

# Waterfront Commission of New York Harbor

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Annual Report

for the year ended June 30, 1960

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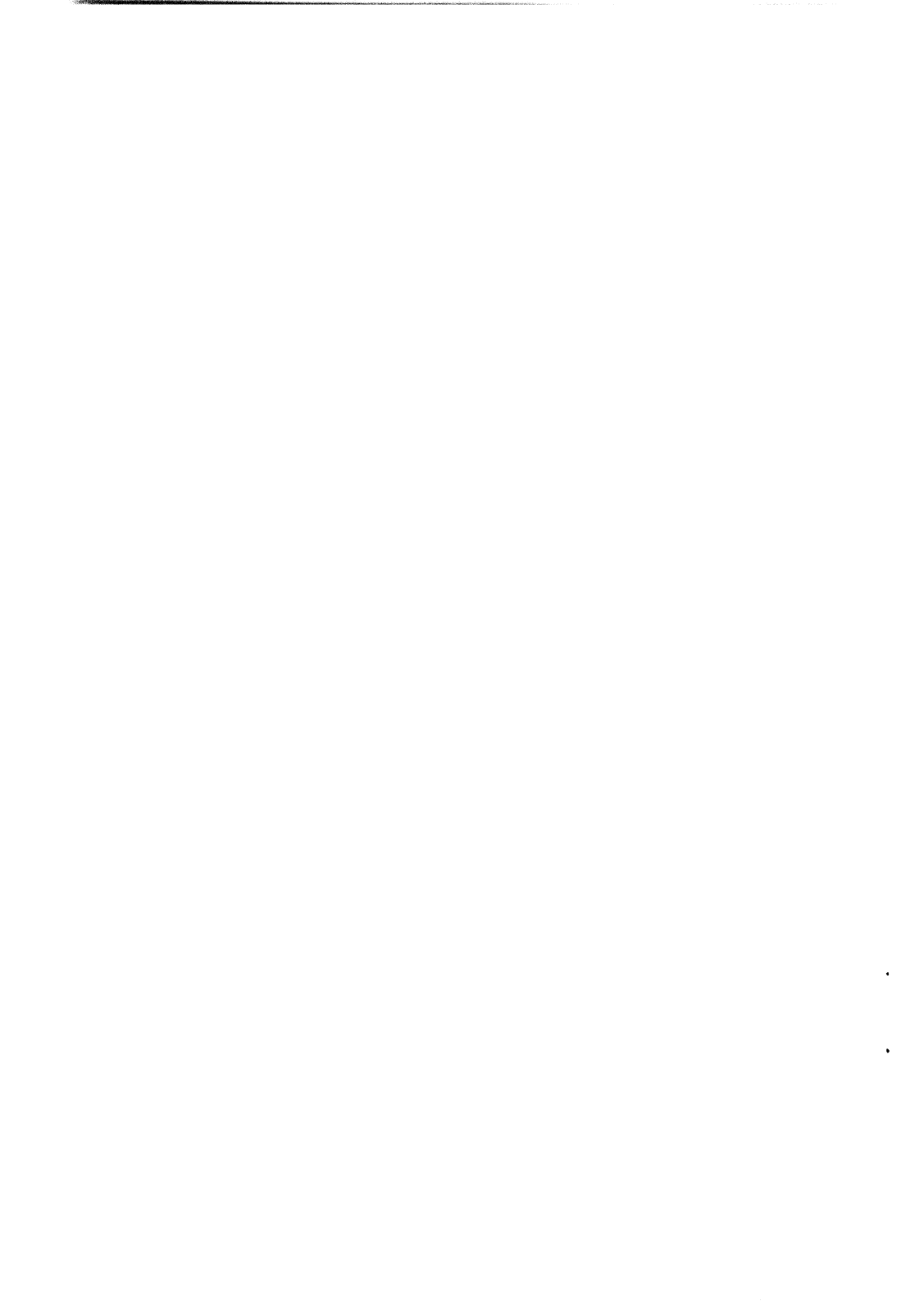


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Waterfront Commission  
of  
New York Harbor



1959-1960



# *Annual Report*

## The Waterfront Commission of New York Harbor

FOR THE YEAR ENDED JUNE 30, 1960

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

To the HONORABLE ROBERT B. MEYNER, *Governor*,  
and the Legislature of the State of New Jersey:

The role of the Waterfront Commission in the Port of New York is, after six and one-half years, well established and recognized. The hiring procedures instituted by the Commission, the evolution of a stable, highly mobile force of skilled labor, and the substantial reduction in criminal abuses and influence, have all contributed materially to the economic climate that exists today in this Port.

New among the chief concerns of the Commission during the past year has been the proper implementation in the Commission's Employment Information Centers of the seniority agreement adopted by the New York Shipping Association and the International Longshoremen's Association to cover the hiring of longshore labor.

While the basic operations of the thirteen Employment Information Centers have long since become standardized, recent applications of seniority principles by labor and industry to the hiring of waterfront labor have required many changes. The seniority program has been made effective experimentally in one Center after another, and has required major adjustments in procedures, personnel and physical facilities. Further adjustments have been neces-

sary as the labor-management agreement was modified or amended.

The ramifications of seniority may affect the availability of an adequate labor force in the Port and must be considered for compatibility with the Waterfront Commission Compact. In varying its hiring procedures to accommodate seniority, this Commission, as a matter of policy, has constantly sought and received the assistance and cooperation of both parties. However, any evaluation of this program at this time would be premature. A summary description of the N. Y. S. A.—I. L. A. seniority hiring system and its effect on Commission operations appears at the end of this report in a separate section.

The Commission's licensing and registration activities with respect to stevedoring contractors, pier superintendents, hiring agents, checkers, longshoremen and port watchmen still constitute a large part of its workload, since the volume of applications has maintained a relatively constant level in recent years. Each of the applications processed annually is carefully reviewed and no applicant is denied a license or registration without opportunity to be heard and represented by counsel.

Another major responsibility of the Commission concerns investigations and law enforcement. The discovery and apprehension of violators of the Compact and the criminal statutes, and effective deterrence of crime along more than 600 miles of shoreline in both States, require an adequate staff of experienced, specially trained investigators. Although the deterrent effect cannot be demonstrated statistically, there has been a diminution of criminality in connection with waterfront activities.

One effect of the Commission's action can be seen in a decided improvement in the handling of baggage at the passenger piers. There, for many years porters, and transfer agents in connivance with them, have "shaken down" passengers, demanding tips that amounted to ransom. The

Commission, to combat the adverse effect of this situation on passenger traffic in the Port, has increased and will maintain its efforts to eliminate the abuse.

In all waterfront offenses the Commission has sought to make the penalty swift and certain. Increased risk of apprehension and certainty of economic penalty by suspension or exclusion from waterfront employment have substantially reduced the former invidious conditions which gravely imperiled the Port's economy before the Commission was established.

It would be naive to assume that this important progress can be retained or advanced if present efforts should be relaxed. The Commission will continue to wage the struggle against underworld control of the piers and racketeering in the lucrative fields afforded on the waterfront for loan-sharking, gambling, and pilfering.

During the past year, the Commission has conducted investigations into port security and into the resurgence of racketeers and criminals in waterfront affairs. Both investigations culminated in public hearings.

The facts produced at the public hearing in the Fall of 1959 on port security resulted in the adoption of new regulations. These regulations raised the qualifications, improved methods of training and hiring of port watchmen and instituted a system of reporting cargo thefts to the Commission to provide more reliable statistical guidance and to give prompt alert for law enforcement purposes. The effectiveness of these regulations depends to a significant degree upon the cooperation and full support of the shipping industry and cannot be assessed without adequate operational experience.

The public hearing on the resurgence of criminal influences in the Port was held in the latter part of June, 1960. The evidence there adduced will be the subject of a separate report to the Governors and Legislatures of New York and New Jersey, together with any recommendations for additional legislation that may be deemed necessary.

In the course of its investigations during the past year, the Commission has been subjected to more obstructive litigation than at any time in the past. Many cases concerned legal issues already resolved by the highest appellate courts and were apparently designed to impede or prevent public scrutiny of current conditions. In every case the Commission was successful.

Historically, the great ports of the world have provided lucrative opportunities for racketeers who prey on commerce and labor. The States of New York and New Jersey have recognized this evil and are pioneers in the effort to free a waterfront economy from the debilitating domination of criminals. These long and deep-rooted conditions are not susceptible to quick and easy eradication but substantial progress has been achieved at costs far less than the incalculable tribute formerly drained from the Port's economy.

The Commission would like to report that its efforts to eliminate conditions on the New York waterfront that nurtured and encouraged pilferage and other criminal activities have received full and enthusiastic support from the entire industry or the leadership of the union. It is not able to do so. Although improvements have been made in some areas where both union and management have assumed their appropriate responsibilities, the ultimate goal is still remote. More initiative and more positive action by both towards accomplishing the legislative objective would be in the public interest.

The Commission has reviewed the present longshore industry in this Port, its importance to the national economy, and the progress made in recent years. The Commission finds and determines that public necessity still exists for the continued registration of longshoremen, the continued licensing of the occupations required to be licensed under the Compact, and the continued public operation of Employment Information Centers provided for in Article XII of the Compact.

## PORT SECURITY

Persons employed to guard waterborne cargo in the Port are required to be licensed by the Waterfront Commission as Port Watchmen. In 1953, the Commission, to improve efficiency in the watching service, established physical and mental standards and removed men with serious criminal backgrounds. The Commission revised its standards for physical and mental fitness in 1956, and required physical examinations for all applicants for port watchmen's licenses.

Although these regulations improved the haphazard system formerly in effect in 1953, the security system was still insufficient for effective protection of cargo. In four successive Annual Reports, the Commission pointed out the inadequacies of the security service and urged that the industry improve its protection of cargo. While some members of the industry made an earnest effort to do so, improvement was localized and the overall security was still not adequate.

In view of the public interest involved, the Commission directed the staff to conduct a survey of the port security system. In November, 1959, the Commission conducted public hearings for four days to determine the necessity for additional regulations.

The staff survey was wide in scope and covered physical facilities of the Port, selection of watching personnel, watching operations, and cargo losses. In gathering loss statistics, inquiry was made of 153 steamship companies operating in this Port to obtain their records of cargo losses. The companies were requested to furnish their losses for four specific categories: 1) shortage or short-landed; 2) theft or pilferage; 3) damage; and 4) slackage. The information was gathered from voyage records of individual vessels, and separated according to inbound and outbound voyages. Replies were received from 105 of the 153 companies surveyed. Of these, only 35 had specific information on theft losses. Further efforts to obtain more comprehensive information from other sources were unavailing.

The total of losses reported to the Commission did not represent the actual amount of cargo stolen from the companies reporting. The largest category of losses reported was shortage or short-landed. The companies maintained that such goods never landed in the Port of New York, but were either not loaded at the port of origin or were discharged in error or stolen at a port en route. However, cargo listed as short-landed has been recovered in the Port from thieves and receivers of stolen property. The amount of stolen cargo classified as short-landed cannot be estimated.

The Commission, in the investigation of thefts, has been forced to rely on incomplete and inaccurate information. In one case, for example, Commission investigators recovered three cases of leather valued at \$10,500 which had been stolen from a shipment landed at Hoboken. Although the consignee had filed a claim for the undelivered goods, no report of theft or loss had ever been made by the carrier. The theft came to light when the consignee reported that a fence had attempted to sell him his own goods.

Incomplete reports are of little use in meeting or weighing the specific problem of theft. In the investigation and evaluation of theft or misappropriation of property, accurate information is essential. Assumptions, generalities, or probabilities are almost valueless, and of slight use in determining the extent of the problem or in determining methods for improvement. The complete lack of specific information on losses and thefts by shippers, carriers, insurance companies, stevedores, and others having an interest in the cargo is difficult to understand.

After evaluating the evidence presented at the public hearing by the staff, and the views of representatives of both labor and management, the Commission adopted new regulations effective January 1, 1960, governing the qualifications, training and hiring of port watchmen, and instituted a system of reporting cargo thefts from the piers. For the first time, security officers and supervisors of port

watchmen were also required to be licensed. In addition, physical and mental standards were further revised. Port watchmen are now required to take a refresher training course and to note in memorandum books thefts of cargo and any unusual incidents occurring during their hours of duty. Port watchmen on duty must carry their licenses, wear Commission badges and a distinctive cap for identification.

Considered of first importance by the Commission in the detection and investigation of cargo pilferage, port watchmen are required to report immediately to their supervisor any thefts of cargo. In turn, supervisors and security officers are required to report such incidents forthwith to the Commission. Prompt reporting of losses is essential for investigation and recovery of missing cargo and to aid in the apprehension of pilferers by the Commission and other law enforcement agencies.

Furthermore, the new regulations require pier superintendents to report to the Commission, at the end of each calendar quarter, all thefts and losses of waterborne freight determined missing under suspicious circumstances. Such statistical information is essential in determining progress in making port security more effective and in showing those areas or piers, or types of cargo, which require greater security. Only in this way can permanent improvement be expected.

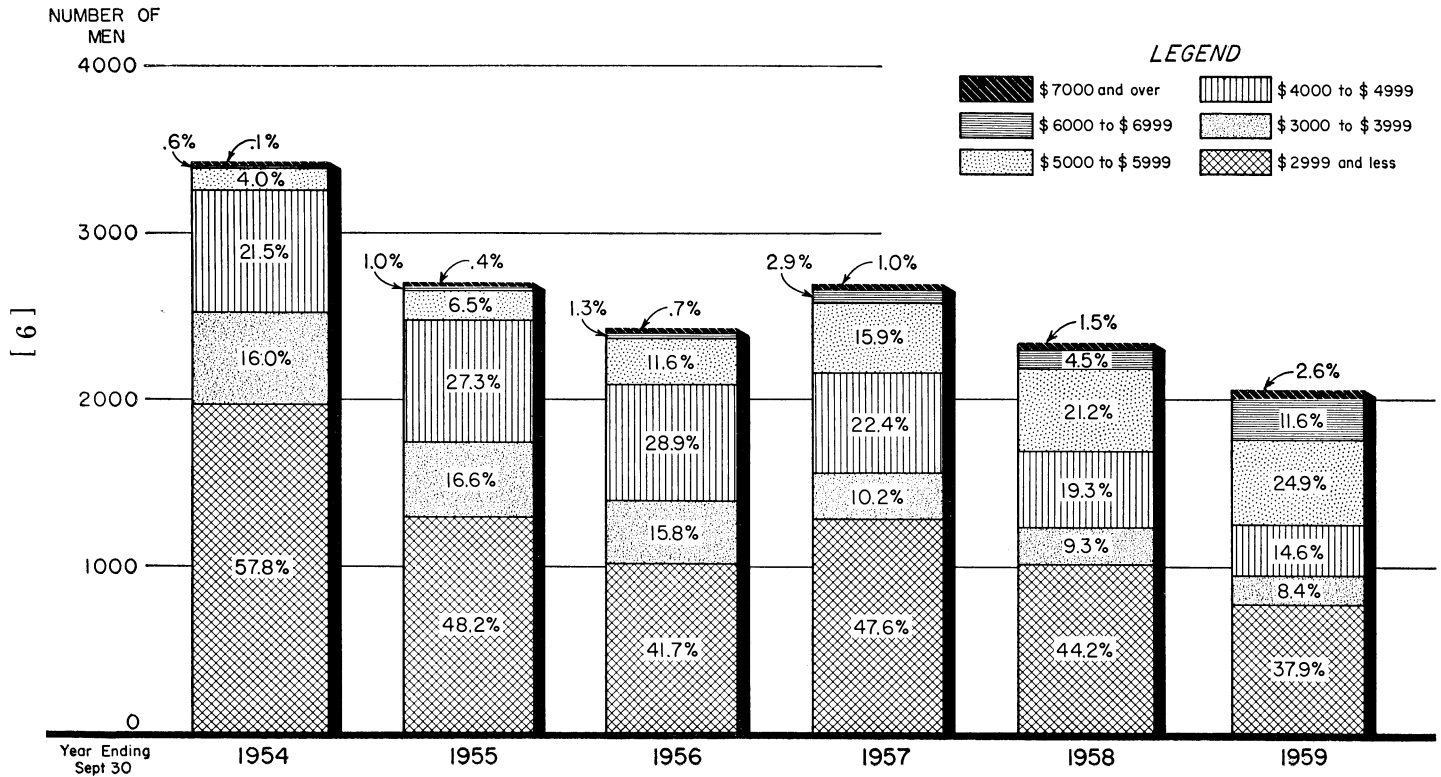
The problem of adequate protection of billions of dollars of cargo and property in the Port is a complex one. The Commission has always taken the position that the security of cargo and docks is the proper responsibility and concern of the industry itself. But the effect of port security upon the economic pre-eminence of the Port and the ultimate cost to the public in consumer goods is so important as to require governmental action upon default by industry. If the most recent efforts fail, other measures must be taken, other courses followed.

PORT WATCHMAN EARNINGS

	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>
\$7,000 and over	5	12	16	27	35	53
\$6,000 to \$7,000	21	27	32	79	115	238
\$5,000 to \$6,000	137	174	279	420	496	513
\$4,000 to \$5,000	735	736	699	601	452	299
\$3,000 to \$4,000	546	448	379	273	228	173
Under \$3,000	1,977	1,299	1,012	1,289	1,011	779
Total Reported	<u>3,421</u>	<u>2,696</u>	<u>2,417</u>	<u>2,689</u>	<u>2,337</u>	<u>2,055</u>
[ 8 ] Total Wages	\$7,707,271	\$7,340,781	\$7,356,365	\$7,811,574	\$7,655,033	\$7,575,667
Average Annual Wage Per Man	\$2,252	\$2,723	\$3,044	\$2,905	\$3,276	\$3,686
Hours Worked	4,400,903	4,120,200	4,015,940	3,991,025	3,722,381	3,513,997
<i>Total Cargo Export and Import</i>						
Long Tons	32,022,000	35,634,000	36,246,000	38,436,000	37,814,000	42,473,000
Value	\$6,346,000,000	\$7,774,000,000	\$8,320,000,000	\$8,727,000,000	\$8,504,000,000	\$9,129,000,000

The increase in the average annual wage per man in the year 1959 is 63.7% over the year 1954. The increase in wage rates was from \$11.18 per day in 1954 to \$14.64 per day in 1959 (\$16.00 effective 10/1/59) or approximately 30%.

# COMPARISON OF EARNINGS OF PORT WATCHMAN



## CRIMINAL INFLUENCE IN WATERFRONT AFFAIRS

In its annual reports for the past two years the Commission has pointed out that persons disqualified from holding union office were, in fact, influencing union affairs by various means, and obtaining funds from union sources. Despite the Commission disclosure, no effective steps were taken by those who had the capacity to eject criminal elements from any control over longshore labor and union funds.

The Commission, therefore, in June 1960, conducted public hearings to determine the extent of the control exerted and the tribute taken by notorious hoodlums and others disqualified, and to assess the need for additional corrective legislation.

The Commission staff examined 255 witnessess and took 5,277 pages of testimony in preliminary interviews. Accountants examined the books and records of 14 union locals and affiliated organizations, as well as documents pertaining to 21 individuals, corporations, and government agencies. During five days of public hearings, the Commission heard 80 witnesses whose testimony filled 1,057 pages.

The record of these hearings is being studied by the Commission to determine whether additional legislation is necessary to realize the full intent of the Compact. These matters will be the subject of a separate report to the Governors and Legislatures of New York and New Jersey.

## ENFORCEMENT

Legislation adopted in New Jersey in December, 1956, and in New York in March, 1957, empowered the Commission investigators as peace officers in the two States. In the exercise of this power, Commission personnel have made arrests for pilferage, loansharking, gambling, larceny and other violations related to the waterfront, frequently in cooperation with other law enforcement agencies.

In one case, a charge against a longshoreman who had been arrested for receiving a \$6,000 stolen automobile was dismissed in Magistrate's Court for lack of evidence. Because the defendant was a registered longshoreman, the Commission investigated to determine whether any action should be taken in connection with his registration. The investigation showed that he was a member of a ring of car thieves specializing in Cadillacs. They had "fenced" at least nine cars worth from \$4,000 to \$6,000, stolen in the New York area and sold in Westchester County, Rhode Island and North Carolina. As part of their scheme, the ring forged New York vehicle registrations and obliterated serial numbers. On the basis of evidence gathered by the staff with the assistance of the New York State Motor Vehicle Bureau, the longshoreman was indicted and convicted of grand larceny. The Commission legal staff cooperated with the District Attorney of Westchester County in the prosecution of the case and the defendant was sentenced to serve 12 to 15 years. His longshore registration was revoked.

A "confidence man," who represented himself as having connections on the waterfront and with the longshoremen's union, was arrested by Commission investigators for extorting money from unemployed persons on the pretext of securing waterfront jobs for them. Selecting his victims from persons who advertised in newspaper want ads for

employment, he represented to them that he would obtain a longshoreman's registration and employment for them through his connections. Commission investigators, after complaints by victims, were able to identify and arrest the man. He was prosecuted by the District Attorney of New York County and sentenced to a term of 6 months.

Pilferage of cargo ranged from stealing small items for personal use to theft of large quantities of valuable cargo for sale in underworld markets. Organized pilferage requires elaborate and ingenious planning and the connivance of several key men on the piers. In a notable case, Commission investigators, in cooperation with the New York County District Attorney's office, uncovered a gang of thieves whose specialty was "stealing to order." A longshoreman and a checker, in key positions, using ships' manifests as a catalogue, peddled cargo to fences and arranged to steal it for delivery. They stole substantial quantities of perfume, coffee, sausage casings, phonographs and miscellaneous other freight. When arrested, they were in possession of \$750,000 in United States Postal Money Orders stolen from a Bronx post office. The longshoreman and the checker were suspended by the Commission and they and their confederates are under Federal indictment awaiting trial.

While the Commission was holding public hearings on the effectiveness of the port watching system, a port watchman employed at a Brooklyn pier to guard cargo was apprehended by Commission investigators with a quantity of stolen goods in his car. He confessed to stealing the items while working. A search of his home with Customs agents turned up a quantity of cigarette lighters, stainless steel dinnerware, clothing, tools, china and costume jewelry stolen from the piers. The port watchman admitted that even the shoes and trousers he was wearing had been stolen from his pier. His port watchman license was revoked.

Other investigations have resulted in arrests, removal of pilferers from access to piers, and the recovery of valuable items stolen from cargo passing through the Port.

Loansharking is a vicious racket and frequently operates in conjunction with gambling. One instance of this insidious practice was terminated during the past year by the Commission, acting with the Kings County District Attorney. A longshoreman whose artfully concealed books reflected a thriving business in usurious loans and policy numbers was arrested. His apprehension brought relief to more than 100 people, many of them longshoremen paying as high as 25% interest per week. The wife of a longshoreman testified that because payments on a loan were delinquent, the loanshark had threatened her and her husband with bodily harm. In addition to lending money and selling policy, the loanshark had a substantial amount of stolen property concealed in his home. His registration was revoked and, upon conviction, he was sentenced to jail.

These cases concluded during the past year illustrate the effective use of Commission police powers in coping with the special nature of waterfront crimes. In its law enforcement activities the Commission has received extensive cooperation from Federal, State, and local authorities.

## LITIGATION AND HEARINGS

### LITIGATION

The Waterfront Commission during the past year has been engaged in litigation that necessitated appearances by the legal staff at every level of the judiciaries of the States of New York and New Jersey and the Federal Government, including the Supreme Court of the United States.

Despite an appreciably greater work load, all the litigation was handled successfully by a reduced legal staff. In the course of this litigation, the staff made 76 court appearances and filed 46 briefs and memoranda of law in connection with 36 cases. (see resume on page 39)

A decision of the Supreme Court of the United States conclusively determined the constitutionality of an important section of the Waterfront Commission Act relating to felons holding certain union offices. In other cases, the Court of Appeals of New York, the Supreme Court of New Jersey and the United States Court of Appeals upheld the Commission's broad powers to conduct investigations into waterfront matters and also established that the Commission's subpoena power extended to persons and organizations not subject to licensing or registration, such as the examination of books, records, officers and agents of union locals.

On June 6, 1960, in *De Veau v. Braisted*, 80 S. Ct. 1146, the United States Supreme Court announced its decision upholding the constitutionality of Section 8 of the Waterfront Commission Act. Section 8 prohibits the collection of union dues from persons licensed or registered by the Commission where an officer or agent of the union has been convicted of a felony and has not received a pardon or a certificate of good conduct. In this case, a union officer with a felony conviction brought a suit against the District Attorney of Richmond County, New York, to declare Section 8 unconstitutional on the grounds that it violated the

right of employees to choose collective bargaining agents under Section 7 of the National Labor Relations Act, that it violated due process and that it was an *ex post facto* law. The District Attorney, with the Commission appearing as *amicus curiae*, successfully defended the suit in the New York Court of Appeals which sustained the constitutionality of Section 8. Pending review by the United States Supreme Court, Congress enacted the Labor-Management and Disclosure Act in which provisions were made concerning the qualifications of union officers. It was then contended before the Supreme Court that by this Act Congress had preempted the field and Section 8 was therefore invalid. The Supreme Court, by a five to three decision, sustained the constitutionality of Section 8 against all these attacks.

The Supreme Court of New Jersey, in *Waterfront Commission v. Marchitto*, 32 N. J. 323 (1960), unanimously determined that the Waterfront Commission could properly subpoena persons not licensed or registered with the Commission in investigations of waterfront conditions in the Port of New York district. Marchitto, an officer of an International Longshoremen's Association local in New Jersey representing non-waterfront workers, was subpoenaed by the Commission in an investigation to determine whether known hoodlums and criminals, by obtaining charters from the I. L. A., might be exercising influence in I. L. A. affairs. The witness was held in contempt and imprisoned for his refusal to comply with the Commission's subpoena. He thereupon appeared and agreed to be sworn. Subsequently he was re-subpoenaed to appear at the public hearings held in New York. Marchitto, even though granted immunity by the Commission, refused to answer questions. Because of his refusal, contempt proceedings were instituted by the Commission in the New York courts and are presently pending.

This year, the Court of Appeals of New York, in *Barone and Rago v. Waterfront Commission*, 197 N. Y. S. 2d 479

(1960), similarly upheld the Commission's authority to compel the production of books and records by officers of an I. L. A. local whose members were not registered or licensed by the Commission.

As a result of the successful litigation upholding the powers of the Commission's subpoenas, nine sets of books were examined. Not only was the information from these books used extensively in the public hearings held by the Commission in June, but it was also of assistance to other law enforcement agencies. For example, the Commission's accountants in auditing the books of an I. L. A. local discovered that \$14,000 received by the local as dues from members was missing and had not been deposited in the local's account. This information was immediately forwarded to the District Attorney of Kings County and an indictment for grand larceny resulted.

In *Applegate and Keefe v. Waterfront Commission*, N. Y. L. J., June 20, 1960, p. 10, col. 5, stay den. App. Div. 1st Dept. (1960), witnesses subpoenaed to appear at public hearings attacked the authority of the Commission to conduct such public hearings in the course of an investigation. The identical contentions that there was no authority to conduct the public hearings and that they were being conducted for the purpose of public humiliation of the subpoenaed witnesses were unsuccessfully made against the New York State Crime Commission's public inquiry in 1952 by the same counsel on behalf of one of the same parties. The New York Supreme Court rejected these contentions and upheld the Commission's authority to conduct its public hearings.

Another important decision was the unanimous confirmation by the New York Court of Appeals of the Commission's action denying checker registrations to four brothers who sought to control the checking operations on a Brooklyn pier. By a three to two decision of the Appellate Division, Second Department, in *Brennan v. Waterfront*

*Commission*, 185 N. Y. S. 2d 406 (1959), the outright denial by the Commission of the Brennans' checker applications had been modified as "excessive punishment." The Court of Appeals, 200 N. Y. S. 2d 632 (1960), reversed the Appellate Division and confirmed the Commission's determination in its entirety, holding that the order could not be upset after the Appellate Division sustained the Commission's finding that the applicants lacked good character and integrity and that their presence on the waterfront constituted a danger to the public peace and safety.

## **HEARINGS**

The Compact requires that no registration or license may be denied, suspended or revoked without first affording the applicant, registrant or licensee an opportunity to be heard. Pursuant to the mandate of the Compact, the Commission set up hearing procedures so that each person concerned may be represented by counsel before a hearing officer, with an opportunity to cross-examine witnesses and to produce evidence on his own behalf. In addition, he may file exceptions to a hearing officer's report and recommendations before final action is taken by the Commission.

During the past year, in an effort to provide speedier determinations and a more economic operation, the hearing officer procedure has been completely revised. Instead of employing hearing officers on a full-time basis, the Commission has established a panel of experienced practicing attorneys to conduct hearings, who are assigned as the case load requires. A weekly calendar call has been instituted during which specific dates for hearings are fixed. This eliminates unnecessary appearances by the assigned hearing officer and loss of time by witnesses and both parties. For the six months that the system has been operating, it has lessened the number of appearances of parties and witnesses, shortened the time required to process a case and has reduced the cost for each case.

## EMPLOYMENT INFORMATION CENTERS

All registered longshoremen in the Port of New York must be hired through the Employment Information Centers established in accordance with the Compact by the Commission in 1953. There are thirteen such Centers. Formerly, dock workers were generally employed at a "shape-up", that is, they gathered at the pier-head in a semi-circle around the hiring foreman who selected the men he wished. Those not hired drifted away, out of work until the next shape-up.

The hiring foreman had complete control over those employed at the "shape-up". There was no seniority and regular men who had worked for years at the same pier could be refused employment at any time, the work going to casuals. This system led to many abusive and, in some cases, criminal practices. A man's ability to get daily employment depended entirely upon the whim of the foreman. Favoritism, kick-backs, and bribery were the rule. A great surplus of labor was built up, and this meant that every longshoreman was at the mercy of the hiring foreman.

On the other hand, the hiring foreman, while ostensibly a representative of management, was also a member of the same union representing longshoremen, and often a tool of racketeers or corrupt union officials in using piers for illegal activities. Labor contracts recognized the right of employers to select their own hiring foremen, but in almost every instance the choice was dictated by union officials. Thus, the hiring foreman was the key to control of the pier, and violence, even to murder, was committed to secure and control this position.

The solution to the chaotic conditions of longshore employment was found by the States of New York and New Jersey in requiring registration of longshoremen, licensing of hiring agents, and by requiring hiring to be done through

Employment Information Centers maintained by a public agency. Today, hiring agents are the representatives of management alone, and are prohibited from joining the same union representing longshoremen. The hiring agent must also satisfy the Commission that he possesses good character and integrity before he is eligible for a license.

The Employment Information Centers, now an integral part of the hiring pattern in the Port, are a central source of information where a longshoreman, checker, cooper, clerk, or port watchman, can get advance notice of work assignments and of job opportunities at all piers or terminals throughout the Port. Thus, gangs or individuals may seek and obtain work at piers other than those they regularly follow by appearing at any Center. Hiring is done under the supervision of Commission personnel. The Centers are open every weekday from 7:00 A.M. to 7:30 P.M., on Saturdays from 7:00 A.M. until noon, and on Sundays and holidays as required.

Through Commission hiring procedures 90% of the manpower of the Port is hired without personal appearance at the Centers. This is done by maintaining in the Centers individual pier rosters such as gang units and dock labor lists. These men may be employed by the daily submission of order forms by each employer to the appropriate Center. Both management and labor have benefited from the stabilizing effect of this service provided by the Commission. Labor has wider opportunities for daily work, and management a wider field from which to secure trained, skilled help.

Port development and the operations of the new seniority system require adjustment in the size and location of some Centers to prevent overcrowding and promote efficiency and convenience for the industry. In anticipation of the increased facilities under construction by the Port of New York Authority in the Port Newark area, the Port Author-

ity is planning to construct a building to replace Employment Information Center No. 11.

Early in June 1960, additional space in Center No. 6, located in the Greenpoint section of Brooklyn, was acquired to eliminate congestion during hiring periods.

New highway construction in Manhattan will require relocation of Center No. 3. The date of this change has not been fixed, but the Commission is seeking new quarters for the Center.

The New York Shipping Association has requested an additional Center in the present Center No. 9 area in Brooklyn. The Commission is considering the need and desirability of establishing such an additional Center and the availability of a satisfactory location.

## REGULARIZATION OF EMPLOYMENT

Control of the selection and hiring of longshore and other dock personnel is tantamount to control of the whole Port and the effectiveness of its operation. An oversupply of labor in the harbor prior to 1954 facilitated such control by organized criminal forces. This condition was the root of many of the evils and injustices then prevailing in hiring longshore labor.

The Commission's hiring regulations and program of de-casualization were designed to eliminate uneconomic, chaotic and illegal employment practices, to bring the number of available longshoremen more nearly into balance with the labor requirements of the Port, to create a sound economic climate with a level of steady earnings affording waterfront workers greater economic security, and to promote a permanent, stable force of experienced waterfront labor.

Longshoremen registered for at least nine months, if they have not worked or sought work during the six preceding months for a prescribed minimum of days, are removed from the register. This is done for periods covering each half of the calendar year. The procedure is known as "decasualization", and is unique in this country. The program and its administration have been discussed at length in previous Annual Reports.

This year, based upon the work records of all registered longshoremen, 4,843 decasualization notices were mailed to registrants who had failed to meet the minimum requirements. After applications for retention were received and reviewed, on October 29, 1959, 1,667 registrants were removed, and on May 11, 1960, 1,807 registrants were removed. Thus, the total decasualization for the calendar year 1959 was 3,474 registrants.

The decasualization standards which are fixed by the Commission at the beginning of each six-month period, after a study of the anticipated manpower requirements in the Port, have remained constant since the first two periods in 1955. The number decasualized during this fiscal year was less than the total decasualized during the prior fiscal year. This has resulted, in part, from an increase in waterfront activities which have made it possible for more men to meet the minimum work standards of the decasualization program. The man hours worked in the Port increased last year by 1,860,468 to a total of 44,695,694.

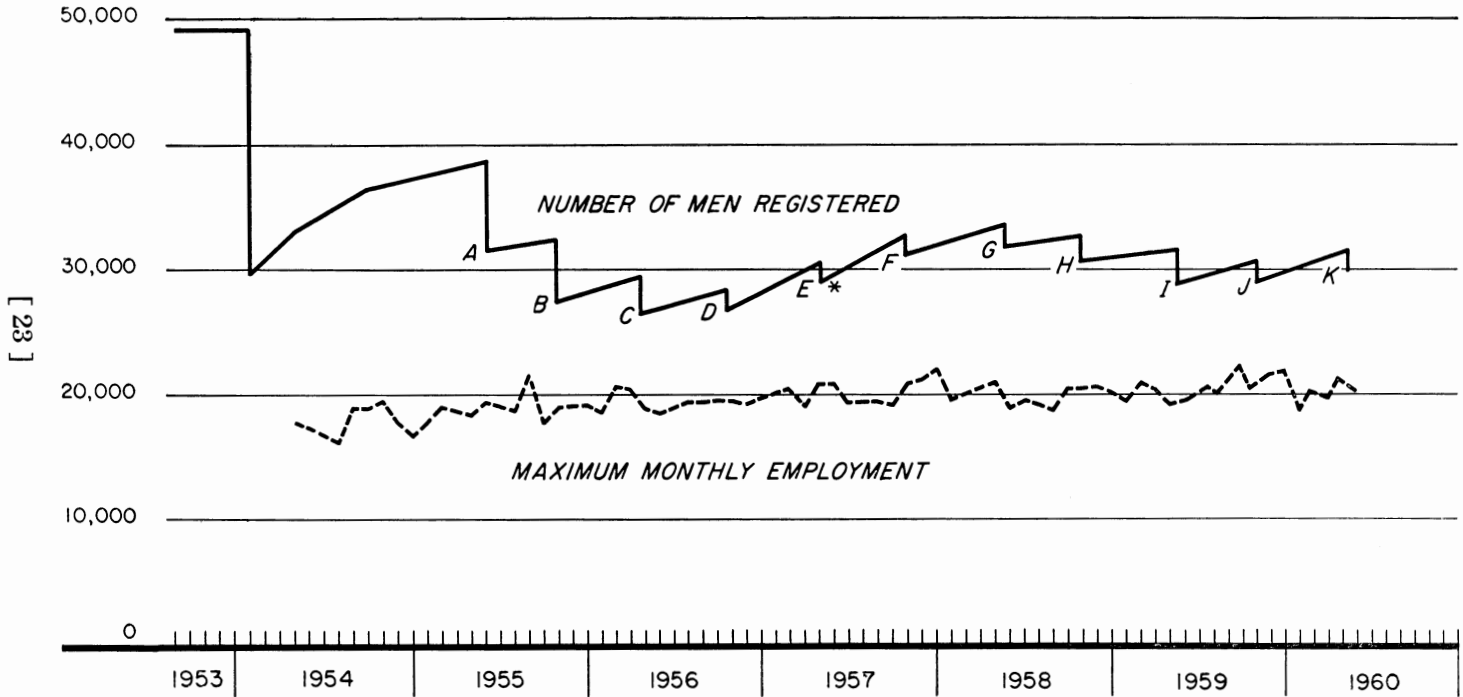
Fluctuations in the number of registrants reflect many factors such as general economic trends and variations in employment opportunities in the Port. Nonetheless, the number included in the longshore register has remained substantially constant. This demonstrates the regularization in employment which has taken place in the Port during the last six years.

## 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	29,952

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

# EFFECT OF DECASUALIZATION ON CHECKER AND LONGSHORE REGISTRATIONS



\* Amendment to Waterfront Commission Compact May 27, 1957  
Requiring the Registration of Craftsmen (Marine Carpenters,  
Coopers and Maintenance Men)

A most significant result of the program is shown in a comparison of the earnings of longshoremen in 1959 with their earnings prior to 1955, the year the decasualization program became effective. The average wage for 1954 was \$2,469.25; the average for 1959 was \$4,727.07. This is an increase of \$2,257.82, or 91.4%, in the average annual wage in the five-year period. While there are other contributory factors such as a wage increase from \$2.42 an hour in 1954 to \$2.92 an hour in 1959, it does illustrate the direct contribution of decasualization to the men who make waterfront industry their source of livelihood.

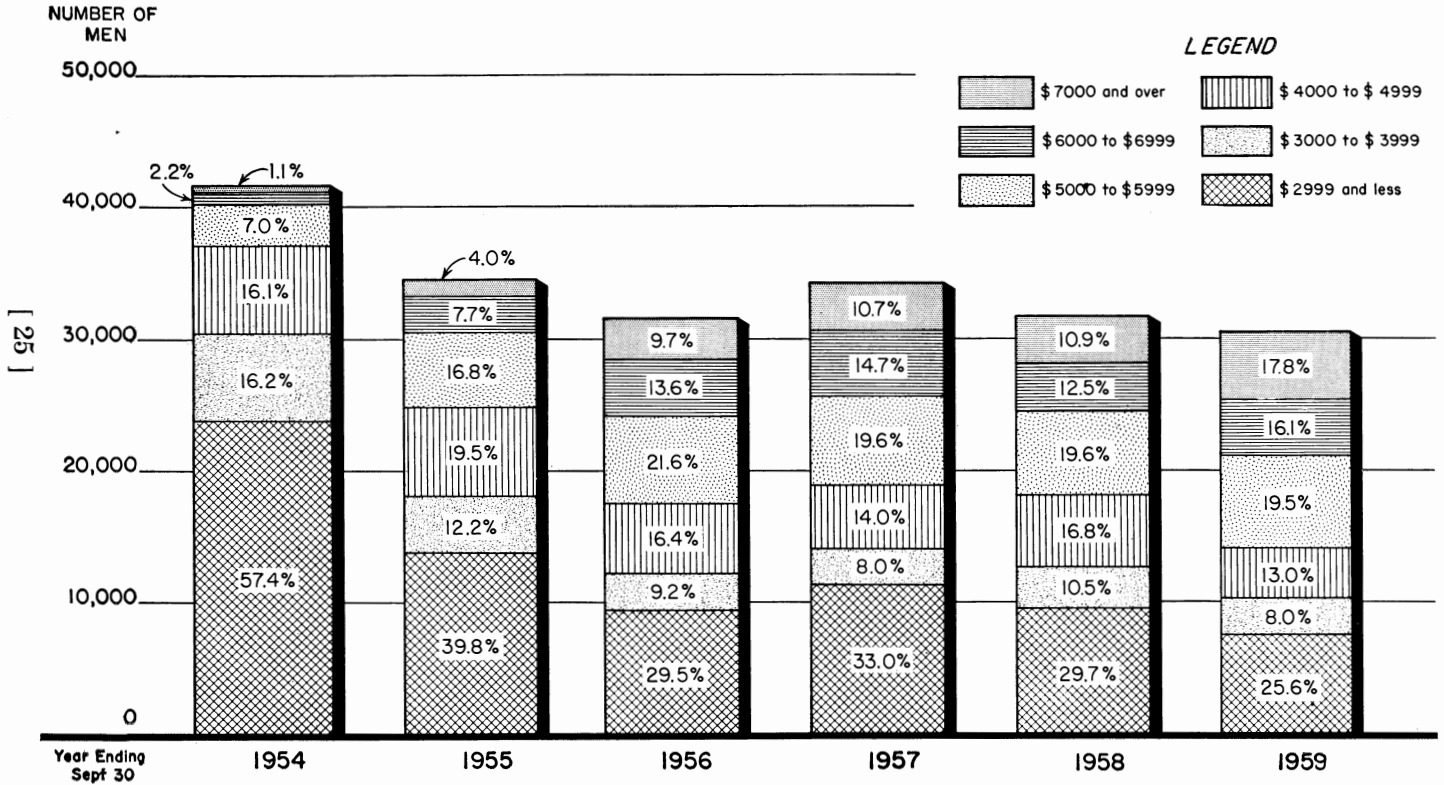
**COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS**

	<u>1954</u>	<u>1959</u>
Total Earnings	\$102,061,108.19	\$143,835,273.03
Total Hours Reported	37,813,991	44,695,693
% Earned on Overtime	24.3%	23.8%
<hr/>		
\$7,000 and over	406 men	5,425 men
\$6,000 to \$7,000	802 men	4,902 men
\$5,000 to \$6,000	2,589 men	5,929 men
\$4,000 to \$5,000	6,330 men	3,954 men
\$3,000 to \$4,000	7,013 men	2,432 men
Under \$3,000	24,193 men	7,786 men
	<hr/>	<hr/>
<b>TOTALS</b>	<b>41,333 men</b>	<b>30,428 men</b>

This table includes craftsmen such as carpenters, coopers, maintenance men and miscellaneous personnel required to be registered as longshoremen after May 27, 1957. Similar tables in annual reports prior to that of 1957-1958 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association whose fiscal year ends September 30.

# COMPARISON OF EARNINGS

## LONGSHOREMEN AND CHECKERS



## ADMINISTRATION

The budget for the fiscal year commencing July 1, 1960, as adopted by the Commission, was fixed at \$2,062,575, after considering the comments of the officials of the New York Shipping Association, and was approved by the Governors of both States. This is \$10,864 less than the budget for the previous year. For the third successive year, the Commission has adopted a budget lower than that of the previous year, without impairment of its functions and services, in spite of fixed operating costs and responsibilities that are constantly increasing.

The revenues of the Commission are derived from an assessment upon employers of persons registered and licensed under the Compact, and may be fixed by the Commission at a maximum of two per cent of the employers' payroll for such personnel. The rate is determined by the amount of the budget and the estimated gross payroll for covered employees in the Port. For the fiscal year commencing July 1, 1960, the Commission has fixed its rate of assessment at one and one-tenth per cent, the lowest since the inception of the Commission in 1953.

The Commission must periodically review and revise its salary program to maintain a parity with other governmental units and thus retain and recruit personnel of the high caliber necessary to discharge its duties properly. A study of the salary plan indicated that more than 80% of Commission personnel had not received any increase in over two years. The present budget includes a revised salary plan, effective July 1, 1960, which was adopted after a study of comparable positions and plans in agencies of the Federal government and of the States of New York and New Jersey and in private industry. The cost of this program for the next fiscal year will be \$36,212. This sum is more than offset, however, by the reduction of personnel from 261 to 247 in number.

Forty-two per cent of the budget for the coming year will be for the operation of Employment Information Centers and for licensing services. This does not include expenses for administrative and executive overhead. The seniority hiring program now being instituted by the industry has required additional services by the Commission and increased costs of operation.

The legal staff has been reduced by three during the year even though the administrative case load has remained constant and litigation has increased. A statement of the receipts and disbursements for this year, and the report of the independent auditors are included at the end of this report.

On September 1, 1959, Mr. James O'Malley, Jr. was appointed Commissioner for New York by Governor Nelson A. Rockefeller to replace Mr. Carl J. Rubino, whose term of office had expired; on August 31, 1959, Mr. David C. Thompson was reappointed Commissioner for New Jersey by Governor Robert B. Meyner. Mr. Myles J. Ambrose was appointed by the Commission as Executive Director on January 11, 1960.

Respectfully submitted,

DAVID C. THOMPSON  
JAMES O'MALLEY, JR.  
*Commissioners*

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Map Showing Location of Employment Information Centers and Areas They Cover

★ MAIN OFFICE  
15 Park Row, N.Y.C.

IRVINGTON  
CENTER 1

YONKERS  
CENTER 1

HOBOKEN - WECHAWKEN  
EDGEWATER AREAS  
60 HUDSON ST.  
HOBOKEN, N.J.

PIER 80-99 N.R.  
659 ELEVENTH AVE.  
NEW YORK, N.Y.

PIERS 53-78 N.R.  
455 WEST 16th ST.  
NEW YORK, N.Y.

QUEENS

LONG ISLAND CITY - GREENPOINT  
WILLIAMSBURG - NAVY YARD AREAS  
32 JAVA ST.  
BROOKLYN, N.Y.

PIERS 18-52 N.R.  
34 RENWICK ST.  
NEW YORK, N.Y.

MANHATTAN

BROOKLYN

NEW JERSEY

PIERS 1-17 N.R.  
15 MOORE ST.  
NEW YORK, N.Y.

PIERS 4-66 E.R.  
15 MOORE ST.  
NEW YORK, N.Y.

JERSEY CITY - BAYONNE AREAS  
HARBORSIDE BLDG.  
34 EXCHANGE PL.  
JERSEY CITY, N.J.

BROOKLYN PORT AUTHORITY PIERS  
NEW YORK DOCK CO. PIER AREA  
385 HICKS ST.  
BROOKLYN, N.Y.

ATLANTIC BASIN - ERIE BASIN  
BREAKWATER - GOWANUS  
23rd ST. PIER AREAS  
120 RICHARDS ST.  
BROOKLYN, N.Y.

NEW YORK BAY

NEWARK BAY

PORT NEWARK AREA  
BLDG. 101-A, MARSH ST.  
PORT NEWARK, N.J.

27th STREET - GREEN DOCKS  
BUSH DOCKS - ARMY BASE AREAS  
5504 THIRD AVE.  
BROOKLYN, N.Y.

STATEN ISLAND AREA  
22 WAVE ST.  
STAPLETON, S.I.

THE NARROWS

STATEN ISLAND

ELIZABETH PORT  
CENTER 11

CARTERET  
CENTER 11

PERTH AMBOY  
CENTER 11

LEONARDO  
CENTER 12

Drawn by HAGSTROM CO. INC., N.Y.

## THE N. Y. S. A.—I. L. A. SENIORITY SYSTEM

### LONGSHOREMEN

The introduction of the seniority hiring system is one of the most important current developments in the hiring of longshore labor in the Port of New York. As the Commission has pointed out previously, the formulation of a seniority program is the function of management and labor through collective bargaining. Nevertheless, the Commission is concerned with three aspects of any such program. These are: (1) that no provision of the agreement is in conflict with the Waterfront Commission Act; (2) that all hiring, pursuant to agreement, must take place through Employment Information Centers; and (3) that the Commission provide adequate facilities for hiring and establish hiring procedures consistent with the Compact and compatible with the seniority agreement.

While some forms of seniority or priority in hiring have existed under local customs and practices for some time in the Port, formal seniority in the hiring of longshoremen originated in the terms of settlement by the New York Shipping Association and the International Longshoremen's Association of the work stoppage of longshoremen in February, 1957. This settlement was an agreement "on the principle of seniority" and provided for a joint subcommittee to work on the details and submission to an arbitrator of all seniority issues in dispute.

The General Cargo Agreement of March 25, 1958, in Part XII, repeated substantially the same provision in greater detail:

"The principle of seniority is agreed to by the parties. A joint Sub-Committee shall continue to work on the details of seniority, but if agreement thereon is not reached within 45 days of ratification of the agreement, or such further time as the parties in writing shall mutually agree to, the issues in dispute over seniority application shall then be referred to an arbitrator experienced in seniority matters to be designated under the procedures of the Federal Mediation and Conciliation Service. The details of seniority, as and when agreed to by the parties or determined by arbitration shall be attached to and made a part of this agreement.

Any changes in hiring practices and procedures made necessary by the seniority provisions thus agreed to or determined shall be worked out jointly by the parties; in the event that the parties are unable to agree upon such changes in hiring practices or procedures or the necessity therefor, the matter shall be determined by arbitration under XI-Grievance Machinery."

Those areas on which the subcommittee on seniority could not agree were submitted to an arbitrator who began hearings on July 10, 1958, which continued intermittently until October 1, 1958. On August 25, 1958, the arbitrator handed down an interim award providing "Under the uncertain but broad scope of the concept of 'seniority in principle' . . . the issue of 'equalization of earnings' must be considered as falling within the scope of this arbitration, although it is recognized that 'equalization of earnings' is not seniority and will need to be justified in order to be included as a modification of seniority and made a part of the system in the Port of New York."

Other disputed issues concerned procedures for gang hiring in Newark where gangs not identified with a specific pier received preferred employment in the section, the practice by employers in the Hoboken area of forming gangs in the Center, and the continuance of the system in Brooklyn of having gangs travel from pier to pier with the same employer.

### *Seniority Provisions*

The arbitrator's award and the entire Seniority Article became effective on November 12, 1958. The employers were to submit, within thirty days, all rosters, lists, seniority classifications of all regular and extra employees to the Seniority Board, post them on the appropriate piers and terminals and furnish copies to the Union. Each list and seniority classification would become binding and effective unless the union protested within thirty days.

The Seniority Article divided the port into seventeen sections—5 for Brooklyn; 5 for Manhattan; 1 for Port

Newark; 1 for Jersey City; 1 for Bayonne and Leonardo; 1 for Hoboken, Weehawken and Edgewater; 1 for Clifton, Staten Island; 1 for Tompkinsville, Staten Island, and 1 for the sugar houses in Brooklyn, Long Island City and Yonkers. It was stipulated that the section divisions in Brooklyn, including the sugar houses (Section 1 through 6), would not be effective until six months after the effective date of the Award, and until that date all Brooklyn would be considered one section.

The Seniority Article established hiring preference for Regular and Regular-Extra Gangs at their respective home piers or terminals. For Extra Gangs first preference is given to gangs identified with other piers or terminals in the same section and second preference to gangs from a particular section which theretofore received preference in hiring after all gangs in another section have been employed.

Staten Island gangs continued to receive preference as Extra Gangs in lower Manhattan and Brooklyn after the available groups in those areas were exhausted. Employers in New Jersey continued to have the freedom to select gangs available in any of the other sections and employers in Brooklyn could carry their gangs from one of the employer's piers to another. Thus, in general, the Article formalized the pre-existing customs and practices in the hiring of gangs.

Procedures for the selection of temporary or permanent fill-ins for gangs and for the selection of temporary or permanent fill-ins for the various dock labor classifications, are based on factors which generally were not previously recognized.

Service to an employer and then service in the industry become the factors which determine who receives consideration for filling vacancies in gangs and in the various dock labor classifications. The procedures are described in minute detail. For both temporary and permanent fill-ins for

gangs there are seven priority steps. For temporary fill-ins for individual classifications of dock labor there are nine priority steps, and for permanent fill-ins for individual classifications there are ten.

The Article also provides for the selection of gangs and dock labor at new piers and at piers reopened after being in disuse over three calendar years.

Through individual classification, a man who has worked at least 400 hours during each contract year obtains a rating based on the following schedule:

*Group A*—Those employed during the period between October 1, 1945, and September 30, 1947.

*Group B*—Those employed during the base period between October 1, 1947 and September 30, 1952.

*Group C*—Those employed during the base period between October 1, 1952 and September 30, 1957.

*Casuals* —Employees who do not fall within Groups A, B and C and who worked or made themselves available for work in the industry on and after October 1, 1957.

Provision is made for service in affiliated crafts, for allowable breaks in service within the industry, and for the lay-off and re-hire of individuals and gangs. Any disputes arising out of the Seniority Article are to be decided by the Seniority Board or, if they cannot agree, by the grievance machinery of the General Cargo Agreement or by arbitration if necessary.

The agreement also creates a Seniority Board consisting of representatives of both management and labor.

*Progress Made in Effectuating Seniority*

On November 26, 1958, the Commission initiated a conference with representatives of the New York Shipping Association and the I. L. A. to discuss the effect of the Seniority Article upon hiring procedures in the Centers. Since then, many conferences have been held, so that the Commission could assist and cooperate in every way possible consistent with the Compact.

Although the Award fixed January 12, 1958 as the date when seniority hiring was to become operative, the parties delayed that date, and decided to initiate the new procedure gradually.

Thus, seniority became operative as follows:

<i>EIC</i>	<i>Date</i>	<i>Seniority Area</i>
Center 1	November 30, 1959	Section 7.
Center 2	March 1, 1960	Sections 8 and 9.
Center 3	March 28, 1960	Section 10.
Center 4-5	February 23, 1960	Section 11.
Center 6	June 6, 1960	Section 4 (Orig. Sec. 6)
Center 7	April 25, 1960 Suspended May 3, 1960 Reinstated May 30, 1960	Section 6 (Orig. Sec. 4)
Center 8	May 2, 1960 Suspended May 3, 1960 Reinstated May 30, 1960	Section 3.
Center 9	May 9, 1960	Sections 1 and 2.
Center 10	July 5, 1960	Sections 16 and 17. (Merged)
Center 11	Not in effect	Section 12.
Center 12	April 4, 1960 Suspended April 8, 1960	Sections 13 and 14.
Center 13	Not in effect	Section 15.

Hiring in accordance with the Seniority Article requires substantial procedural changes at the Centers in that separate spaces be provided for (1) each pier or terminal serviced by the Center, (2) A, B and C sectional hiring, (3) A, B and C and port-wide hiring and (4) the casuals who have no A, B or C rating. Thus the Commission merged two Centers in Manhattan (4 and 5) on June 1, 1959, and has provided for increased space in some other Centers to accommodate seniority hiring.

To conform with seniority hiring, some modifications of hiring regulations in the form of variances for specific periods were granted by the Commission. These variances concerned the standards of individuals classified as regular employees, and the prevalidation of longshoremen from lists of various categories of labor.

On February 23, 1960, a special gang hiring system for Regular-Extra and Voluntary gangs was put into operation in the Brooklyn Centers—6, 7, 8 and 9. This was designed to give certain priorities in hiring to such gangs. The system was abandoned on May 3, 1960.

Seniority is now considered permanent only in Center 1. However, even there seniority applies only at the morning hiring, and is not considered to be applicable at later hiring times. In the other Manhattan, Brooklyn and Staten Island Centers seniority is still in the experimental stage.

Agreements supplemental to the Seniority Article have been effected and after a relatively short trial period have either been altered or abandoned. The supplemental agreements have affected the rights of gangs to travel from one section to another and the rights of employers to use their own gangs in sections other than the section where its gangs were listed as Regular. In addition, sections in Brooklyn have been altered and renumbered.

Lists required in the priority steps to be followed for the selection of men as either temporary or permanent fill-ins for gangs and the various classifications of dock labor have not been prepared or filed by the industry with the Commission except in a very few instances. The procedure for the selection of fill-ins, especially permanent fill-ins, is not being followed by the industry.

No Center in New Jersey has yet begun operation of seniority hiring except Jersey City where the operation became effective on April 4, 1960, but was suspended four days later.

#### *Center Procedures for Seniority Hiring*

First priority goes to men who are listed with a specific pier. The first stage of hiring, consequently, is known as "pier hiring." When pier hiring is exhausted, the hiring agent proceeds to hiring according to A, B or C ratings, first from the section containing the pier and then on a port-wide basis. The next and last group eligible for employment are the casuals.

Hiring in the Centers starts at 7:55 A. M. and is performed simultaneously by the hiring agents for all the employers in the Section or Sections serviced by the Center. These seniority provisions for the continuance of many former customs and practices make the whole subject extremely complex. The system is an amalgam of seniority, priority, equalization of earnings and rotation, and requires thorough education of the personnel affected. Since most longshoremen do not fully understand the complex provisions of seniority, or the necessity for segregation of men in Centers according to their varying priority classifications, hiring agents have not been able to proceed through the various stages simultaneously without announcements to proceed from one stage to another. No plan for such

supervision service has been submitted by the Seniority Board or the industry.

Without proper supervision, information and guidance of seniority hiring procedures, confusion and delay in Centers results. Since, under the Compact, the Commission has no right to tell an employer whom he must hire or to tell a longshoreman for whom he must work, or to referee the enforcement of a labor-management collective bargaining agreement, appropriate procedures must be evolved to provide the necessary supervision.

Until the seniority program has become established on a permanent basis throughout the Port, and until the procedures have been thoroughly tested by experience, it is impossible to evaluate any benefits it may bring to waterfront labor, the industry, or the community.

#### **CHECKERS**

Seniority for checkers, including clerks and timekeepers, was established without arbitration by collective bargaining starting with the "Memorandum of Agreement" in February of 1957. The parties there agreed to "the principle of seniority," and the mechanics and details were left to a joint committee.

Final agreement was reached on June 20, 1959, after settling upon a special variation for Port Newark, and after the checkers by referendum chose port-wide as against borough or section seniority. Additional time was required to classify individual checkers. On December 14, 1959, after the Center hiring process and procedures were worked out with the Commission, checker seniority began simultaneously throughout the Port. Five Centers, the most conveniently located, were designated for hiring throughout the Port.

## *Classifications*

Checker seniority is port-wide and embraces three major classifications: Master List, Sub-List and Extras.

The Master List for a pier or terminal consists of men who work a minimum of 700 hours a year and who are listed in the order of their length of service at the pier or terminal. This list determines their priority of employment. No man may be on more than one Master List.

The Sub-List for a pier or terminal consists of men eligible for the Master List and qualified to perform special assignments, such as timekeeping and clerking. These specialists have priority of employment based on length of service within their specialties.

Extras are those men who do not appear on any Master or Sub-List or who appear on the list of a pier or terminal other than the one at which they are seeking employment. Priority for employment among extras is based upon groups classified according to length of service in the Port as a checker.

*Group A*—Checkers who were employed at any time during the period from October 1, 1945 and September 30, 1947, and who have maintained continuous service in the industry since October 1, 1947.

*Group B*—Checkers who were employed at least 700 hours in any year during the period from October 1, 1947 and September 30, 1952, and who have maintained continuous service in the industry since October 1, 1952.

*Group C*—Checkers who were employed at least 700 hours in any year during the period from October 1, 1952 to September 30, 1957, and who have maintained continuous service in the industry since October 1, 1957.

*Casuals* —Checkers who do not fall within Groups A, B or C.

Allowable breaks in service are provided for illness, injury, military service. Each employer is required to file the specified seniority lists with the Seniority Board and the Union, and to post these lists at the appropriate piers or terminals. These lists are also filed with the appropriate Centers.

Preference in filling vacancies on the Sub-List for a pier goes to qualified employees highest on the Master List for that pier. Employees on the Sub-List retain their Sub-List seniority and are not affected by a lay-off on the Master List. If a job on the Sub-List is discontinued, length of service within the specialty governs. Such employee is then entitled to take his position on the Master List in accordance with his seniority as a checker. If the job is re-established, the employee who formerly filled it has priority, provided he has continued to be steadily employed at the pier or terminal.

Preference in filling vacancies on the Master List for a pier is given in accordance with A, B, and C classifications from any qualified extra employees. Lay-offs from the Master List are in accordance with the priority standing of those on the list.

Timekeepers are on a special company Sub-List chosen from any Master List of piers operated by that company and may be moved freely among the company's piers. Special rules for lay-offs and reinstatement of timekeepers are also provided.

In Port Newark each company has one Master List of its checkers instead of Master Lists according to piers. All other Port Newark checkers are in a pool from which they are employed at open berths in a manner to be worked out by the employers and the Union. This section of the Seniority Agreement spells out in detail the manner in which

men are selected for both assigned and unassigned sheds and berths.

Other provisions of the Seniority Agreement cover procedures for levying penalties against an employer willfully disregarding the agreement, for establishing rights of employees at new, reopened, or combined piers, and for the employer who transfers or commences an operation.

A Seniority Board was created consisting of two Union members and two from the New York Shipping Association. If the Board cannot agree in a dispute, the matter is referred to the grievance procedure and continued to arbitration where necessary.

### *Changes in Center Procedures*

Procedural changes by the Commission were effected to implement checker seniority. Central borough Centers were designated for the hiring of checkers as follows: one each in Manhattan, Brooklyn, Staten Island, Port Newark and Hoboken. In these Centers it is necessary to provide areas where checkers are separated for hiring from other waterfront workers. This has resulted in considerable re-arrangement and improvement of facilities becoming necessary in all five Centers, involving construction of partitions, utilization of space formerly used for other purposes and the acquisition of additional space. Variances to certain regulations were granted by the Commission in order to implement the checker seniority system.

Checkers registered on the Master or Sub-Lists may be hired for work without personally appearing at the Centers. This is done by the employers' filing appropriate forms with the Commission Centers on the afternoon of the day before employment. At the Centers, the hiring agents first hire those remaining on the Master List of their piers who had not been previously ordered for work and then proceed to hire according to A, B, and C classification.

## RESUME OF LITIGATION

### CONSTITUTIONALITY

- DeVeau et al. v. Braisted* (Waterfront Commission, *amicus curiae*), 166 N. Y. S. 2d 751 (S. Ct., 1957), *aff'd.* 174 N. Y. S. 2d 596 (App. Div. 2nd Dept., 1958), *aff'd.* 183 N. Y. S. 2d 793 (Court of Appeals, 1959), *aff'd.* 80 S. Ct. 1146 (U. S. Sup. Ct., 1960), petition for rehearing pending before the U. S. Sup. Ct.
- Bell, Local 1804-1 (ILA) v. Waterfront Commission, Bell, Local 1804 (ILA) v. Waterfront Commission*, 183 F. Supp. 175 (S. D. N. Y. 1960), *aff'd.* (U. S. C. A., 2nd Cir.) N. Y. L. J., June 13, 1960, p. 16, col. 4, motion for stay pending *pet. for cert. to U. S. Supreme Court den.* U. S. C. A., 2nd Cir. (1960).
- Applegate and Keefe v. Waterfront Commission*, (U. S. D. C., S. D. N. Y.) N. Y. L. J., May 11, 1960, p. 15, col. 3, *stay den.* U. S. C. A. 2nd Cir. (1960).
- The constitutionality of Section 8 of the Waterfront Commission Act relating to ex-felon union officers was sustained by the United States Supreme Court (see p. 14).
- Federal court denied motion to quash Commission subpoena duces tecum issued to obtain the books and records of ILA locals. The Court rejected a contention that the recently enacted Federal Labor-Management Reporting and Disclosure Act preempted the Commission's authority to conduct its investigation into violations of Section 8 of the Waterfront Commission Act.
- Action to enjoin enforcement of Commission subpoena issued in investigation of criminal influence in the ILA, on grounds that the Federal Labor-Management Report-

*Noonan, et al. v. Waterfront Commission and District Attorney of Kings County* (U. S. D. C., S. D. N. Y., 1960).

*People of the State of New York v. Merolla* (Waterfront Commission, *amicus curiae*), conviction aff'd. (App. Div., 2nd Dept.) N. Y. L. J., July 12, 1960, p. 8, col. 2.

*King v. Waterfront Commission*, (S. Ct.) N. Y. L. J., October 7, 1959, p. 12, col. 5.

ing and Disclosure Act has abolished the Commission. The District Court dismissed the action and the U. S. Court of Appeals denied an application for a stay of the Commission's subpoena.

Federal action to enjoin prosecution of an ex-felon officer of a waterfront union on the grounds that Section 8 of the Waterfront Commission Act is unconstitutional and has been pre-empted by the Federal Labor-Management Reporting and Disclosure Act. This action is presently pending.

Sustains constitutionality of Section 7 of the Waterfront Commission Act prohibiting loitering on the waterfront.

Supreme Court of New York dismissed an action by a longshoreman, whose registration was temporarily suspended by the Commission pending final determination of a hearing, seeking to declare Section 3(c) of Article VIII of the Waterfront Commission Compact unconstitutional on grounds that it was vague and violated due process.

*Bolger v. Waterfront Commission*, (U. S. D. C., S. D. N. Y., 1960) Civ. No. 60-1184 (Unreported).

Federal court denied motion by respondent in Commission proceeding to temporarily enjoin the Commission from introducing at a Commission hearing the testimony of a Commission investigator who respondent alleged participated in an illegal search and seizure with Federal Customs agents.

*Bolger v. United States and Michael Cleary, Waterfront Commission Investigator*, (U. S. D. C., S. D. N. Y., 1960) Civ. No. 153-182 (Unreported).

Federal court denied motion by defendant in criminal action to temporarily enjoin a Commission investigator from testifying at a state criminal trial on the grounds that he was alleged to have participated in an illegal search and seizure with Federal Customs agents. The defendant's action for a permanent injunction is still pending.

#### PUBLIC HEARING AND INVESTIGATION

*Applegate and Keefe v. Waterfront Commission*, (S. Ct.) N. Y. L. J., June 20, 1960, p. 10, col. 5, stay den. App. Div. 1st Dept. (1960).

Commission's authority to conduct public hearings was upheld. Motion to quash Commission's public hearing subpoena was denied by lower court and a stay was denied by the Appellate Division. (see p. 16)

*Local 824, ILA (Ind.), John Bowers, Vice-President and*

The Commission's power to subpoena the officials and

*Business Agent v. Waterfront Commission;*  
*Local 824, ILA (Ind.), Patrick Connolly, President v. Waterfront Commission;*  
*Bowers v. Waterfront Commission*, 182 N. Y. S. 2d 481 (S. Ct., 1958), aff'd. 179 N. Y. S. 2d 843 (App. Div. 1st Dept., 1958), appeal dismissed 188 N. Y. S. 2d 562 (Court of Appeals, 1959), cert. den. 361 U. S. 835 (1959).

*Barone and Rago v. Waterfront Commission*, 187 N. Y. S. 2d 617 (S. Ct., 1959), aff'd. 187 N. Y. S. 2d 622 (App. Div. 1st Dept., 1959), aff'd. 197 N. Y. S. 2d 479 (Court of Appeals, 1960).

*Barone v. Waterfront Commission*, (S. Ct.) N. Y. L. J., October 28, 1959, p. 12, col. 4.

books and records of the waterfront labor organizations not subject to a registration or licensing by the Commission was upheld. The lower court also upheld the constitutionality of Section 8 of the Waterfront Commission Act. The Court of Appeals dismissed an appeal from the Appellate Division's unanimous affirmance of the lower court's decision. The Supreme Court of the United States denied a petition for a writ of certiorari.

The Commission's power to subpoena the books and records of a chenango union local whose members are not subject to the regulatory powers of the Commission was sustained by the Court of Appeals. (see p. 15)

Witness sought to quash a Commission subpoena duces tecum on the grounds that the Commission (1) failed to tender witness fees in advance, (2) failed to comply with the New York Civil Rights Law and (3) lacked jurisdiction over ILA locals whose members are not registered by the Commission. The Court rejected these contentions and denied the motion.

*Condon v. Waterfront Commission*, (S. Ct.) N. Y. L. J., August 14, 1959, p. 3, col. 1.

The Supreme Court of New York denied an application for a stay of Commission's subpoena duces tecum of books and records of ILA Longshore News, issued in Commission's investigation of criminal influence upon waterfront conditions.

#### CONTEMPT PROCEEDINGS

*Waterfront Commission v. Marchitto*, 32 N. J. 323 (Sup. Ct. 1960).

The Supreme Court of New Jersey found the Commission's investigatory powers akin to those of a grand jury and sustained a subpoena directed to a trustee of an ILA local whose members were not registered or licensed by the Commission and did not perform waterfront work. (see p. 15)

*Waterfront Commission v. Marchitto*. (N. J. Super. Ct., Law Div., 1960) Docket No. L-15108-59 (Unreported).

A contempt action by Commission against the same union official for his failure to obey a subpoena duces tecum was withdrawn upon compliance with the Commission's subpoena.

*Waterfront Commission v. Marchitto*, (S. Ct. N. Y. Co.) Index No. 9271/60.

A contempt action brought by the Commission against witness for refusal to testify at Commission public hearing after a grant of immunity from prosecution by Commission is now pending.

*Waterfront Commission v. Barone*, 192 N. Y. S. 2d 827 (S. Ct., 1959), stay den. 194 N. Y. S. 2d 897 (App. Div. 1st Dept., 1959).

In a contempt proceeding, a witness subpoenaed by the Commission who refused to testify without the presence of his own stenographer was held in contempt.

*Waterfront Commission v. Bell, Local 1804-1 (ILA)*, (S. Ct. N. Y. Co., 1960) Index No. 8902/60 (Unreported); *Waterfront Commission v. Bell, Local 1804 (ILA)*, S. Ct. N. Y. Co., 1960) Index No. 8903/60 (Unreported).

An officer of two ILA locals, one consisting of non-registered waterfront workers, and the other of registered waterfront workers, was held in contempt for disobeying a Commission subpoena duces tecum calling for the books and records of both locals.

*Waterfront Commission v. Giordano*, (N. J. Super. Ct., Law Div., 1960) Docket No. L-16234-59 (Unreported).

In a contempt action instituted by Commission on June 23, 1960, for failure to obey Commission's subpoena, the witness was directed to appear by the Court.

*Waterfront Commission v. Bou*, (S. Ct. N. Y. Co., 1960) Index No. 8999/60 (Unreported).

Witness who failed to obey Commission subpoena was held in contempt.

*Waterfront Commission v. Wycoff*, (N. J. Super. Ct., Law Div., 1960) Docket No. L-16231-59 (Unreported).

A contempt action instituted by Commission on June 23, 1960, against witness for disobedience of Commission's public hearing subpoena. The witness was directed to appear by the Court.

*Waterfront Commission v. Moody*, (N. J. Super. Ct., Law Div. 1960) (Docket No. L-14078-59, appeal pending, Docket No. A-790-59;

*Waterfront Commission v. Murphy*, (N. J. Super. Ct., Law Div., 1960) Docket No. L-14077-59, appeal pending, Docket No. A-790-59.

New Jersey ILA union officers were held in contempt for disobeying Commission subpoena issued in investigation of work stoppage reportedly caused by the proper exercise of a management prerogative.

#### REVIEW OF COMMISSION DETERMINATIONS

*Brennan et al. v. Waterfront Commission*, 185 N. Y. S. 2d 406 (App. Div. 2nd Dept., 1959), rev. 200 N. Y. S. 2d 632 (Court of Appeals, 1960).

The Court of Appeals unanimously sustained the Commission's denial of checker registration to a dock boss and three checkers who intimidated and threatened other waterfront personnel in an attempt to control the checking operation on a pier, on the grounds that they lacked good character and integrity and were dangers to the public peace and safety (see p. 16).

*King v. Waterfront Commission*, (S. Ct.) N. Y. L. J., September 30, 1959, p. 13, col. 1.

An Article 78 proceeding to set aside Commission's temporary suspension of a longshoreman pending determination of charges against him, including a recent burglary, was dismissed on merits by

Supreme Court of New York. One of the contentions rejected by the Court was that the Commission was not justified in finding that the longshoreman's presence on the waterfront was "inimicable to the public peace and safety."

*McNamara v. Waterfront Commission*, (S. Ct.) N. Y. L. J., July 30, 1959, p. 5, col. 3.

The Supreme Court of New York denied an application by a respondent in a Commission revocation proceeding for access to transcript of an interview taken in a Commission investigation. In the same proceeding, the Court determined that a temporary suspension by the Commission of a hiring agent's license pending determination of charges against him that he participated in waterfront payroll padding was unauthorized because, in the Court's opinion, such conduct, even if established, did not render the licensee's presence on the waterfront "inimicable to the public peace and safety." An appeal from this latter determination is now pending in the Appellate Division.

*Garcia v. Waterfront Commission*, (S. Ct.) N. Y. L. J., May 17, 1960, p. 11, col. 3.

Court dismissed as untimely proceeding brought by former checker to review Commission's denial of his petition for leave to reapply.

*Del Mar v. Waterfront Commission*, (S. Ct. N. Y. Co., 1960).

Article 78 proceeding to review Commission determination suspending a hiring agent's license. Proceeding withdrawn by petitioner.

*Continental Terminal Operating Corporation v. Waterfront Commission*, (S. Ct. N. Y. Co., 1960).

Article 78 proceeding instituted June 22, 1960, to review Commission's denial of application for a stevedore license is pending.

#### MISCELLANEOUS

*Kirling, Campbell and Keating v. Waterfront Commission*, (U. S. D. C., S. D. N. Y.) N. Y. L. J., February 3, 1960, p. 15, col. 6.

Federal court denied motion by a plaintiff in a negligence suit to hold the Commission in contempt for failure to produce, pursuant to a subpoena, confidential information contained in Commission files concerning a registrant.

*State of New Jersey v. Murphy et al.*, (Hudson Co. Ct., Law Div., 1960) Crim. Ind. No. 948-58.

Commission moved to quash a subpoena duces tecum calling for information obtained by the Commission in its investigation of waterfront payroll padding scheme. The subpoena was served upon it by a defendant in a criminal

action for conspiracy based upon his involvement in the payroll padding scheme. This matter is presently pending in the Hudson County Court.

*Waterfront Commission v. Cunard Line, United States Line, Italian Line,* (S. Ct. N. Y. Co.) Index No. 14015/59.

Commission action to enjoin steamship companies from continuing to violate Compact by using office employees not registered with Commission to handle baggage during a longshoremen's strike. After cessation of violation, the action was withdrawn.

APPLICATIONS RECEIVED AND PROCESSED DURING  
FISCAL YEARS INDICATED

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

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\* Initial year of Commission operations.

<sup>a</sup> Craftsmen and maintenance men required registration after May 26, 1957.

<sup>b</sup> Checkers required to register separately after May 26, 1957.

<sup>c</sup> Port Watchmen are required to renew licenses every third year.

<sup>d</sup> Stevedores are required to renew licenses every second year.

## REGISTRATIONS AND LICENSES

In Effect June 30, 1960

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

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\* Craftsmen required to register as longshoremen, and checkers required to register separately on May 27, 1957.

## COMMISSION DETERMINATIONS

July 1, 1959 to June 30, 1960

	APPLICATION		REVOCAATION			Suspended Pending Hearing	Total
	Denied	Granted	Revoked	Suspended	Repri- manded or Warned		
Longshoremen	102	20	111	21	6	56	316
Checkers	8	1	3	3		8	23
Hiring Agents		2	3	1		2	8
Pier Superintendents							—
Port Watchmen			6			4	10
Stevedores	1	37					38
							395
Summary Proceedings							58

## PETITIONS

July 1, 1959 to June 30, 1960

	Grant	Deny	Totals
To Remove Ineligibility by Reason of Criminal Convictions .....	19	2	21
For Reconsideration or Leave to Reapply .....	25	55	80
For Waiver of Physical, Mental or Age Ineligibility (Port Watchmen) .....	134	1	135
For Rehearing .....	2	4	6
To Withdraw .....	13	—	13
Total			255

## DIVISION OF LAW AND ENFORCEMENT

### Activity Report

	July 1, 1958 to June 30, 1959	July 1, 1959 to June 30, 1960
Application Requiring Legal Review	2,401	2,389
Petitions Processed	359	304
Investigations Conducted	847	729
Hearings		
Formal	367	319
Summary	27	68
	394	387
Total Hearings		

## DIVISION OF INVESTIGATION

### Activity Report

July 1, 1959—June 30, 1960

Investigations .....	4,227
WC registrants arrested (arrested while actively registered with the WC) .....	355
WC decasualized, denied, withdrawals, etc.—(arrested while no longer registered with Commission)	553
Active WC registrants arrested by Commission Investigators (these arrests include cases where WC Investigators made or participated in the arrest)	
a. Arrested for pilferage .....	53
b. Arrested for gambling .....	26
c. Arrested for other offenses .....	6

PRICE WATERHOUSE & Co.

56 PINE STREET  
NEW YORK 5

July 15, 1960

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, 1960 and is presented on a basis consistent with that of the preceding year. Our examination of this statement was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accounts of the Commission are maintained on the basis of cash receipts and disbursements and accordingly do not reflect expenses incurred but not paid, the amounts of which were not material at June 30, 1960.

PRICE WATERHOUSE & Co.

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Statement of Cash Receipts and Disbursements For the Year Ended June 30, 1960

### RECEIPTS:

Assessments on employers of persons registered or licensed by the Commission .....	\$2,049,882.30
Interest received on United States Treasury bills .....	5,641.67
Badge deposits received (net) .....	7,375.50
Interest received on badge deposit savings account ....	98.09
	2,062,997.56

### DISBURSEMENTS:

Salaries .....	\$1,507,012.79
Rentals .....	205,876.77
Retirement, group insurance and social security taxes .....	56,959.13
Traveling expenses .....	48,438.57
Special supplies and expenses .....	54,159.36
Telephone, telegraph and postage .....	40,680.34
General office supplies and expenses ....	25,470.93
Legal and consultant fees, etc. ....	20,322.49
Repairs and maintenance .....	25,955.67
Printing .....	19,853.12
Furniture, fixtures and equipment .....	10,637.45
Insurance .....	12,638.59
Overtime meal allowances .....	12,791.12
Light and power .....	11,757.81
Administration of seniority plan .....	2,406.75
Leasehold alterations .....	742.68
	2,055,703.57

Excess of receipts over disbursements for the year	7,293.99
Cash balance, June 30, 1959 .....	112,797.83
U. S. Treasury bills, at cost, June 30, 1959 .....	99,312.00

Excess of receipts over disbursements to June 30, 1960 represented by balances as below .....	\$219,403.82
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Cash (net of taxes withheld from employees) .....	\$ 9,240.82
U. S. Treasury bills, at cost ....	198,328.00

	207,568.82
Special badge deposit accounts ....	11,835.00

\$ 219,403.82

THE WATERFRONT COMMISSION OF  
NEW YORK HARBOR

JAMES O'MALLEY, JR.                      DAVID C. THOMPSON  
*Commissioner for New York      Commissioner for New Jersey*

MYLES J. AMBROSE  
*Executive Director*

WILLIAM P. SIRIGNANO  
*General Counsel*

JOHN J. MURPHY  
*Assistant Executive Director*

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

PAUL A. ALFIERI  
*Director of Investigation*

HYMAN S. LIPMAN  
*Director of Administration*

ERWIN W. SMITH  
*Director of Public Relations*

GEORGE A. MERRILL, JR.  
*Secretary to the Commission*



WATERFRONT COMMISSION OF NEW YORK HARBOR  
15 PARK ROW, NEW YORK 38, NEW YORK