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1961-1962



ANNUAL REPORT

WATERFRONT COMMISSION OF NEW YORK HARBOR

**Annual Report of the
Waterfront Commission of New York Harbor**

For the year ending June 30, 1962

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To the HONORABLE NELSON A. ROCKEFELLER, *Governor*,
and the Legislature of the State of New York

To the HONORABLE RICHARD J. HUGHES, *Governor*,
and the Legislature of the State of New Jersey

DURING the fiscal year, 1961-1962, significant progress was made by the Waterfront Commission of New York Harbor toward the objectives established nine years ago by those interested in, and dependent upon, the well-being of the Port of New York.

The Commission has become an essential element in the local maritime community as a result of its contributions to an improving economy in the Port and the stabilization of the waterfront labor force whose efficiency and productive skills make this ocean gateway the world's greatest seaport. The Commission's policy of cooperation with, and service to, the shipping industry and longshore workers continues to provide maximum employment possibilities for dock laborers throughout the Port.

To improve its services to the Port, the Commission takes into consideration the ever-changing waterfront conditions. The changes result from shifts in foreign trade, mergers of steamship companies, economic fluctuations at home and overseas, modernization and relocation of port facilities and new techniques in cargo handling. Thus, the Commission's regulations governing the hiring of dock labor must be revised from time to time and the number and location of hiring centers and the areas served by them must be constantly reviewed to provide efficient service to both the longshoremen and the industry.

Maintaining and operating the thirteen hiring centers throughout the Port of New York requires the services of a majority of the Commission's personnel. The centers provide maximum information on work requirements and job opportunities — a well-recognized and valuable service to individual longshoremen as well as to the shipping industry.

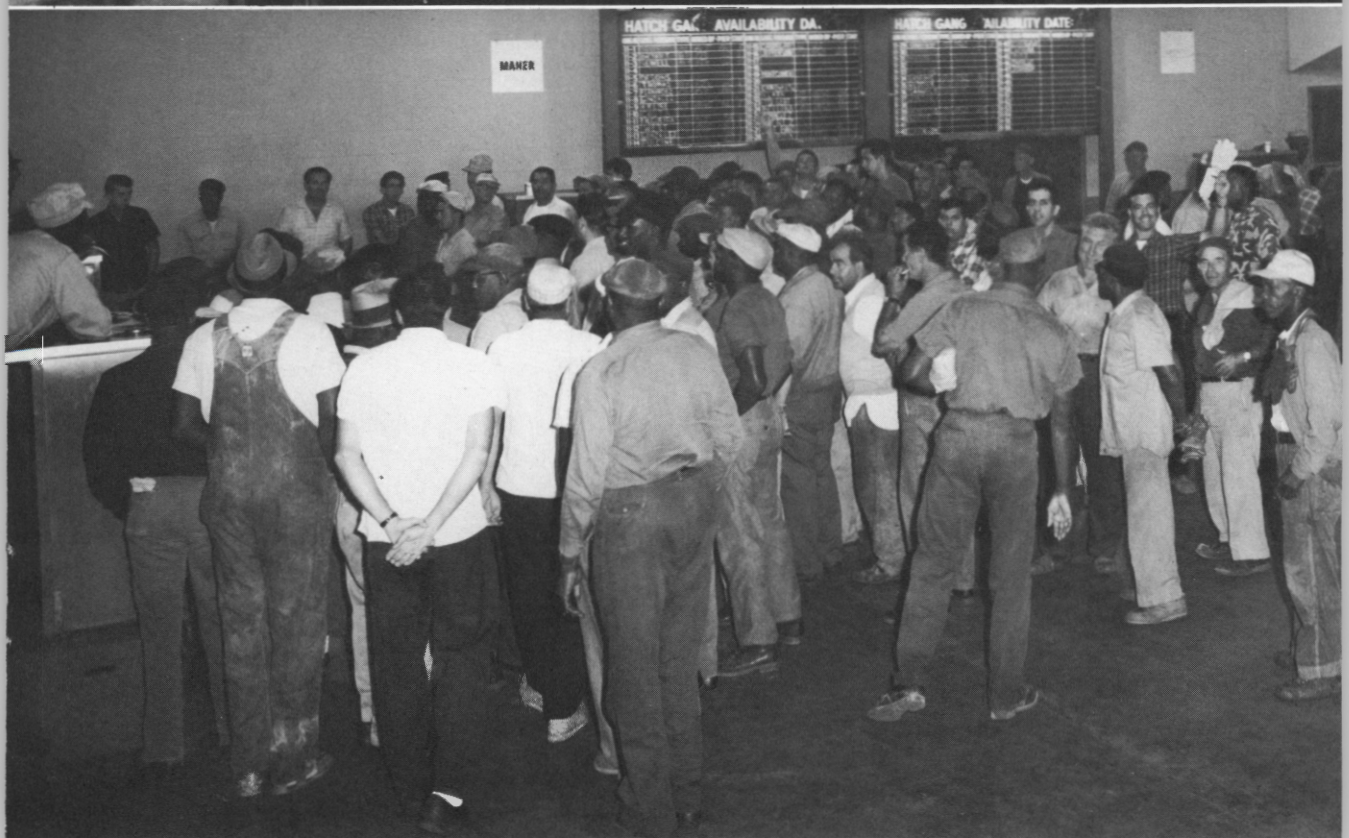
Commission studies of hiring patterns throughout the Port are made to evaluate the adequacy of these services and the effect of shifting waterfront activities within the Port and to gauge and allow for the impact upon waterfront employment of new and modernized port facilities, new techniques in cargo handling, changing trade routes and types of cargo.

A comparison was made of hirings for the fiscal years of 1957-1958 with 1961-1962, on an area-by-area basis (see page 16). The decline in shipping activities in some areas, particularly Manhattan and Staten Island, has adversely affected waterfront employment in those sections. However, the marked increases in hirings in Port Newark and the areas in Brooklyn revitalized by the Port of New York Authority show that improved port terminals require increased facilities and services for hiring waterfront labor.

One example is the need for an additional Employment Information Center to serve the South Brooklyn port area. Both industry and labor have requested the additional center. Accordingly, the Commission included in its 1962-1963 budget an allocation of funds for another facility. With this Center, hiring agents will obtain necessary manpower closer to the piers, thereby reducing the time lost between the hiring at the Center and reporting for work at the dock.

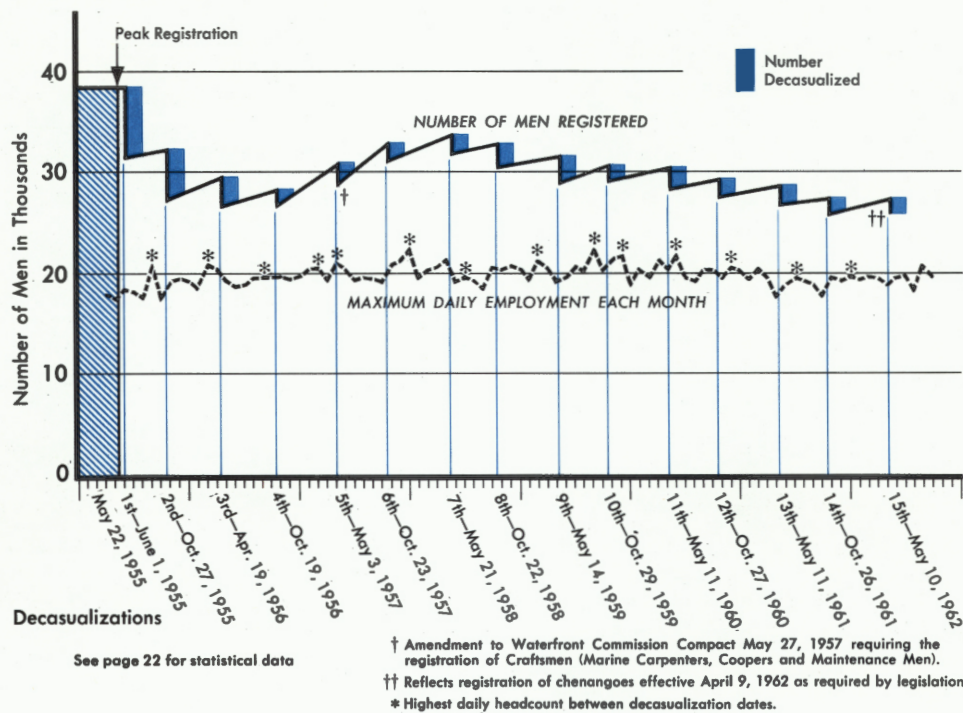
DECASUALIZATION

One of the Commission's most important functions has been the reduction of surplus dock labor. The decasualization program provides industry employers with a flexible and mobile supply of experienced labor in line with their needs. At the same time, it provides longshore workers with sufficiently regular employment to look to the waterfront for a livelihood.

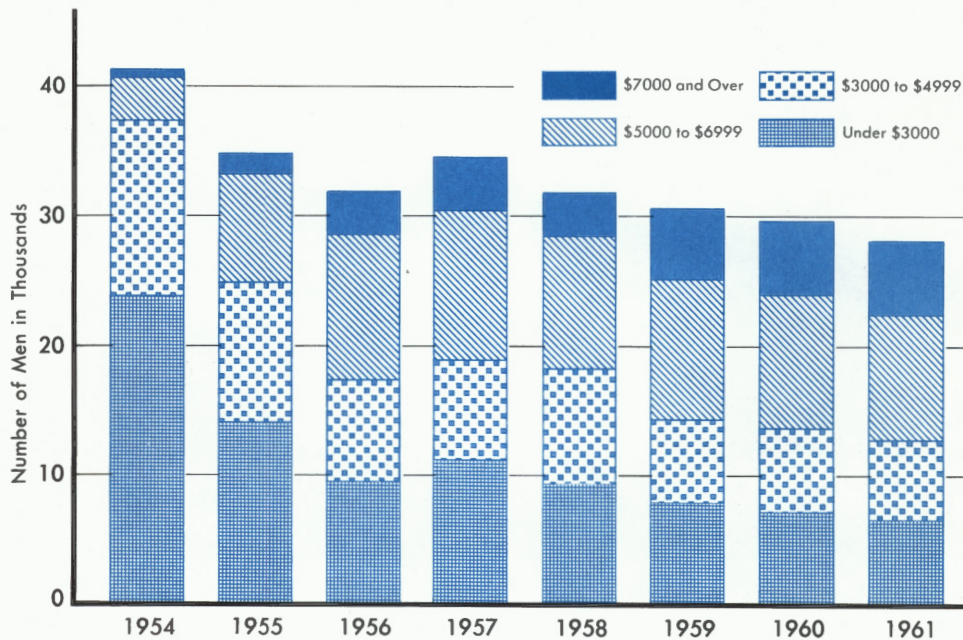


*North River Longshoremen in front of gang board, Employment Information Center No. 1 (Top)
Hiring for afternoon work, Port Newark, Employment Information Center No. 11 (Bottom)*

DECASUALIZATION OF LONGSHOREMEN AND CHECKERS



COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS



See page 25 for statistical data

The present standards for decasualization, fixed by the Commission, require longshoremen to work or seek work for at least eight days a month in five of the six preceding months. Failure to meet the standard without good cause results in removal from the Longshoremen's Register maintained by the Commission. This program provides experienced workers and reduces the number of dual jobholders not dependent upon the waterfront.

During the past nine years, more than 66,000 men have been registered with the Commission as longshoremen. Of this total, about 26,000 are now active and 31,000 have failed to meet requirements for retention. Employment in other industries, deaths and various disqualifications account for attrition of the additional 9,000 men.

The hiring regulations of the Commission were designed to encourage employers to establish regular work forces and to permit them to order anticipated labor before the end of the previous day. As a result, approximately 90 per cent of the work force are notified of employment in advance and report directly to their place of work.

The decasualization program and the hiring regulations have contributed to a rise in income for the longshore workers and, together with negotiated wage rate increases, have resulted in more than doubling longshoremen's earnings in nine years. Their average annual income, excluding fringe benefits, for 1961 was almost \$5,000 as compared with \$2,469 for 1954. This is a conservative figure since it includes many men who, for one reason or another, did not work a full year.

Over 20 per cent of the longshore work force earned more than \$7,500 in the last year. Many have purchased their own homes in suburban communities. Another yard-stick of the improved economic status of longshoremen is found in the fact that two banks have established branch offices in the Port Newark area and actively seek the patronage of longshore workers.

The creation of a regular and efficient work force has also benefited the employer. In 1961, the industry was able to handle

slightly more general cargo than in 1957 with 14.3 percent fewer man-hours. A comparative summary is shown below:

Calendar	General Cargo Tonnage	Total Man-Hours
1957	12,937,100	46,228,000
1958	12,081,120	42,365,000
1959	13,091,700	43,712,000
1960	13,736,545	43,270,000
1961	12,994,110	39,598,000

Based upon the present level of ocean-borne cargo, the Longshoremen's Register, currently maintained at about 26,000 appears to be adequate to meet the job requirements which have averaged about 17,000 men daily, with a peak for the 1961-1962 year of 19,770 on June 15. The surplus takes care of peak demands at particular terminals or absences because of illness or vacations.

Shortages of labor, however, are occurring with increased frequency in particular categories of employment in specific areas of the Port. During the first six months of 1962, there were unfilled requirements for longshoremen on 54 occasions and for checkers on 44. In most instances, employers' inability to fill work requirements resulted not from an inadequate register, but from refusals to accept work assignments. Such refusals of registered waterfront workers occur most often on Thursdays and Fridays when employment is high because of shipping schedules. The Commission will continue to study the causes, and seek remedies for these problems which affect adversely the competitive position of the Port of New York.

Approximately 2,600 new applications for registration are processed each year. Approximately 55 per cent in this group fail to meet the decasualization standards the first time work records are reviewed. Another five percent fail in the next review, with more being disqualified in ensuing years. The implementation of the labor-



Discharging lumber, Port Newark

management seniority plan necessarily makes it more difficult for newcomers to establish themselves in the industry. Often they are obliged to accept the less desirable and more onerous jobs.

The decasualization program has succeeded in maintaining a register that has kept in balance the conflicting demands of industry for a large pool and the demand of labor for a limited labor force. Time or experience under seniority hiring has been insufficient to measure its full effect upon the decasualization program and the size of the register.

The addition of approximately 426 qualified chenangoes to the roster of registered longshore workers as required in the legislation was accomplished April 9, 1962. These are waterfront workers who move waterborne cargo between piers, railroad cars and barges. They came under Commission jurisdiction as a result of findings that they, in fact, were handling the same cargo and were working side-by-side with registered longshoremen, but exempt from

the qualifications established by the Commission.

The Commission has found and determined that public necessity exists for the continued registration of longshoremen, the continued licensing of the occupations as required by the Waterfront Commission Compact and the continued operation of Employment Information Centers as provided in Article XII of the Compact. Continuation of these measures is deemed necessary to maintain the well-being of the vital Port of New York and to achieve the objectives of the Compact.

COMMISSION INVESTIGATIONS

Effects of Amended Section 8:

Investigations since 1953 by the Commission have demonstrated that through circumvention and subterfuge, criminals remained on ILA payrolls or continued to

hold offices in locals not covered by the law. They drew salaries for little or no work and found refuge on payrolls of welfare funds. As a result of recommendations by the Commission, the Legislatures of the States of New York and New Jersey amended the law to plug loopholes.

When these amendments became effective in New York on June 2, 1961 and in New Jersey on April 8, 1962, many persons with criminal records either resigned, or their employment was terminated. Some cases are still pending in the offices of the district attorneys concerned.

Removed from union payrolls have been Joseph (Heels) Murphy, one-time member of the Arsenal Mob, who turned up as an employee of the International Longshoremen's Association's Atlantic Coast District Council; Douglas Rago, secretary-treasurer of ILA Local 1826 (the Chenango Local), whose criminal history includes convictions for attempted robbery, assault and robbery, bookmaking and perjury; James Vanderwyde, organizer for the Chenango Local and an investigator for its welfare fund, and twice sentenced to state prison; also Frank Gagliardi, delegate for the Chenango Local and a welfare fund investigator, whose police record shows a sentence for six years in a federal penitentiary for a theft of goods from inter-state commerce, and convictions for unlawful entry, policy gambling and book-making. Vanderwyde and Gagliardi had earlier been denied registration as longshoremen in the Port of New York because of their criminal records.

The Annual Report of 1960-1961 noted the "resignations" of John Keefe and John (Apples) Applegate from their posts as "clerks" of ILA Local 824. By taking these ex-felons off its payroll, as required under the amended Section 8, and not replacing them, Local 824 has saved more than \$10,000. This money, belonging to the membership, has been invested in U. S. Savings Bonds.

An investigation was conducted by the Commission into the activities of Michael Clemente, the former secretary-treasurer and business agent of ILA Local 856, who

was convicted in 1956 of perjury because he denied having any participation in payments amounting to \$7,500 made by a shipping company to discharge its own newsprint. He was sentenced to two and one-half to five years in state prison. Shortly after his release from Auburn Prison in July, 1961, he returned to the waterfront to make his livelihood.

This time, instead of a union position, Clemente became a salesman for cargo-handling equipment such as fork lift trucks. His former acquaintances on the waterfront bought or leased hi-lo equipment that they did not need at higher than prevailing prices.

One pier supervisor testified that he did this "as a favor for Clemente", even though his business was losing money and the machines were too light for the work to be performed. When the facts of the investigation became known, the equipment manufacturer severed ties with Clemente and cancelled the contracts that would have netted \$77,000 in sales commissions. The employment of the pier superintendent was terminated.

Welfare Funds

The Commission's investigation into expenditures of funds provided, in part, by the shipping industry for the well-being of the Port's longshoremen was carried on in cooperation with the New York State Insurance Department. The investigations of the New York Shipping Association-ILA Welfare Fund during the past fiscal year included the NYSA-ILA Clinic in Brooklyn. Carmine Lombardozzi, a convicted gambler identified as a participant in the notorious Apalachin meeting, was the financier and the real party in interest of an optical company that had the contract with the ILA Clinic in Brooklyn to supply eyeglasses for dockworkers. These glasses were paid for from welfare funds. In four months, Lombardozzi's company made \$9,100 in profits.

As a result of the Commission's investigation, the services of Lombardozzi's company were concluded and the clinic itself then supplied glasses to longshoremen.

The Commission also conducted an investigation of the dental clinic established by the Welfare Fund in Hoboken, New Jersey. This developed from a preliminary audit by the New York State Department of Insurance of the Welfare Fund accounts, which showed discrepancies in the records of the clinic. When the Hoboken dental clinic was originally organized, Dr. Gerald C. Musarra was appointed the director of the clinic at \$50,000 a year, through the intercession of Charles Buoncuore, business agent of ILA Local 2 and one of labor's representatives on the clinic's advisory council.

The investigation developed:

- ▶ A furniture bill of \$937.97 was paid by the Welfare Fund even though no furniture has been delivered; the furniture company in question did not carry the furniture, nor had it placed an order for such furniture;
- ▶ Orders for major dental equipment and supplies totalling \$27,789.45 were written on blanks printed by the clinic's director in the name of a non-existent dealer.
- ▶ Bills from the dental laboratory for dentures allegedly supplied during 15 months ran to \$40,000 prior to the investigation. After the start of the inquiry the monthly bills from the laboratory dropped from \$3,500 to less than \$1,000.
- ▶ Over forty longshoremen testified they received no dental treatment and in some cases still had all their teeth despite the fact the clinic records indicate they received full sets of dentures.
- ▶ All bills paid by the Welfare Fund had been approved by Buoncuore as a member of the advisory council.

The Commission is continuing its investigation to determine whether the payees of checks issued by Dr. Musarra were actually the ultimate recipients, or whether the payees were being used as conduits for the payment of monies to others. The Commission is also endeavoring to determine who actually received the monies paid by the Welfare Fund for dental laboratory work that was never performed.

WATERFRONT SECURITY

Port Watchmen

In 1953 the Report of the State Crime Commission described the port watchman on the docks of New York Harbor as a "tragic figure." These men are charged with responsibility for the protection of billions of dollars of property and cargo, and of passengers and pier personnel, but are unable to do so because of the prevailing conditions and practices.

To improve the effectiveness of this group in their dock jobs, the Waterfront Commission has established not only standards of character and integrity, but also physical qualifications. In addition, attendance at Commission-approved training courses was made mandatory to qualify for a port watchman's license. The standards for employment in this work have been revised several times by the Commission in an effort to provide better qualified men and higher performance.

The present program of training requires 22 hours of instruction in Commission regulations, reporting procedures, vehicle control, protection of evidence, cooperation with law enforcement agencies and fire safety. Attendance at refresher courses is required for renewal of the port watchman's license every three years.

To strengthen further the position of port watchmen, among others, in the discharge of their duties the Waterfront Commission recommended in 1960 legislation to make it illegal to coerce, intimidate or threaten persons registered or licensed by this agency in the execution of their responsibilities. This recommendation was adopted by the Legislatures of both states.

Throughout the Port of New York there is a clear trend for steamship companies to turn over to terminal operators the many services involved in loading and discharging vessels. The rates charged by terminal operators may include such ancillary services as checking and watching, and are on a per-ton basis. To make such a package arrangement attractive it is necessary for the terminal operator to show added effi-

ciency and economy. Based upon the hirings of port watchmen and the port-wide annual payroll for pier security, substantial savings in terminal operations appear to be based upon a reduction in watching services.

In 1961 total earnings reported for 1,816 port watchmen totalled \$7,589,818, as against 3,421 port watchmen earning \$7,707,271 in 1954, despite an increase in wages of about 45 per cent and the inclusion of supervisory personnel for 1960 and subsequent years in the total payroll figure.

About 1,000 port watchmen are employed on an average weekday in the Port of New York. The port watchmen's annual earnings for the past fiscal year averaged \$4,179, an increase of 85 per cent over the \$2,252 average earned in 1953.

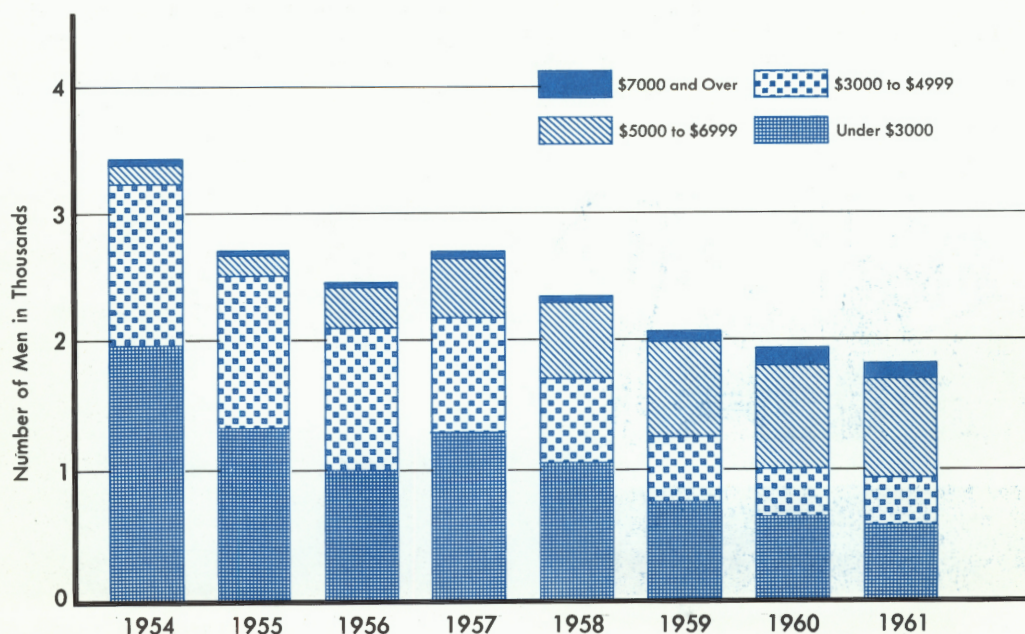
In the seven years between 1954 and 1961 there has been a reduction of 30 per cent in total man hours worked by port watchmen despite an increase in general cargo tonnage of 20 per cent and almost 50 per cent in dollar values for the same period.

It is important to note in the past year alone there was a seven per cent decline in total hours worked by port watchmen — from 3,415,563 in 1960-1961 to 3,174,142 in 1961-1962—despite warnings in previous Annual Reports.

This practice of lowering overhead by reducing numbers of port watchmen is readily evident during routine investigations of pier security. Frequently, port watchmen are assigned only to the main gate of a large terminal with no protection for the river end of the piers, the cribs and other gates. In this way millions of dollars of cargo are left unprotected and readily vulnerable to the many thieves who prosper by stealing along the waterfront.

The Commission has continued its policy of providing investigators upon the request of terminal operators to strengthen security measures for special situations. During the past fiscal year the services of our investigative staff have been requested by shipping companies to tighten protection where ship-

COMPARISON OF EARNINGS OF PORT WATCHMEN



See page 25 for statistical data

ments of special cargo such as whiskey, electronic goods and optical equipment were involved. Requests for such assistance are received weekly, but the limited investigative staff precludes full assumption by the Commission of the direct responsibilities of the terminal operators.

While this agency accepts requests to assist the shipping industry in its requirements for improved protection of these high-value shipments, the industry cannot abandon its responsibilities to its customers and the public by use of the Commission's investigators as substitutes for port watchmen.

Cargo Protection In The Port of New York

It is still pertinent to ask-how can millions of dollars of cargo disappear each year without detection from the piers of the Port of New York? The answer lies in the present procedures and facilities for controlling and handling the huge tonnages of general cargo moving through New York Harbor.

The disregard by stevedoring and shipping companies, and by terminal operators of their responsibilities for the protection of property, cargo, passengers and employees on the piers within the Port of New York continues. Pilferage gangs, uncontrolled access to piers by unqualified persons and undesirable waterfront habits, and indifference to reasonable prop-

erty security are still a source of concern.

Despite the many innovations and improvements in the maritime industry, cargo handling methods of terminal operators in this day of modern ocean queens largely resemble those of the era of the clipper ships.

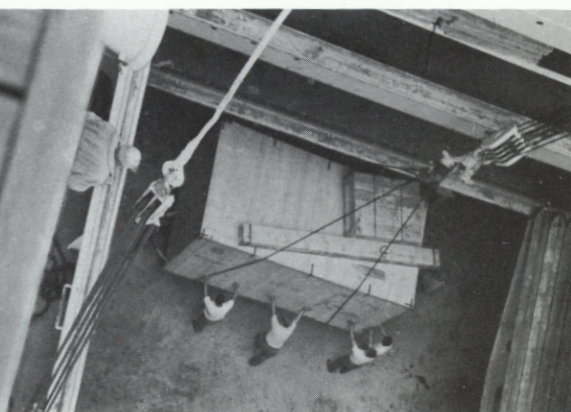
In 1959 at Commission public hearing in connection with the problems of pier thefts and pilferage in the Port of New York, it was brought out that adoption of a tally-off procedure for cargo would be a significant control to deter the great number of larcenies on the docks, since it would provide the information now not available as to location and volume of cargo and establish where thefts occur. The tally-off procedure would account for cargo discharged from the vessel to the dock and should be coupled with more accurate control of the cargo removed from the dock by trucks and lighters. This is essential to effective cargo handling and reduction of pier larcenies.

While a tally-off system is important to all cargo control, it is especially vital to the reducing of thefts among such special and valuable cargo items as electronic and optical goods, liquors, textiles, valuable metals and foodstuffs.

The unimpaired flow of cargo across the docks, so vitally important to the prosperity of the Port of New York, depends to a great measure upon the integrity of the checker and others responsible for the movement of cargo.



Winchman on a transatlantic freighter



Holdmen working general cargo

Export and Import Cargo — Port of New York*

1954	1960	1961
<u>Long Tons</u>	<u>Long Tons</u>	<u>Long Tons</u>
32,022,000	41,215,000	38,733,000
<u>Value</u>	<u>Value</u>	<u>Value</u>
\$6,346,000,000	\$9,658,200,000	\$9,354,500,000

*Source Port of New York Authority.

Adequate and complete records for cargo control would easily establish the true status of goods reported as "short landed", i.e., not unloaded in this port. Frequently, "short-landed" cargo is found by Commission investigators, some hidden away on the pier itself awaiting illegal removal; some far from the waterfront.

Unless cargo is delivered in this country, it is not subject to U. S. Customs duties. Consequently reporting missing cargo as not landed means that customs duties are not payable. However, cargo which actually is landed and stolen from the pier without the payment of duty is not only a violation of federal law, but also deprives the United States government of considerable revenues.

The lack of complete and accurate pilferage data from terminal operators, which is required by Commission regulations, thwarts improvement. Thefts reported to the Division of Investigation quarterly by pier superintendents totalled only \$700,000 for this fiscal year, clearly a small fraction of the actual losses.

Many losses were of such size as to require planning and cooperation by several people. Typical of the thefts in this category reported to the Commission were:

- 1 Compact car — estimated value \$2,500.
- 45 Bales of woolen goods — estimated value \$45,000.
- 13 Bales of rayon twill — estimated value \$3,200.
- 3,476 Bags of unroasted coffee — estimated value \$165,000.
- 305 Ingots of tin — estimated value \$23,000.
- 14 Bales of woolen goods — estimated value \$7,000.
- 31 Cartons of woolen goods — estimated value \$35,000.
- 12 Casks of hog and beef casings — estimated value \$12,000.
- 17 Cases of car parts — estimated value \$7,000.

The existing practice of marine insurance companies to pay claims upon cargo losses



Gang roster check, Port Newark

Hiring agent, Brooklyn



Pilferage squad investigator checking pallets at a Brooklyn pier

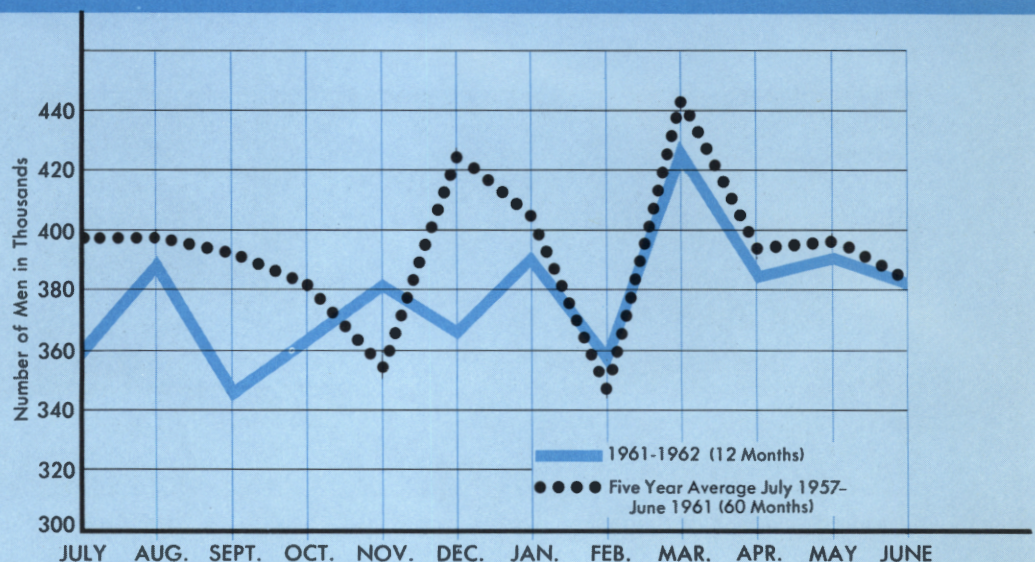
with practically no investigation encourages the prevalent soft attitude toward pilferage and thefts on the waterfront. Settlements by the insurance carriers are ultimately reflected in increased premiums, as importers pay "judgment rates" for ocean cargo. These are not filed rates, but are negotiated by each importer individually, and fluctuate depending upon the individual's loss experience. Accordingly, marine insurance companies compensate for high loss ratios by adjustments based on the loss experience of each insured and have no real stake in reducing cargo losses.

LITIGATION

During 1961-1962, the Commission continued to be actively engaged in litigation in the state and federal courts, including the Supreme Court of the United States.

Litigation handled by the Division of Law included questions of the constitutionality of recent amendments to the Waterfront Commission Act; the Commission's power to conduct certain investigations; contempt proceedings against witnesses for failure to appear and testify; reviews of Commission orders in application and revocation proceedings, and the defense of suits for money damages brought against the Commission. During the course of the year the litigation

MONTHLY HEAD COUNT



section made ninety-one court appearances and filed thirty briefs and memoranda of law.

Within the same month that amendments to Section 8 of the Waterfront Commission Act were enacted in New York, the ILA brought suit attacking the constitutionality of the legislation and seeking an immediate injunction restraining the Waterfront Commission and the District Attorney of New York County from enforcing Section 8. The New York Supreme Court denied the request for preliminary injunction and sustained the constitutionality of the amendments. The Appellate Division, 1st Department, affirmed the decision. *Bradley v. Waterfront Commission*, 30 Misc. 2d 516 (motion for preliminary injunction denied), 30 Misc. 2d 518 (S. Ct. N. Y. Co. 1961), *aff'd* 16 A.D. 2d 908 (1st Dept. 1962).*

A novel and important question of law in a case against the Commission is at present awaiting decision in the Supreme Court of the United States. The case involves a Commission investigator who was

present during the interrogation of a hiring agent by U. S. Customs officials. Upon a finding of illegal detention and illegal search and seizure by federal officers, the federal district court enjoined the Commission investigator from testifying or producing any evidence either in a state court or at the Waterfront Commission proceeding to revoke the hiring agent's license. *Bolger v. Cleary*, 189 F. Supp. 237 (S. D. N.Y. 1960). The Court of Appeals affirmed this ruling by a two-to-one decision, and denied a Commission motion for rehearing before the entire court by a vote of three-three. (293 F. 2d 368 (2nd Cir. 1961)).

Since this action represented the first case in which a federal court had enjoined a state officer from testifying in a state criminal proceeding, the Commission petitioned the Supreme Court of the United States for a writ of certiorari, which was granted. (368 U. S. 984). The New York State District Attorney's Association appeared as *amicus curiae* and argued in favor of the Commission's position.**

*The New York Court of Appeals affirmed in a decision holding the amendments to be entirely constitutional. N. Y. L. J., March 3, 1963, p. 16, col. 1.

**The Supreme Court of the United States, by a 6-3 vote, reversed the Court of Appeals (31 Law Week, p. 4102, January 14, 1963) and held that it was an improvident exercise of federal equitable power to enjoin the Commission's investigator from testifying or producing any evidence against Bolger in the state proceedings against Bolger. Rather, the Supreme Court ruled that the violations of Bolger's federal rights, if any, should first be asserted and ruled upon in the state proceedings.

Luxury line pier, North River



ADMINISTRATION

The Governors of New York and New Jersey approved an operating budget of ~~\$2,206,527~~ ^{\$2,172,080} for the fiscal year 1962-1963. This assessment represents ~~1.45~~ ^{1.35} per cent of the annual longshore payrolls of the maritime industry in New York Harbor. In addition to providing for a new employment facility, this sum permits the Commission to initiate improved procedures for daily hiring. Constant review of costs has enabled the Commission to effect economies while maintaining the quality of service rendered.

The Commission has been able to reduce the number of personnel to 224. At the same time it has been possible to meet the shipping industry's requirements for use of the Employment Information Centers after regular working hours and on weekends and holidays. It should be pointed out that 69 per cent of the Commission's annual outlay is for the hiring and licensing functions required by the Waterfront Commission Compact.

Utilization of modern processing equipment for various Commission activities and the acquisition of information concerning employment of dock labor are under consideration after extended studies of the particular problems in consultation with industry and government agencies.

Arrangements have been made for some Waterfront Commission investigators to attend the United States Treasury Department Law Enforcement Officers Training School to acquire broadened knowledge in the theory and techniques in various areas of law enforcement. The benefits of such a program are most apparent.

The resignation on July 11, 1961, of James O'Malley, Jr., Commissioner for New York, to return to the private practice of law, was noted with regret by the Waterfront Com-

mission. Harold R. Tyler, Jr., was appointed his successor the same day by Governor Rockefeller.

The resignation of Percy A. Miller, Jr., Director of Employment Information Centers and Licensing since the creation of the Commission in 1953, was accepted with regret.

The Commission continues its program of probation for longshore workers who, after violating the prescribed standards of waterfront conduct, have been afforded an opportunity to continue working on the piers while under supervisory control of a responsible member of the community. ~~As of~~ ^{IN June 30, 1962,} 101 registrants of licensees are assigned to churchmen, leaders of veterans groups, settlement house executives and to the Commission under probation standards set by the Commissioners.

~~During the year~~ Members of the Commission staff participated in seminars concerned with pilferage, and cooperated with law enforcement agencies in various mutual problems. An extensive program ~~was~~ ^{has been} entered into in cooperation with reserve units of the U. S. Coast Guard concerning security problems of the Port of New York in the event of national emergency.

During the 1961-1962 year Commission determinations included proceedings against three licensed stevedoring corporations. Two companies were found in violation of hiring regulations; the third corporation was found guilty of income tax evasion in a federal court.

The Commission records with sorrow the passing of John J. McMahon, investigator; Thomas Dawson, formerly a consultant to the Commission; James F. Hayes, senior clerk; Thomas E. Condon, assistant center manager; Henry Pahle, validating clerk, and Bartholomew P. McKenna, assistant center manager.

Respectfully submitted,

DAVID C. THOMPSON
Commissioner for New Jersey

HAROLD R. TYLER, JR.
Commissioner for New York



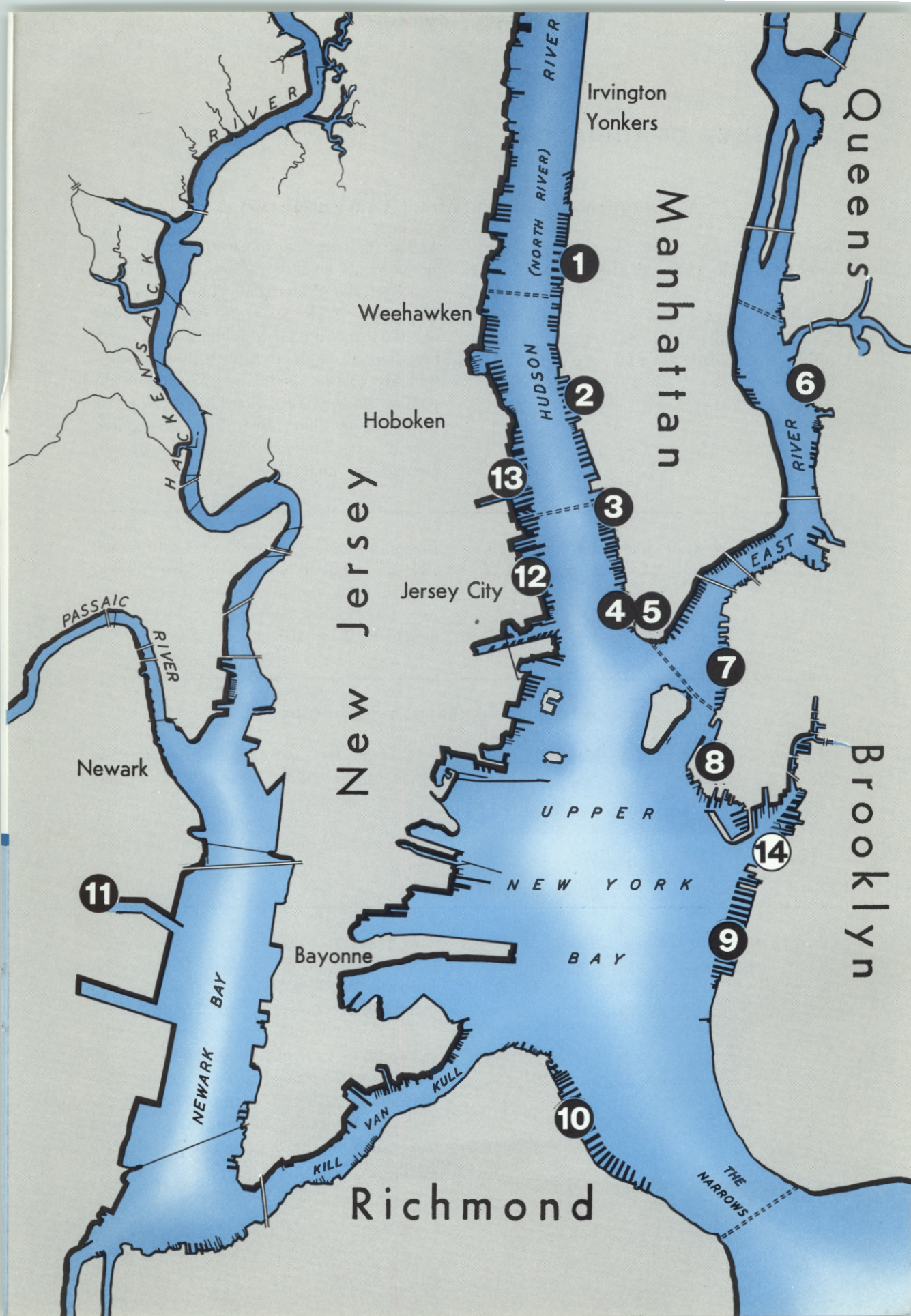
WATERFRONT COMMISSION **EMPLOYMENT INFORMATION CENTERS**

Showing Comparison of Hirings for the Years 1957-1958/1961-1962

Center and Location	Piers and Areas Covered	Hirings		% Change	% Share of Port Employment	
		1957-58	1961-62		1957-58	1961-62
① 659 11th Avenue Manhattan	Piers 80-99 North River Yonkers and Irvington	434,890	398,624	— 8.3	9.0	8.8
② 455 West 16th Street Manhattan	Piers 53-78 North River	575,293	521,270	— 9.4	11.9	11.5
③ 34 Renwick Street Manhattan	Piers 18-52 North River	313,175	166,096	—47.0	6.5	3.7
④ 15 Moore Street Manhattan	Piers 1-17 North River	232,240	176,318	—24.1	4.8	3.9
⑤ 15 Moore Street Manhattan	Piers 4-68 East River	197,742	146,191	—26.1	4.1	3.2
TOTAL—MANHATTAN		1,753,340	1,408,499	—19.7	36.3	31.1
⑥ 32 Java Street Brooklyn	Long Island City, Greenpoint, Williamsburg and Navy Yard areas	172,735	71,675	—58.5	3.6	1.6
⑦ 385 Hicks Street Brooklyn	Brooklyn Port Authority piers	350,653	436,524	+24.5	7.2	9.6
⑧ *120 Richards Street Brooklyn	Atlantic and Erie Basins, Breakwater and Gowanus areas	660,350	774,217	+17.2	13.7	17.0
⑨ *5504 Third Avenue Brooklyn	27th Street Pier, Green and Bush Docks and Army Base areas	871,318	822,138	— 5.6	18.0	18.1
TOTAL—BROOKLYN		2,055,056	2,104,554	+ 2.4	42.5	46.3
⑩ 22 Wave Street Stapleton	Staten Island	134,591	87,902	—34.7	2.8	1.9
TOTAL—STATEN ISLAND		134,591	87,902	—34.7	2.8	1.9
⑪ 117 Tyler Street Port Newark	Port Newark and Elizabeth Port Authority piers	260,923	393,004	+50.6	5.4	8.6
⑫ Harborside Building 34 Exchange Place Jersey City	Jersey City and Bayonne areas	206,314	168,070	—18.5	4.3	3.7
⑬ 60 Hudson Street Hoboken	Hoboken, Weehawken and Edgewater areas	419,455	382,339	— 8.8	8.7	8.4
TOTAL—NEW JERSEY		886,692	943,413	+ 6.4	18.4	20.7
PORTWIDE TOTALS		4,829,679	4,544,368	— 5.9	100.0	100.0

- ⑭ *37th and Marginal Streets, Brooklyn. 20th Street Pier, Green Dock area and 39th Street Pier will cover areas previously assigned to Centers No. 8 and 9

Opened in November, 1962



RESUME OF LITIGATION

Constitutionality of Waterfront Commission Act

Bradley et al. v. Waterfront Commission and Hogan, 30 Misc. 2d 516 (S. Ct. N. Y. Co. 1961), 30 Misc. 2d 518 (S. Ct. N. Y. Co. 1961), appeal dism'd, N. Y. L. J., April 2, 1962, p. 13, col. 2 (Ct. App.), S. Ct. aff'd 16 A. D. 2d 908 (1st Dep't 1962).

Action to declare unconstitutional 1961 amendments enacted in New York to Section 8 of the Waterfront Commission Act. The New York Supreme Court denied plaintiffs' motion for a preliminary injunction, and subsequently upheld the constitutionality of the amendments. A direct appeal to the New York Court of Appeals was dismissed by that court. In a subsequent appeal to the Appellate Division the amendments were unanimously upheld.

Gagliardi et al. v. Waterfront Commission, N. Y. L. J., August 24, 1961, p. 4, col. 7 (S. Ct. N. Y. Co.).

In an action to declare unconstitutional 1961 amendments enacted in New York to Section 8 of the Waterfront Commission Act, a motion for temporary injunction was denied by New York Supreme Court.

Enforcement of Commission Subpoenas

Waterfront Commission v. Marchitto, 368 U. S. 954 (1962).

A petition for certiorari to the Supreme Court of the United States by a witness held in contempt by New York Supreme Court for refusal to testify at Commission public hearing despite a grant of immunity was denied.

Waterfront Commission v. Moody, *Waterfront Commission v. Murphy*, Superior Court of N. J., Law Div., Hud. Co., Docket No. L-4257-61, L-4258-61, 1961 (Unreported).

The Superior Court of New Jersey held two ILA officials in criminal (30 days confinement and \$50 fine) and civil (confinement until compliance) contempt for refusing to testify despite a grant of immunity pursuant to Commission subpoenas issued in an investigation of a work stoppage reportedly designed to obstruct a port watchman in performing his duties. An appeal is pending in the Supreme Court of New Jersey.

Bowers v. Waterfront Commission, N. Y. L. J., December 18, 1961, p. 10, col. 4 (S. Ct. N. Y. Co.).

The Supreme Court of New York denied motion by secretary-treasurer of ILA local to quash a Commission subpoena calling for books and records of the local in investigation of evasion of Waterfront Commission Act by criminal elements, and required the production of the books and records.

Buoncuore v. Waterfront Commission, Superior Court of N. J., Law Div., Hud. Co., Docket No. L-6734-61, 1962 (Unreported).

The Superior Court of New Jersey denied motion by officer of ILA who served as member of advisory board of a New Jersey dental clinic of NYSA-ILA Welfare Fund, to quash subpoena in investigation of irregularities or misuse of clinic funds. An appeal is presently pending in Appellate Division of Superior Court.

Waterfront Commission v. Hennessy, N. Y. L. J., August 24, 1961, p. 4, col. 7 (S. Ct. N. Y. Co.).

The New York Supreme Court directed bookkeeper for ILA subpoenaed by Commission in investigation of possible violation of Waterfront Commission Act to appear before Commission and be sworn or be held in contempt.

Review of Commission Determinations

Continental Terminal Operating Corp. v. Thompson, et al., 16 A. D. 2d 952 (2d Dept. 1962).

The Appellate Division of New York Supreme Court unanimously affirmed Commission's determination denying stevedore license to corporation because the Commission found its sole stockholder did not possess good character and integrity.

Masterson v. Waterfront Commission, N. Y. L. J., March 15, 1962, p. 13, col. 3 (S. Ct. N. Y. Co.).

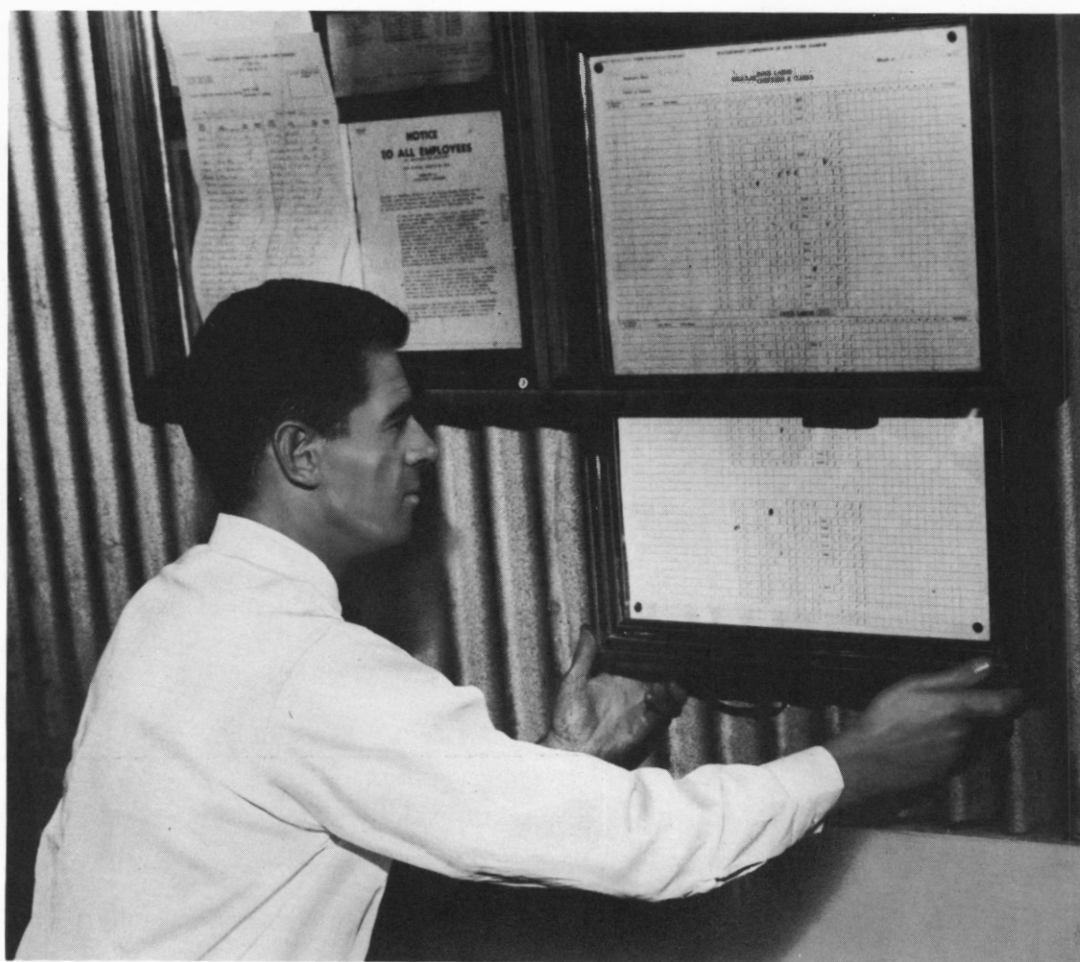
The New York Supreme Court affirmed Commission determination revoking registration, with leave to reapply after 3 months, of baggage porter for intimidating a ship's passenger to obtain a gratuity.

Murphy v. Waterfront Commission, (Sup. Ct., App. Div. 1961) Docket No. A-710-60, (Unreported).

The Appellate Division of the Superior Court of New Jersey affirmed Commission's determination which denied a petition for leave to reapply for longshoreman's registration.

Ochs v. Waterfront Commission, N. Y. L. J., March 5, 1962, p. 14, col. 7 (S. Ct. N. Y. Co.).

The New York Supreme Court granted Commission motion to dismiss as untimely a proceeding to review a Commission determination denying longshoremen's registration.



Posting the Gang Roster

Miscellaneous

Bolger v. United States and Cleary, 368 U. S. 984 (1962).

A petition by the Commission to the United States Court for a writ of certiorari was granted where Federal District Court enjoined a Commission investigator from testifying at a state criminal trial and Commission administrative hearing as to observations he made during questioning by federal customs agents on the ground that a search and seizure and detention of respondent by the customs agents was illegal.

McNamara v. Waterfront, Superior Court of N. J., Chancery Div., Hud. Co., Docket No. C-358-61, 1961 (Unreported); aff'd Superior Court of N. J., App. Div., Docket No. AM-41-61, 1961 (Unreported).

The Appellate Division sustained the dismissal by Chancery Division of an action to enjoin the Commission from conducting a hearing on an application for license as a hiring agent.

Connolly (Local 824) v. O'Malley et al., N. Y. L. J., July 6, 1961, p. 5, col. 8 (S. Ct. N. Y. Co.) (dismissal of causes of action for money judgments); N. Y. L. J., Feb. 9, 1962, p. 12, col. 8 (S. Ct. N. Y. Co.) (order for examination before trial), reversed 229 N. Y. S. 2d 845 (App. Div. 1st Dep't. 1962); N. Y. L. J., May 2, 1962, p. 14, col. 2 (App. Div. 1st Dep't) (examination before trial automatically stayed); 32 Misc. 2d 282 (S. Ct. N. Y. Co.) (summary judgment denied).

Action for injunctive, declaratory and monetary relief by ILA Local against Commission, its members and officers and others. The Supreme Court dismissed actions for monetary relief against the Commission and its officers. A subsequent order of Supreme Court granting examination before trial of the Commission and its officers and discovery was unanimously reversed by Appellate Division. Appellate Division also held that order of Supreme Court requiring pre-trial examination was automatically stayed pending the appeal. Commission appeal to Appellate Division from denial of motion for summary judgment is now pending.

DIVISION OF LAW

Fiscal Year 1961-1962

Applications Requiring Legal Review	1,367
Petitions Processed	141
Investigations Conducted	757
Hearings:	
Formal	237
Summary	107

DIVISION OF INVESTIGATION

Fiscal Year 1961-1962

Investigations	4,203
Active Waterfront Commission registrants arrested	320
Arrests by Commission Investigators	
a. For pilferage	37
b. For gambling	16
c. For other offenses	26

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
14th "	Oct. 26, 1961	1,536	25,754
15th "	May 10, 1962	1,498	25,758

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

APPLICATIONS RECEIVED AND PROCESSED DURING FISCAL YEARS INDICATED

	1953-54*	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
Longshoremen	36,272	5,196	3,681	7,296 ^a	5,940	3,491	3,983	2,926	2,142
Checkers	—	—	—	4,077 ^a	618	320	398	265	134
Port Watchmen ^b	2,890	458	265	2,893	573	350	2,415	335	168
Pier Superintendents..	457	88	87	69	81	59	88	73	84
Hiring Agents	787	147	103	129	102	77	127	107	119
Stevedore Companies ^c	77	7	54	4	45	4	45	—	36
TOTALS	40,483	5,896	4,190	14,468	7,359	4,301	7,056	3,706	2,683

*Initial year of Commission operations.

^aCraftsmen required to register as longshoremen, and checkers registered separately under Waterfront Commission regulations effective May 27, 1957.

^bPort Watchmen are required to renew licenses every third year.

^cStevedores are required to renew licenses every second year.

REGISTRATIONS AND LICENSES

in effect June 30, 1962

	1954	1955	1956	1957	1958	1959	1960	1961	1962
Longshoremen }	35,117	31,639	27,050	27,537 ^a	27,948	24,967	24,182	22,661	22,079
Checkers }				4,062	4,381	4,173	4,268	4,140	4,095
Hiring Agents	612	592	597	618	645	630	622	589	607
Pier Superintendents..	355	365	379	380	407	408	411	392	403
Port Watchmen	2,796	3,009	3,010	2,319	2,414	2,218	2,021 ^b	2,047	1,961
Stevedores	54	52	48	45	46	45	39	36	33
TOTALS	38,934	35,657	31,084	34,961	35,841	32,441	31,543	29,865	29,178

^aCraftsmen required to register as longshoremen, and checkers registered separately under Waterfront Commission regulations effective May 27, 1957.

^bIncludes supervisory personnel required to be licensed under Waterfront Commission regulations effective January 1, 1960.

COMMISSION DETERMINATIONS

Year ended June 30, 1962

	Applications		Revocations					TOTALS
	Denied	Granted	Revoked	Revoked with Leave to Reapply	Sus-pended	Repri-manded	Sus-pended Pending Hearing	
Longshoremen	72	11	25	26	16	2	14	166
Checkers	8	1	2	9	0	0	0	20
Hiring Agents	0	0	0	0	2	0	0	2
Pier Superintendents	0	0	0	0	0	0	0	0
Port Watchmen	1	0	6	1	—	0	6	14
Stevedores	—	—	—	—	3*	—	—	3
TOTALS	81	12	33	36	21	2	20	205

Summary Proceedings 107

*See page 14.

PETITIONS

1961-1962

	Grant	Deny	TOTALS
To Remove Ineligibility by Reason of Criminal Conviction	14	0	14
For Petition Leave to Reapply	21	33	54
For Waiver of Physical Fitness Standards (Port Watchmen)	0	0	0
For Rehearing	0	0	0
To Withdraw	20	0	20
TOTALS	55	33	88

COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS

	1954	1960	1961
\$7,000 and over	406	5,797	5,765
\$6,000 to \$7,000	802	4,943	4,656
\$5,000 to \$6,000	2,589	5,480	4,920
\$4,000 to \$5,000	6,330	3,933	3,628
\$3,000 to \$4,000	7,013	2,489	2,467
Under \$3,000	24,193	7,125	6,563
TOTAL REPORTED	41,333	29,767	27,999
Total Earnings	\$102,061,108	\$144,855,716	\$138,727,144
Total Hours Worked	37,813,991	43,270,227	40,782,901
% Earned in Overtime	24.3	23.6	22.7
Average Annual Wage*	\$2,469	\$4,866	\$4,955

Note: 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.

Source: New York Shipping Association for fiscal year ending September 30, 1961.

COMPARISON OF EARNINGS OF PORT WATCHMEN

	1954	1960 ^a	1961 ^a
\$7,000 and over	5	118	112
\$6,000 to \$7,000	21	380	369
\$5,000 to \$6,000	137	435	380
\$4,000 to \$5,000	735	227	214
\$3,000 to \$4,000	546	132	146
Under \$3,000	1,977	653	595
TOTAL REPORTED	3,421	1,945	1,816
Total Earnings	\$7,707,271	\$8,035,299	\$7,589,818
Total Hours Worked	4,400,903	3,415,563	3,174,142
Average Annual Wage*	\$2,252	\$4,131	\$4,179

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

*Does not include fringe benefits.

The increase in the average annual wage per man in the year 1961 is 85.6% over the year 1954. The increase in wage rates was from \$11.18 per day in 1954 to \$16.24 per day in 1961 (\$16.48 effective 10/1/61), approximately 45%.

Source: New York Shipping Association for fiscal year ending September 30, 1961.

FINANCIAL REPORT

Waterfront Commission of New York Harbor Statement of Cash Receipts and Disbursements for the Year Ended June 30, 1962

Cash balance, June 30, 1961		\$ 141,294.77
Receipts:		
Assessments on employers of persons registered or licensed by the Commission	\$1,874,316.75	
Court fines and penalties	8,250.00	
Interest received on United States Treasury bills	1,902.42	
Interest received on badge deposit savings account	325.25	
		<u>1,884,794.42</u>
		2,026,089.19
Disbursements:		
Salaries	1,432,575.56	
Rentals	201,157.50	
Retirement, group insurance and social security taxes	62,172.73*	
Carfares, auto expense, travel	44,477.47	
Telephone, telegraph and postage	41,229.10	
Special services and expense	40,096.87	
General office expenses	23,511.37	
Printing	22,777.65	
Repairs and maintenance	18,296.48	
Hearing officers, auditing and consultant fees	15,412.46	
Light, heat and power	14,912.78	
Miscellaneous overtime expenses	14,637.32	
Insurance	12,173.54	
Furniture, fixtures and equipment	2,096.55	
Seniority plan costs	1,470.00	
Badge deposits returned (net)	377.00	
		<u>1,947,374.38</u>
Excess of receipts over disbursements to June 30, 1962 represented by balances as below ..		<u>\$ 78,714.81*</u>
Cash (net of \$41,855.81 taxes and other deductions withheld from employees) ..	\$ 19,283.31	
United States Treasury bills, at cost	49,656.50	
Special badge deposit account	9,775.00	
	<u>\$ 78,714.81</u>	

*Payroll taxes of approximately \$10,000 applicable to the period prior to June 30, 1962 had not been paid as of that date.

PRICE WATERHOUSE & CO.

56 PINE STREET

NEW YORK 5

July 17, 1962

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, 1962 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, comprising principally payroll taxes, totaling approximately \$10,000 at June 30, 1962.

Price Waterhouse Co.

THE WATERFRONT COMMISSION
OF NEW YORK HARBOR — 1961-1962

DAVID C. THOMPSON
Commissioner for New Jersey

HAROLD R. TYLER, 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

ANTHONY ANGELICO
Comptroller

SAMUEL P. LISMAN
Chief Accountant

*Resigned August 6, 1962. Joseph Kaitz took office August 6, 1962, as Commissioner for New York.

**Resigned July 6, 1962.

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

Credits: *Daily News*, (Cover)
Port of New York Authority
Ernest P. Session
Alfred B. Centner
Philip A. Litchfield



WATERFRONT COMMISSION OF NEW YORK HARBOR