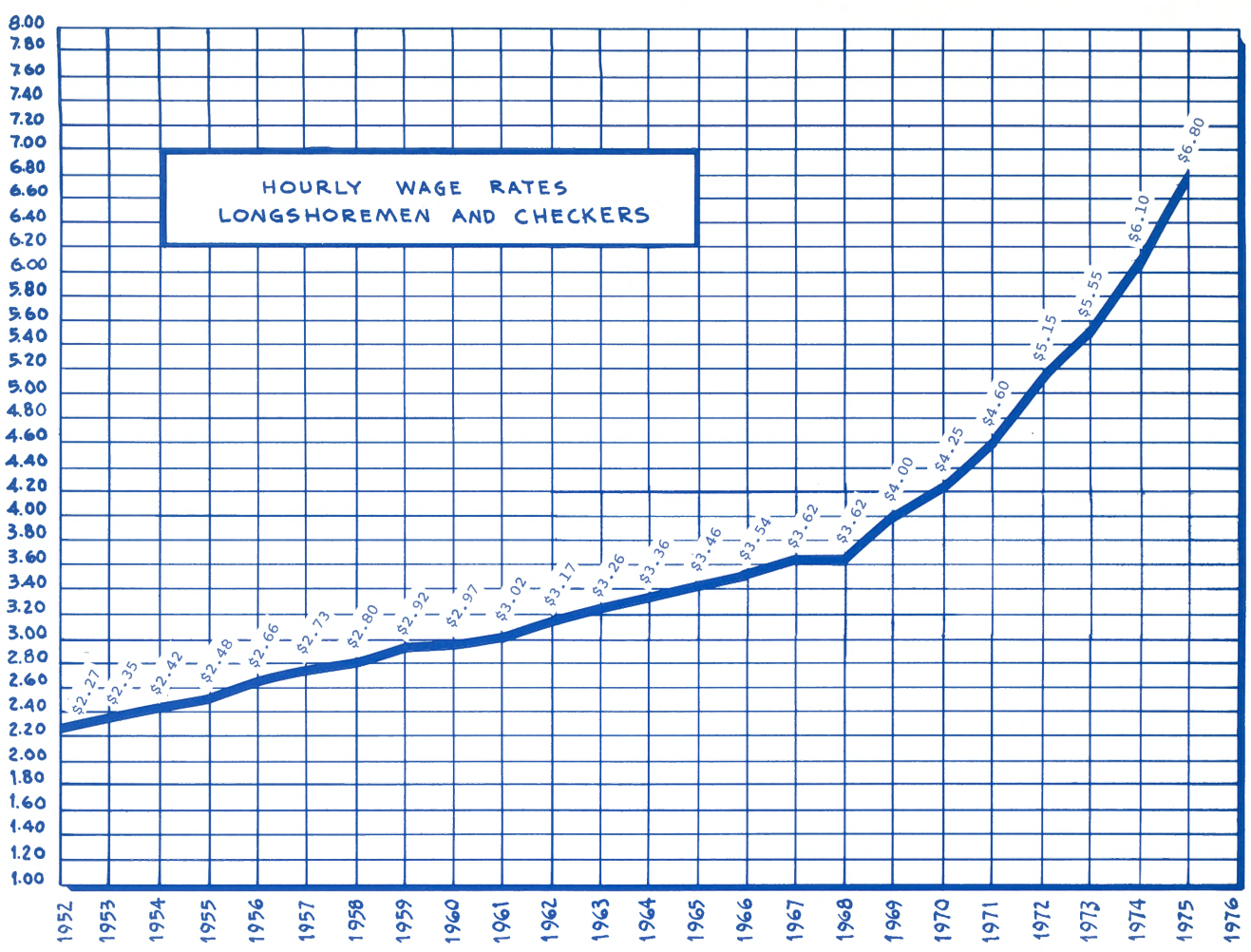
SOURCE: Waterfront Commission of New York Harbor.

* Fiscal year begins July 1st.

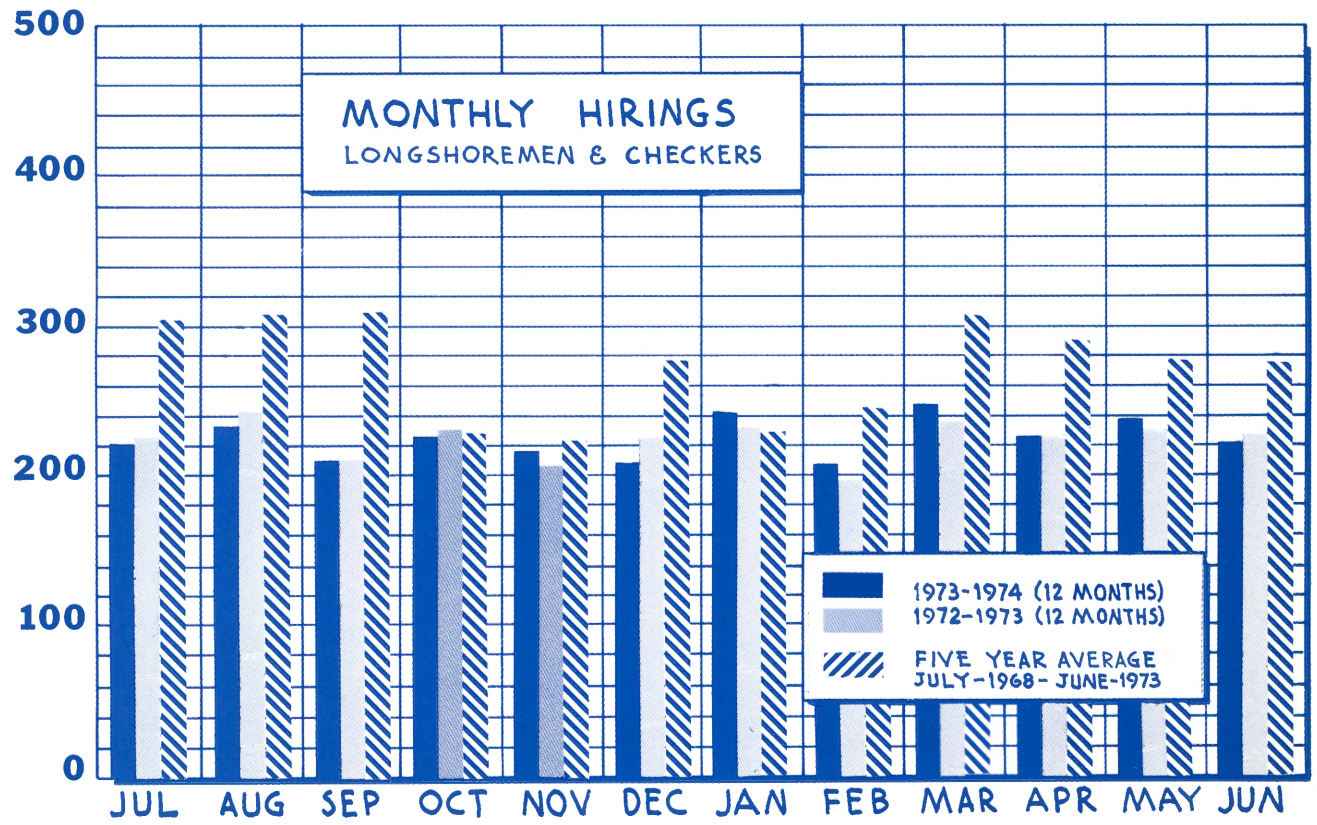
** Fringe benefits, with the exception of vacations and holidays, are not included.

*** Reduction due to strike of 1971.

RATES PER HOUR

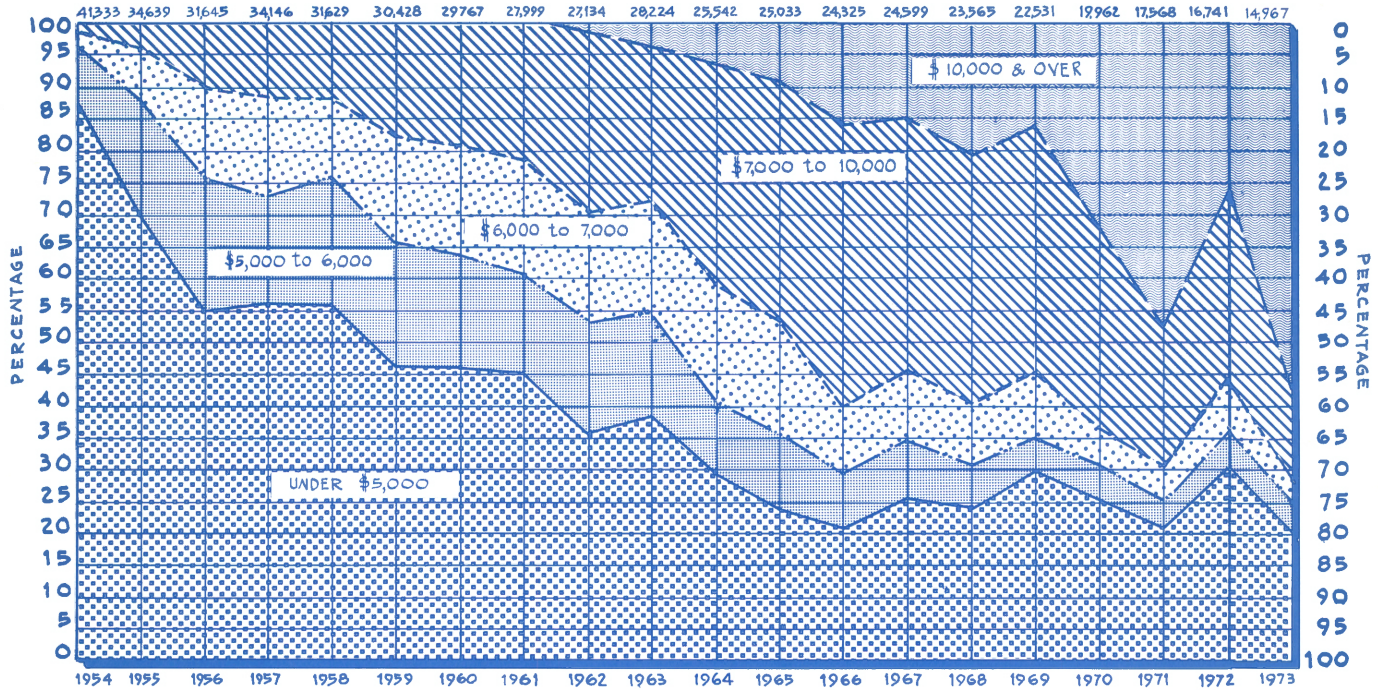


NUMBER OF MEN IN THOUSANDS



COMPARISON OF AVERAGE EARNINGS OF LONGSHOREMEN & CHECKERS

TOTAL NUMBER OF MEN REPORTED



COMPARISON OF AVERAGE EARNINGS OF LONGSHOREMEN AND CHECKERS

	<u>1954</u>	<u>1971</u>	<u>1972***</u>	<u>1973</u>
\$20,000 and Over	(*)	440	157	931
\$15,000 to \$20,000	(*)	1,483	591	1,957
\$12,000 to \$15,000	(*)	3,008	1,310	3,063
\$10,000 to \$12,000	(*)	3,302	2,089	2,357
\$10,000 and Over	(*)	8,233	4,147	8,308
\$ 7,000 to \$10,000	406	4,155	4,960	2,216
\$ 6,000 to \$ 7,000	802	874	1,202	614
\$ 5,000 to \$ 6,000	2,589	751	1,183	613
\$ 4,000 to \$ 5,000	6,330	668	1,103	532
\$ 3,000 to \$ 4,000	7,013	534	893	525
UNDER \$3,000	24,193	2,353	3,253	2,159
TOTAL REPORTED	41,333	17,568	16,741	14,967
Total Earnings	\$102,061,108	\$165,172,465	\$132,197,865†	\$156,375,900
Total Hours Worked	37,813,991	30,849,623	22,627,084	24,435,284
% Hours Overtime	24.3%	25.8%	21.6%	23.6%
AVERAGE ANNUAL WAGES**	\$ 2,469	\$ 9,402	\$ 7,897	\$ 10,448

†Corrected figure as shown in NYSA Report No. 3137.

*Records incomplete for 1954.

**DOES NOT INCLUDE FRINGE BENEFITS.

***57 Day Portwide Strike—Started 10-1-71 ended 11-26-71.

NOTE: This table includes craftsmen such as carpenters, coopers, maintenance men and miscellaneous personnel required to be registered as longshoremen effective May 27, 1957, but does not include most persons required to be registered as waterfront warehousemen and in other capacities effective September 1, 1969. Similar tables in annual reports prior to 1957-1958 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association, whose fiscal year ends September 30.

SOURCE: New York Shipping Association for fiscal year ended September 30, 1973.

**APPLICATIONS AND REAPPLICATIONS RECEIVED AND PROCESSED
DURING FISCAL YEARS
As of June 30th**

	1955	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Longshoremen	5,196	3,983	2,926	2,141	3,189	1,640	1,566	1,283	3,107	1,557	1,846	4,810	1,741 ^c	1,196*	1,126*	1,192**
Checkers		398	265	134	613	171	453	286	276	320	516	1,233	87	0	2	0
Pier Guards ^a	458	2,415	335	168	321	199	418	2,081	472	699	1,014	858	612	612	573	404
Pier Superintendents	88	88	73	84	176	41	37	47	73	116	57	131	82	67	60	74
Hiring Agents	147	127	107	119	103	66	51	127	92	169	66	172	139	69	63	77
Stevedore Companies ^b	7	45	0	36	1	29	0	53	5	53	7	99	32	117	19	121
TOTALS	5,896	7,056	3,706	2,683	4,403	2,146	2,525	3,877	4,024	2,914	3,506	7,303	2,693	2,061	1,843	1,868

(a) Pier Guards are required to renew licenses every third year.

(b) Stevedores are required to renew licenses every second year.

(c) Includes 640 warehousemen, container repairmen, and other persons required to register under amendments to Waterfront Commission Act, effective September 1, 1969.

* Includes 631 1969 Legislation Applicants.

** Includes 711 1969 Legislation Applicants.

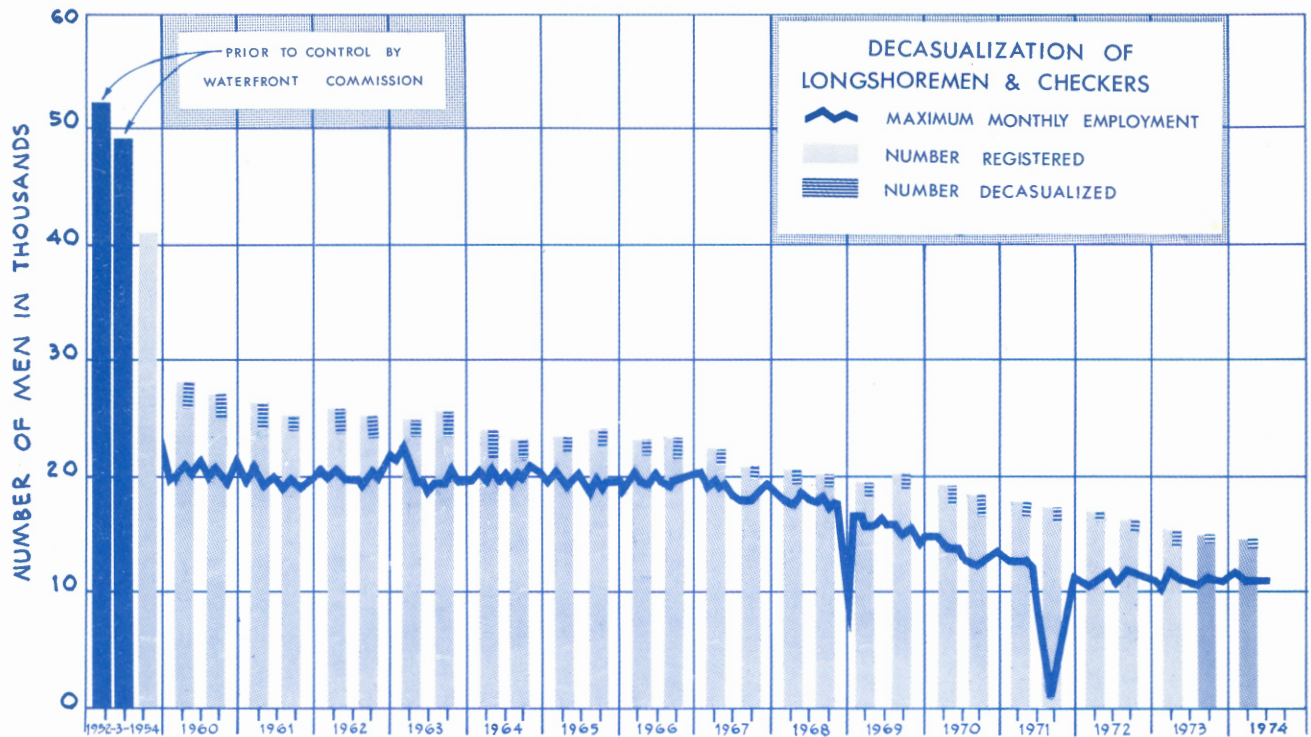
**REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS
As of June 30th**

	1955	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Longshoremen ^c		24,182	22,661	22,079	22,691	20,408	19,792	19,110	18,352	17,026	16,612	17,646	16,367 ^b	16,006	14,226	13,704 ^c
Checkers	31,639	4,268	4,140	4,095	4,503	4,197	4,511	4,397	4,220	4,115	4,335	3,979	3,714	3,557	3,176	3,006
Hiring Agents	592	622	589	607	609	578	565	606	631	600	559	602	605	545	493	512
Pier Superintendents	365	411	392	403	438	418	417	414	430	417	365	403	406	424	374	395
Pier Guards	3,009	2,021 ^a	2,047	1,961	1,756	1,652	1,801	1,551	1,630	1,654	1,637	1,548	1,485	1,405	1,291	1,064
Stevedore Companies	52	39	36	33	29	29	28	49	49	50	46	93	106	109	117	113
TOTALS	35,657	31,543	29,865	29,178	30,026	27,282	27,114	26,127	25,312	23,862	23,554	24,271	22,683	22,046	19,677	18,794

(a) Supervisory personnel required to be licensed under Waterfront Commission Regulations effective January 1, 1960.

(b) Includes 1,785 warehousemen, container repairmen, and other persons required to be registered under amendments to Waterfront Commission Act, effective September 1, 1969.

(c) Includes 2,163 1969 Legislation Registrants (warehousemen, containermen, etc.)



DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		<u>Number Decasualized</u>	<u>Remaining Registrants</u>
1st decasualization	June 3, 1955	7,141	31,574*
11th decasualization	May 11, 1960	1,807	28,355
12th decasualization	October 27, 1960	1,577	27,535
13th decasualization	May 11, 1961	1,859	26,920
14th decasualization	October 26, 1961	1,536	25,754
15th decasualization	May 10, 1962	1,498	25,758
16th decasualization	October 25, 1962	1,012	25,843
17th decasualization	May 10, 1963	1,182	25,218
18th decasualization	October 22, 1963	1,523	25,997
19th decasualization	April 10, 1964	2,096	24,172
20th decasualization	October 15, 1964	1,715	23,084
21st decasualization	April 16, 1965	934	23,796
22nd decasualization	October 7, 1965	581	23,920
23rd decasualization	March 31, 1966	1,070	23,332
24th decasualization	November 7, 1966	1,226	23,471
25th decasualization	March 31, 1967	1,142	22,100
26th decasualization	October 6, 1967	954	21,515
27th decasualization	April 12, 1968	903	20,901
28th decasualization	October 18, 1968	770	20,384
29th decasualization	April 22, 1969	999	19,973
30th decasualization	October 3, 1969	1,022	20,627**
31st decasualization	April 13, 1970	1,098	19,512**
32nd decasualization	October 30, 1970	1,012	18,651**
33rd decasualization	April 2, 1971	715	18,115**
34th decasualization	September 30, 1971	514	17,742***
35th decasualization	March 30, 1972	227	17,626***
36th decasualization	September 27, 1972	523	16,316***
37th decasualization	April 9, 1973	930	15,368***
38th decasualization	September 27, 1973	330	14,792***
39th decasualization	March 25, 1974	423	14,409***

* Does not include craftsmen whose registrations were required on or after May 27, 1957.

** Does not include warehousemen, container repairmen, and other persons required to be registered on or after September 1, 1969.

*** Does not include 1969 Legislation registrants.

WATERFRONT COMMISSION OF NEW YORK HARBOR

1973-1974



Joseph Kaitz
*Commissioner
for
New York*



Ralph C. DeRose
*Commissioner
for
New Jersey*



William P. Sirignano
Executive Director

Charles J. Harrington, Jr., *Commission Counsel*

Joseph E. Filippone, *Secretary*

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