

NEW JERSEY-NEW YORK WATERFRONT COMMISSION COMPACT

JULY 15 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. TOBEY, from the Committee on Interstate and Foreign Commerce,
submitted the following

REPORT

[To accompany S. 2383]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2383) granting the consent of Congress to a compact between the State of New Jersey and the State of New York known as the waterfront commission compact, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

BACKGROUND OF LEGISLATION

A subcommittee of your committee has recently concluded the study of waterfront conditions in the New York-New Jersey area. The extensive evidence of crime, corruption and inefficiency gathered by the subcommittee has made it clear, beyond all question, that the plan proposed by the States of New York and New Jersey is urgently needed. Moreover, the subcommittee heard testimony on the merits of the plan itself. In view of this study by its own members—as well as a thorough analysis made by the New York State Crime Commission and other agencies in the two States—your committee concludes that no further hearings are required.

New York is the Nation's largest port; it also is one of the finest natural harbors in the world, and the chief avenue of commerce with our friends and allies across the Atlantic. For several decades conditions prevailing on the New York waterfront have been a disgrace to the entire Nation. Here the thug, the racketeer and the labor "goon" have flourished in open defiance of law-enforcement agencies and the much abused shipping industry which you support. Pilferage and extortion have imposed so great a toll that private shippers and shipping lines have actually begun to divert substantial amounts of their traffic to other outlets and even vital public installations,

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handling military traffic and other Government shipments under the foreign aid program have been seriously disrupted.

Much of the trouble has centered in the very fact that the port of New York extends into both New York and New Jersey. The need for full cooperation between these two States has long been apparent. Your committee commends the public authority in both States who have developed this compact and urges the Congress to give it speedy and favorable consideration.

PURPOSE OF THE BILL

The necessity for this legislation arises from article I, section 10, of the Constitution of the United States, which provides that—

No State shall, without the Consent of the Congress, * * * enter into any Agreement or Compact with another State * * *

The present bill grants the consent of Congress to a compact or agreement between the State of New Jersey and the State of New York, known as the waterfront commission compact.

The compact between those two great States represents the culmination of the efforts of men of good will to obliterate the long years of powderkeg conditions in an area of great human, social, and economic suffering—the waterfront of the port of New York.

The compact requires the urgent consideration of the Senate and the House of Representatives because if it is not ratified at this session, the two States would have to establish separate interim administrations to supervise the regulations embodied in the compact.

This would be a costly and delaying procedure.

It would weaken the power of the fist which would otherwise be brought down hard to smash the conditions breeding evil and crime throughout the port of New York's tortured history.

A delay would bring about unnecessary duplication by two separate State Commissions, unless the Congress takes the necessary action to approve the compact.

The Commission will attempt, in part, to eliminate those overlapping functions which have served to plague the orderly processes and relationships of our State, local and Federal levels of Government.

The bi-State commission plan is aimed at cleaning up the corruption which has strained the economy not only of the port area itself, but also drained the pocketbooks of consumers and taxpayers the country over.

The issue before the Senate is a relatively simple one.

Shall we not add our blessings to the wedding plans which have been worked out by two of our great States?

New York and New Jersey are not coming to the Congress for help.

The findings of the various State crime commissions and of the Senate subcommittee headed by Senator Tobey directed your committee's sharpest attention to the need for help from some source.

But these two States need no outside help; just the cooperation and understanding necessary to place a congressional stamp of approval upon the administration of the commission from both banks of the port of New York.

New York and New Jersey can do the job themselves, but the Constitution requires that the Congress must agree that they shall have that opportunity.

SUMMARY OF THE BILL

In summarizing the compact, there are five basic features in the plan looking toward the improvement of waterfront labor conditions.

First, it would license pier superintendents and hiring agents—only persons of good character will be licensed for these key positions.

The license must be requested by the employer concerned; is good only for the duration of the employment and may be revoked for specified cause.

Second, stevedores and port watchmen would be licensed.

Third, the practice of public loading would be abolished.

This in brief, is the obnoxious racket, unique on the New York waterfront and infested by racketeers, by which loading and unloading truck-to-pier cargo requires the exacting of fees.

Fourth, the compact requires the registration of longshoremen.

The right to register is absolute unless the person has been convicted of a crime, although this disqualification may be waived by the commission.

Registration may also be forbidden if the longshoreman is engaged in subversive activity or unless his employment on the waterfront is clearly likely to endanger the public safety.

Fifth, the compact provides for the operation by the commission of regionally located employment exchanges for registered longshoremen and licensed port watchmen.

This provides for the replacement of the wasteful and unworthy "shapeup" method.

The employment exchanges would provide information as to available employment and flexibility in obtaining such employment, but without interference with employer-employee freedom of selection or with provisions of collective-bargaining agreements.

Your committee emphasizes that the rights of licensees and registrants are carefully protected by procedural safeguards set forth in article 11, including hearings, court review, and other requirements for the protection of the individual.

Governor Driscoll of New Jersey said in proposing this legislation to the New Jersey Legislature in a recent special message:

It is now proposed to create an interstate commission to free the port district from the domination of gangsterism and to protect and promote the great economic assets of our country.

In effect, the Senate is now being asked to agree that the States of New Jersey and New York be permitted to work out their own problems so that the hoodlums may be driven from the greatest harbor facility the world has ever known.

Article 1 of the compact as approved by the two State legislatures and signed by Governors Dewey¹ and Driscoll, under whose leadership this compact was born and which, your committee is convinced, will flower into an effective enforcement agency, sets forth the findings which shook and rocked the American people on the occasion of their recent public disclosures.

It states, in part:

The States of New Jersey and New York hereby find and declare that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, resulting from the lack of

¹Statements by Governor Dewey of New York are printed in the appendix.

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any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity.

These compacts were passed by the legislatures of both States by an overwhelming vote.²

This reference in article 1 of the compact reflects the legislative findings which concluded that the methods for hiring waterfront labor and the conduct of the business of public loading and stevedoring are uneconomic, unjust, and degrading to the workingman.

This condition fosters waterfront crime and corruption, and adversely affects the economical and expeditious handling of port commerce.

The compact, therefore, declares that the current practices of public loaders must be eliminated and that the occupations of stevedores, pier superintendents, hiring agents, pier watchmen, and longshoremen must be regulated in the public interest.

DEPARTMENTAL VIEWS

The Department of Justice has stated that it is in accord with the general purposes of the bill. It has not had the opportunity to study this legislation in its minute details. The Department of Labor has not had the opportunity to form an opinion on the merits of this bill, although it favors the cleaning up of conditions on the New Jersey-New York waterfront.

However, your committee believes that the only provision of the bill which may require close scrutiny is section 2 of article XVI, from page 45, line 16 to page 46, line 5. The question arises in connection with the language there contained whether the Federal Government is incurring greater obligations than under existing law. Counsel from the Department of Labor have advised your Committee that under the Act of June 6, 1933 (48 Stat., 113), as amended, the Federal Government presently incurs the whole of the necessary cost of proper and efficient administration of similar employment information centers. Therefore, this provision of the bill simply makes the administrative adjustments necessary to accommodate present legislation to the Commission created by the compact.

In view of the urgency of taking prompt action upon this bill, as outlined above, your committee recommend that the bill do pass.

APPENDIX

STATE OF NEW JERSEY,
OFFICE OF THE GOVERNOR,
Trenton, June 30, 1953.

The Honorable RICHARD M. NIXON,
Vice President of the United States,
Senate Office Building, Washington, D. C.

DEAR MR. VICE PRESIDENT: I am pleased to transmit herewith a duly authenticated copy of the Waterfront Commission Act of the State of New Jersey, as amended, which, together with similar legislation of the State of New York, would create a compact between the two States requiring congressional consent.

² A letter from Governor Driscoll to the New Jersey transmitting this legislation to the Senate is contained in the appendix.

For your information, I may add that legislation to provide such consent will shortly be introduced in the Congress.

Very truly yours,

ALFRED E. DRISCOLL, *Governor.*

Enclosure.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, June 30, 1953.

Memorandum filed with Assembly bill, Introductory No. 9, Print No. 9, entitled: "An act to enter into a compact with the State of New Jersey for the elimination of criminal and corrupt practices in the handling of waterborne freight within the port of New York district and the regularization of the employment of waterfront labor, to provide for assessment of the expenses thereof against certain employers, and, in the absence of such compact, to accomplish such objectives within the New York portion of the port of New York district, and making an appropriation therefor"

APPROVED

This bill authorizing the establishment of a Waterfront Commission for New York Harbor is a fulfillment of the great investigation launched more than 19 months ago by the New York State Crime Commission. It is a momentous result of a brilliant investigation for which I am sure our people are genuinely grateful.

I am personally grateful to the distinguished members of the Crime Commission, their able counsel and staff who made this monumental contribution to the cause of good government. In drafting the legislation they have been aided greatly by the staff of the Port Authority and the fine cooperation of Governor Driscoll and the New Jersey Law Enforcement Council. I am certain that in years to come there will be even greater appreciation and awareness of the notable service rendered by the Crime Commission in the interest of the people of the State.

This legislation symbolizes the outpouring of the indignation of an aroused people and a unanimous Legislature, determined to end organized piracy, extortion and economic wrecking on the waterfront of the greatest port in the world. This is an immense undertaking. It can succeed only when honest men of labor and management provide their wholehearted support to make it succeed.

The compact established by the bill will shortly be submitted to Congress with sponsorship by representatives of New York and New Jersey. It is hoped that congressional approval may be obtained at the earliest opportunity. Until then, New York and New Jersey will set the wheels in motion cooperatively to provide governmental facilities for ridding the piers of criminals and racketeers and the restoration of law and order.

The bill is approved.

(Signed) THOMAS E. DEWEY.

STATE OF NEW YORK, EXECUTIVE CHAMBER, ALBANY

The following is the text of a message sent by Governor Dewey to the Legislature on June 25th:

To the Legislature (in extraordinary session):

Nineteen months ago after conferences with the Governor of New Jersey, the Attorney General of New York and members of the New York State Crime Commission it was determined that the governments of New York and New Jersey should join forces to uproot the intolerable conditions which were robbing the port of New York of its natural advantages as a center of trade, causing the diversion of shipping to other ports, terrorizing honest workmen and subjecting a multibillion dollar industry to organized piracy by gangsters and extortionists.

The New York State Crime Commission immediately began a monumental investigation which when completed fully confirmed the worst fears that had been expressed. It disclosed an incredible criminal contamination of vital business activities, characterized by widespread corruption, intimidation and violence.

The labors of the Crime Commission consumed many months of painstaking effort. The Commission heard more than 700 witnesses and held over 1,000 hearings in executive session. Subsequently, it conducted public hearings on 20

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days at which 188 witnesses were called and almost 4,000 pages of testimony recorded. The five volume record of these hearings describes the sordid conditions that were found. The Fourth Report of the Commission describes the program developed for the correction of these evils.

The distinguished members of the Commission, their special counsel, and staff over a period of many months devoted themselves to one of the most difficult undertakings in the annals of government. It is with a sense of deep regret that all of us must note that Dean Ignatius M. Wilkinson, who served as Vice Chairman of the Commission, presided at the public hearings on the port of New York waterfront and deferred undergoing serious surgery until his assignment was complete, has been taken from us before the accomplishments of the Commission could be finally translated into legislative action.

The recommendations of the Commission called for the creation of a new governmental agency with extraordinary powers. In complete candor, I should note that I was not sympathetic to the creation of any new governmental agency or for the intervention of government regulation into new areas and I earnestly sought other methods for coping with the problem.

To permit fullest opportunity for the submission of alternative solutions I conducted a series of public hearings which were attended by the elected State officers, the legislative leaders of your Honorable Bodies, members of the Committees on the Affairs of the City of New York as well as a large number of federal, state and municipal officials. At these hearings opportunity was given to every responsible organization to present any better solution. Those of you who were present or have read the transcript of the hearings know that the proposals of the Crime Commission were overwhelmingly supported and that no feasible alternatives were proposed.

The bill before you which is presently awaiting final approval in New Jersey authorizes the establishment of a compact between the States of New York and New Jersey and provides for an interim State Commission until congressional consent is granted to the compact. Its key provisions do not become operative until December first, and if on the basis of operating experience and further study it should develop that changes are required, fullest consideration will be given to any adjustments that may be necessary in the language of the act.

The Waterfront Commission will provide the means though which labor and management can remove the shackles that have enveloped them. It would be disingenuous, however, to pretend that by this law alone we are providing the whole answer. Laws are not a substitute for the determination of honest men.

Unless labor and management fulfill their responsibilities this program cannot succeed. The first requirement, and on this all parties appear to be in agreement, is that there must be established effective procedures for the resolution of disputes by an impartial arbitrator with the power to enforce his decisions. The threat of the irresponsible "quickie" strike as a vehicle of extortion and coercion must be ended by voluntary action of the parties.

The Waterfront Commission legislation submitted to your Honorable Bodies is one of the most important measures that has come before you in many years. It represents the final outpouring of the indignation of an aroused people who have watched the depredations on the waterfront continue and increase in intensity, while labor and management were permitted to "work their problems out." They have not done so until now and without this legislation there appears to be no hope that the cancerous conditions will be cured.

I earnestly hope that with the assistance of this legislation we may reach a turning point which will herald a new era for the greatest port in the world and for those who work in it, and that the necessity for government intervention may be obviated as quickly as possible.

(Signed) THOMAS E. DEWEY.