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WATERFRONT  
COMMISSION of  
NEW YORK  
HARBOR

1968-1969

ANNUAL  
REPORT



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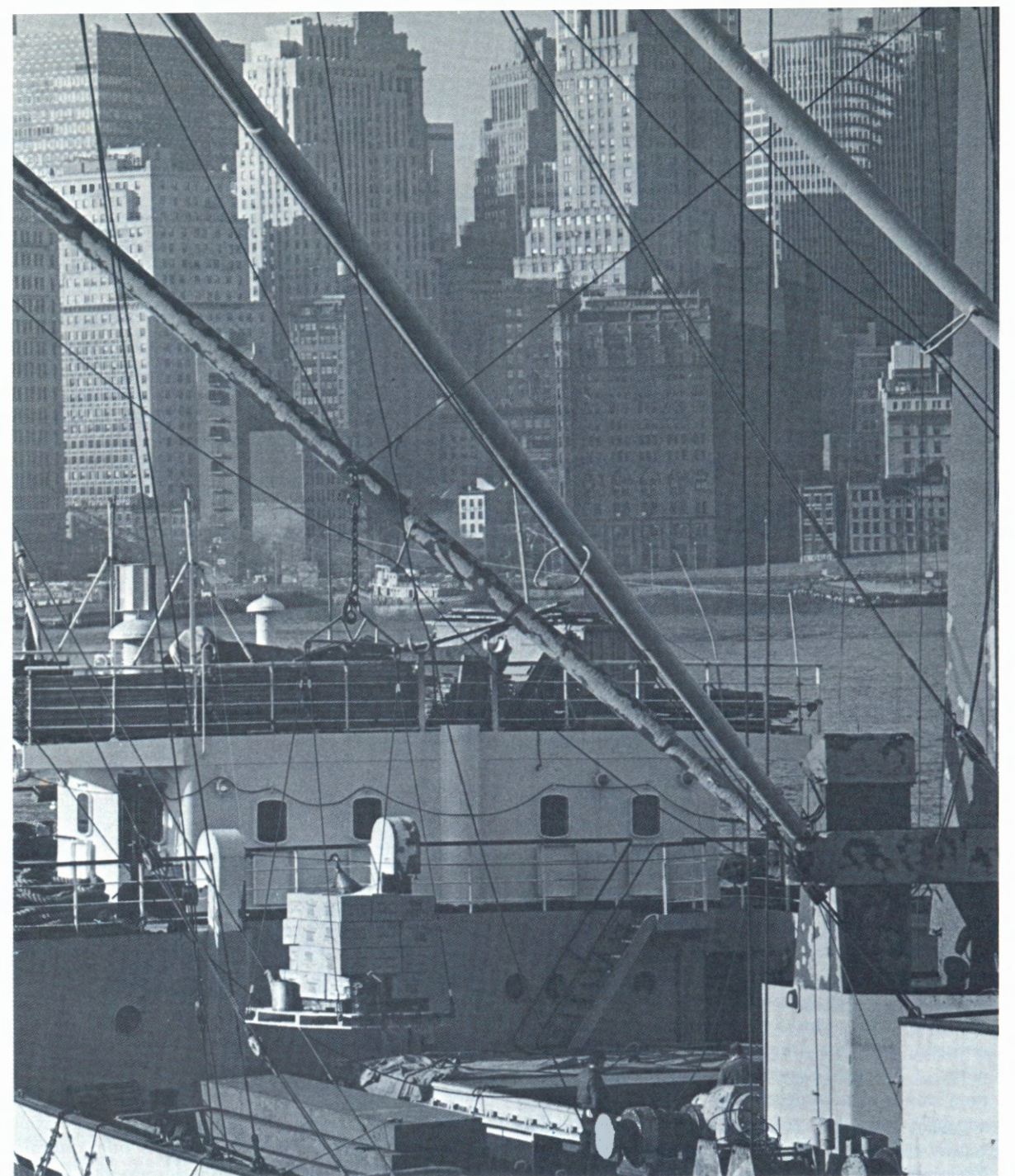


THE WATERFRONT COMMISSION OF NEW YORK HARBOR



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

*To the Honorable William T. Cahill, Governor,  
and the Legislature of the State of New Jersey*



### *The Port of New York Today*

**T**he Waterfront Commission of New York Harbor performs its statutory functions over the entire Port of New York District, an area encompassing 650 miles of developed waterfront within the States of New Jersey and New York, with a capacity of servicing 400 deep-sea vessels and utilizing a waterfront work force of more than 23, 500 persons.

In reality, the District is a vast complex of many

individual port areas, most of which are capable of handling as much tonnage as many other major ports throughout the nation and world.

On the west side of Manhattan are found piers from the Battery, at the southern tip of the island, to the west seventies. This area includes the so-called "luxury liner row" where the major passenger lines of the world berth their vessels. Bordering the East River are the piers which formerly accommodated



**AVERAGE ANNUAL EARNINGS OF LONGSHOREMEN AND CHECKERS  
PORT OF NEW YORK**

For Fiscal*	Total Payroll	Average Number Registrants	Average Earnings**
1960/1961	\$144,868,164	27,998	\$5,174
1961/1962	151,425,536	26,515	5,711
1962/1963	155,134,148	27,034	5,738
1963/1964	166,007,689	26,106	6,359
1964/1965	167,375,968	24,281	6,893
1965/1966	186,554,856	23,848	7,823
1966/1967	183,513,600	22,927	8,004
1967/1968	173,836,302	21,141	8,223
1968/1969***	166,503,418	20,922	7,958

SOURCE: Waterfront Commission of New York Harbor.

\* Fiscal year begins on July 1st.

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

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

the clipper ships and huge square riggers of another era. Some of these old-type finger piers, unsuited for modern shipping, have been replaced by modern terminals in an attempt to enable the area to regain some of its importance as a cargo handling center.

The Borough of Brooklyn is divided into several port developments, the busiest of which are a marine terminal built by the Port of New York Authority containing twelve piers on two miles of active waterfront and the area known as Erie Basin, enclosing six piers, warehousing facilities and forty acres of up-land. Commercial and municipal planners look forward to developing a container handling capacity for other sections of the borough. The recent re-opening of some of the Brooklyn Army Terminal piers is expected to return some vitality to this part of Brooklyn's traditionally active waterfront.

On the other side of the entrance to the Harbor are the piers on Staten Island, stretching from the enormous Verrazano Bridge to St. George. Elaborate plans for the future use of the Island for container shipping are presently under consideration.

The most impressive growth in the District can be found on the New Jersey side of the Harbor in the Port Newark and Port Elizabeth areas. Port Newark, with thirty berths for deep-water vessels, and Port Elizabeth, with a projected capacity of twenty-five additional berths, already service the nation's largest container terminal operation. Eleven of these berths in Port Elizabeth have been finished, with an additional nine under construction. It has

been estimated that these facilities can handle over nine million tons of cargo annually, of which some 95 per cent will be containerized. It is small wonder that the Port of New York is already known as the container capital of the world. It is generally acknowledged in the shipping industry that the Port has a ten-year lead on all other ports in providing for the movement of containers by water. Finally, in Hoboken, can be found several fine piers servicing three major steamship lines.

The Port is the center of the world's foreign as well as America's domestic sea trade. Approximately 600 international forwarders and custom house brokers participate in the movement of cargo from and to the Port. Some ninety banks offer international financial services. Almost seventy foreign nations maintain consulates in the area and ninety foreign nations have established trade relations in the Port. One hundred and seventy steamship lines use the Port's facilities, which include some of the world's finest berths and most elaborate ship repair and dry dock operations. An average of one ship nearly every 25 minutes sails from or arrives in the Port of New York, for a total of over 20,000 a year.

This vast port activity is reflected in the handling this past year of 114 million tons of cargo—56 million tons of inter-nation shipments and 58 million tons in coastal and inter-coastal trade.

Moreover, the Port of New York has spent almost five times more on construction than any other American port, resulting in more new berths in this

port than new piers in all Eastern United States ports combined.

The vitality of the Port and its continued important contribution to the nation's economy and well-being depends in large measure upon the Port's reputation as a stable and orderly cargo terminus. The Waterfront Commission is proud of its role in the reversal of the Port's reputation a decade and a half ago as a crime-infested and unreliable seaport to its present recognition by other ports as one of the most advanced, efficient and highly regarded harbors.

The Commission's process of eliminating casual longshore labor from the waterfront has affected a reduction in the work force in the past 15 years from approximately 50,000 longshoremen to the present regular work force of about 21,000. This

reduction has enabled longshoremen to earn a reasonable living wage. Thus, while average longshore wages in 1953 were \$2,469, in 1969 they were \$7,958.

All hiring of waterfront labor is now conducted in an orderly manner in the Commission's hiring centers, in contrast to the abusive and degrading "shape-up" method of prior years.

This past year, despite a 56-day economic strike along the entire east coast, oceanborne general cargo moving in foreign trade through the harbor totaled 56 million tons, having a dollar value of \$14 billion, an increase of 3 million tons over last year. Payrolls to waterfront workers totaled over \$175,000,000 and Customs collections in the port were almost \$911,000,000, a rise of over \$31,000,000 from the previous year.

### *Cargo Protection in the Port*

Adequate cargo protection in the Port of New York continues to be of prime concern to the Commission. Traditionally, cargo security in this Port had been the responsibility of a private security force employed, directed and controlled by the shipping industry. The legislation creating the Commission continued this system of cargo protection. Today, on a busy day in the Port, the industry employs approximately 1,000 men, and the total annual cost for such pier guard force ranges from \$12,000,000 to \$15,000,000.

As repeatedly reported in various annual reports of the Commission, this system has never satisfactorily controlled pilferage and major thefts in the harbor, despite some improvement brought about by the Commission by requiring the licensing of these private pier guards, the establishment of physical and age standards, the requirement that they take continuous courses of training, and the imposition of rules of conduct and discipline concerning these licensed pier guards.

In addition, the Commission, to deter cargo thefts, utilizes its 50 special agents who, among their other duties, conduct undercover surveillances, gather intelligence and apprehend persons who are engaged in the committing of larcenies from the piers. This past year, merchandise worth almost \$350,000, which had been stolen from the piers or which after being stolen elsewhere was shipped to the piers was recovered by these special agents. Moreover, 215 persons were apprehended specifically for thefts from the piers.

The problem of adequate cargo protection is not unique to the Port of New York. Recently, the United States Senate, concerned with extensive

cargo losses throughout the ports of the nation, sought the assistance of the Commission before its Select Committee on Small Business headed by Senator Alan Bible of Nevada. The Executive Director and General Counsel of the Commission testified on July 23, 1969 before this Committee as follows:

*"While the use of containers may deter petty thefts, or pilferage, the containers, which are pre-packed and mobile, are themselves tempting and lucrative targets for large-scale thefts running up to \$200,000 a theft. The prevention of such large-scale larcenies requires the utilization of modern devices to provide the identification and location of containers in the huge marshalling areas, together with appropriate protective measures for safeguarding the containers."*

*"Large-scale larcenies of container loads are obviously not the result of impulse. Such thefts require organization and cooperation of persons on the piers who know the arrival schedules, the whereabouts and the contents of containers. In addition, the thieves must have the associates and facilities to distribute and sell stolen cargo in such large volume."*

\* \* \*

*"Obviously there is a great need for improved cargo protection in all ports since there is no doubt that the protection of cargo is important to the economy of the entire nation. The actual dollar value of lost cargo, though large, is of the least importance. The real serious effects of cargo losses are that manufacturing schedules are not met, job layoffs may occur for the lack of raw materials, seasonal markets are lost, custom revenue is lost,*



insurance premiums are increased and stolen goods are put into legitimate commercial channels by the underworld in competition with honest business, and sometimes in competition with the very owners of the stolen property. All of this is in addition to the degeneration of the moral climate of the community resulting from unchecked criminality.

\* \* \*

"It therefore becomes incumbent upon the Federal government to step into this area by establishing national standards for cargo protection throughout the United States which shall be enforced by the states. The funds necessary to defray the costs of enforcing these standards should be supplied by the Federal government as it has already done in other local assistance programs. This would achieve the objective of having uniform effective cargo protection throughout the United States and at the same time leaving the responsibility for cargo protection to the states or their designated agencies. Only those states which agree to enforce the federal standards would be eligible for such funds."

The Commission made certain recommendations for these standards to be adopted by the Federal Government, including the following:

- 1) that local government operated port security forces be established which meet accepted police standards, including qualifications and training, and that such port security officers have full police powers, including the authority to search persons and vehicles entering and leaving pier areas;
- 2) the establishment of uniform standards for the accurate and timely reporting of cargo losses;
- 3) the establishment of cargo security areas properly enclosed and with control of ingress and egress;

### Status of the Longshoremen's Register

Under an amendment to the Waterfront Commission Act enacted in 1966, additional longshoremen and checkers can only be added to the waterfront work force after the Commission conducts public hearings to determine whether new men are necessary to bring the size of the work force in balance with the manpower needs of the Port.

Representatives of labor and industry, as well as all other persons who have an interest in or do business in the Port, are given the opportunity to testify on the need for and the economic impact of such additions to the Waterfront Commission Register.

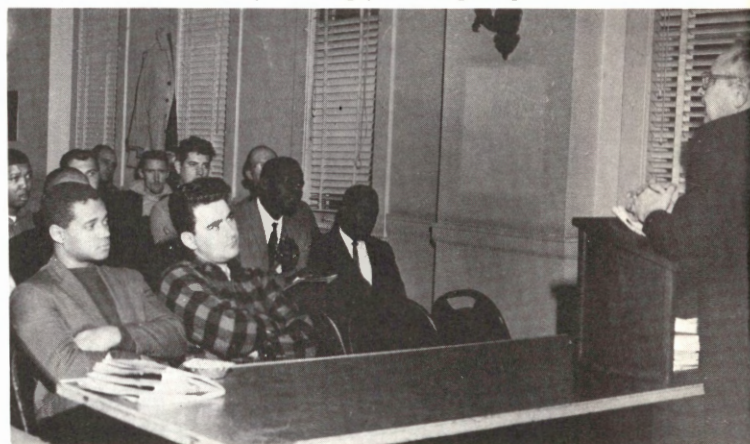
In March 1969, after preliminary surveys by the Commission disclosed that labor shortages were

- 4) the establishment of specially protected areas with alarm devices for high value cargo;
- 5) a permit or licensing system for ingress to cargo security and specially protected areas;
- 6) the keeping of accurate inventories of cargo at piers through proper documentation; and
- 7) the granting of exclusive control of sealing of containers by the government operated port security force.

The Commission's recommendation concerning local government pier police forces has now become a matter of national interest. At a recent meeting of the American Association of Port Authorities, with representatives from ports in North, Central and South America attending, the Committee on Facility Risks and Insurance, recognizing that cargo thefts have become a serious problem, reported that "what is needed is more effectiveness and more professionalism in port security."

Under the present limitations of its authority and funding capacity, the Commission cannot establish a professional police force on the piers of adequate size to properly protect cargo. Appropriate legislation is accordingly required to give the responsibility of cargo protection to the Waterfront Commission, together with the necessary funds to employ and train such a police force.

Course of training for new pier guards.



developing in certain areas of the port (Port Newark—Port Elizabeth and Brooklyn), such a public hearing was held at the New York County Lawyers Association's auditorium in Manhattan.

The statistics and factual information introduced into evidence at this hearing established that more longshoremen and checkers were necessary to satisfy shortages among waterfront workers. There was no testimony produced that such shortages did not exist and the New York Shipping Association-International Longshoremen's Association Contract Board, representing most of the waterfront employers and labor, specifically requested that the Commission's Register be opened. The Commission ruled that additional manpower was needed and



In line for checkers' registration applications.

ordered that the Longshoremen's Register be opened. To afford equal opportunity to obtain longshore registration to men from all areas of the Port, the Commission ordered simultaneous distribution of applications at Port Newark, New Jersey and Brooklyn, New York, on April 18, 1969.

As is the usual case in any opening of the Register, hundreds of men lined up for hours in advance to obtain applications on a first come first served basis. Over 1,600 applications were distributed in Newark, and another 1,500 distributed in Brooklyn.

By the end of the fiscal year, approximately 1,100 of these new men had been added to the Longshoremen's Register to alleviate the longshoremen shortages. To assure that a sufficient number of applicants would be available to meet the manpower needs of the Port, the Commission is continuing to distribute applications for registration at its main offices in Manhattan.

Recognizing that some dock workers already registered as longshoremen desired to change their work status to checkers\* (particularly those of advanced age or with such physical conditions as to make longshore work a hardship), the Commission gave such men the opportunity to transfer to checker status prior to issuing checker applications to new men. As a result of this procedure almost 500 longshoremen were made eligible to also work as checkers. Then, on May 23, 1969, the Commission distributed over 400 new checker applications. The distribution of such applications is

\* A checker engages in the checking of and custodial accounting for cargo and in the recording and tabulation of the hours worked by waterfront workers.

continuing in order to keep the supply of available checkers in balance with the demand for their services in the Port.

In addition to these new men, the Legislatures of New York and New Jersey, in their 1969 sessions, passed various amendments to the Waterfront Commission Act requested by the Commission, including one which required the licensing of various formerly "uncovered" waterfront businesses and the registration of their employees.

It was of prime concern to the Waterfront Commission that certain people working side by side with registered longshoremen and checkers did not require registration. In several instances men who had been denied registration, or who had their registrations revoked, were able to immediately obtain employment in categories not requiring registration and thus continue working on the waterfront. Further, with the advent of containerization, many new business enterprises have come into existence which had not been contemplated when the Waterfront Commission Act licensing requirements were first enacted in 1953.

The new legislation, in brief, requires the licensing, among others, of certain warehouses operating on the waterfront, companies moving freight into and out of containers, maintenance companies and of various service functions performed on the docks, such as the repairing of crates and containers, and the weighing and inspection of cargo.\*\*

\*\* Since this legislation became effective, over 1,400 men engaged in these operations have been temporarily registered by the Commission, and more than 30 companies have been issued temporary licenses, pending the Commission's investigation of their eligibility for such registrations and licenses.



## Law Enforcement

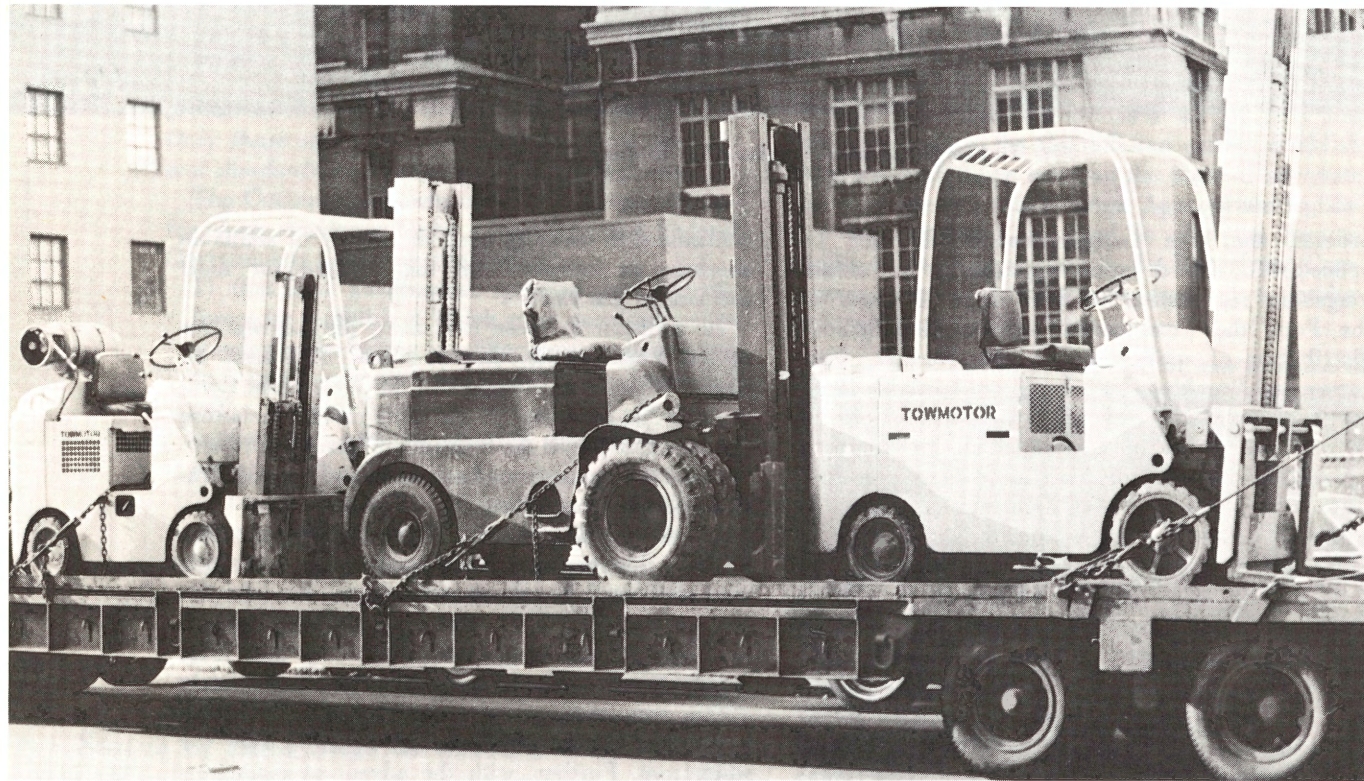
Enforcement of the Waterfront Commission Act and the penal laws of the States of New York and New Jersey as they relate to the harbor is a joint effort of the Commission's attorneys, accountants and its force of special agents.

During the past year, 278 registered and un-registered persons were apprehended by Commission agents for various violations of law, including

pilferage, gambling operations, hijacking and assault. In addition, merchandise having a value of almost \$350,000.00, which had been stolen from the piers or which was being shipped illegally from the Port, was recovered by Commission personnel.

A few of the more noteworthy cases developed by the Commission are summarized below:

### THEFT OF FORK LIFT MACHINERY



*Fork lifts recovered through efforts of special agents of the Waterfront Commission.*

Much of the cargo moving on the piers is carried by fork-lift trucks, known on the docks as "hi-los." The value of these machines range from \$3,000 to \$30,000.

One of the Commission's investigations this year concerned the theft of four of these hi-los from a stevedore operation in Brooklyn. Using undercover agents, who successfully associated themselves with one of the suspected thieves, the Commission developed that the hi-los were removed from Brooklyn piers, in at least one instance by a registered longshoreman, and taken to a garage rented by the

operator of a lift-truck repair service where they were repainted and had their serial numbers altered. The machines were then rented or sold to various persons. Four of these hi-los, having a value of \$28,000, were recovered.

Six persons involved in this operation were arrested, including the longshoreman, and with the cooperation of the District Attorney of Kings County were indicted by a Brooklyn Grand Jury. The longshoreman has been suspended from working on the docks pending final disposition of an administrative hearing to determine whether or not to revoke his registration.

### OTHER WATERFRONT THEFTS

A perennial problem on the piers is the small-scale pilferage committed by pier workers. These thefts are usually the result of impulse on the part of the workers when cartons break open and cargo is scattered on the pier or in the hold of the ship. While most of these misappropriations involve cargo of minimal value, with over 23,000 people working on the piers the loss occasioned by such thefts becomes sizeable. Prior to the establishment of the Commission, few criminal or disciplinary proceedings were instituted against persons caught committing pilferage because of such minimal value, the effort required to gather evidence and the time delays in criminal courts. Such lack of sanctions encouraged the practice and the problem became more serious.

One of the purposes of the Commission is, by the imposition of penalties, to discourage the belief on the part of waterfront workers that the taking of cargo is a "fringe benefit" of the job. This year over 200 persons were apprehended by Commission agents and disciplined after administrative proceedings, by actions ranging from reprimands to outright revocations of the registrations or licenses to work on the piers. The particular punishment imposed by the Commission is dependent on many factors, including the respondent's equity on the waterfront, his previous record, the amount and the value of the cargo misappropriated and the circumstances under which he took it.

To illustrate, the misappropriation by a longshoreman of one can of ham as a first offense may warrant a suspension from the docks for a comparatively short period of time, while, in a case recently concluded by the Commission, a longshoreman's registration was completely revoked for his theft from a North River pier of 466 pairs of gloves and 39 wool sweaters, valued at \$4,000, which he secreted in the trunk of his automobile.

As part of its drive to curb waterfront thefts, the Commission this past year referred for prosecution to the District Attorney's office of Kings County 22 men who were apprehended for committing various thefts on the piers. Included among this particular group were not only dock workers, but also truck drivers, and businessmen who acted as "fences." These 22 persons alone stole more than a half-million dollars worth of cargo, including such merchandise as cameras, radios, tin ingots, canned foodstuffs and clothing.

### WATERFRONT GAMBLING OPERATIONS

The Commission is also gravely concerned about gambling activities at the piers since, among other things, the proceeds of such illegal operations assist

in the financing of organized crime. As in any area where large groups of men congregate, the piers are tempting targets for bookmakers and policy operators. During the past year, 50 arrests were made of persons engaged in various gambling activities in and about the piers by Commission agents in cooperation with other law enforcement agencies.

To illustrate, three of these cases involved major gambling figures operating independently of each other in the Port Newark—Port Elizabeth area of the harbor. One of these men had been a longshoreman until seven years ago when his registration to work on the piers was revoked after the Commission established that he was engaged in gambling activities. Using undercover techniques, the Commission obtained evidence which showed that, although he could no longer promote gambling directly on the docks, he was collecting policy slips inside a longshoremen union hall. After being arrested inside the union building, he was convicted for the possession of lottery slips and sentenced to a jail term.

Another of these men, holding active registration as a longshoreman, was suspected by the Commission of being a principal policy collector at particular piers in Port Newark. Evidence developed by Commission agents enabled the Commission to obtain a warrant for his arrest. He was immediately suspended from pier employment and subsequently convicted in Newark of the gambling charges.

Similarly, information produced by agents of the Commission led to the arrest of the third of these gamblers, a major policy collector at the piers operated by the largest terminal stevedore in Port Newark. His registration as an active longshoreman was immediately suspended by the Commission and he was indicted in Union County, New Jersey, for possession of lottery slips.

### ILLEGAL WORK STOPPAGES

Before the Commission's creation, the quickie work stoppage was prevalent as a coercive expedient to obtain illegal demands from waterfront employers. Such work stoppages were so recurrent as to give the Port a reputation of irresponsibility with respect to the timely shipment and delivery of cargo. Since the advent of the Commission, the quickie work stoppage has in the main disappeared.

Prompt Commission action against such coercive work stoppages is illustrated by a recent case. The vice-president of a New Jersey longshore local union attempted to compel a stevedore company to establish the position of "tractor boss" and to place his brother into such job. The company's executives refused to accede to such demand since the position was considered not necessary and could



cost an extra \$18,000 a year, unduly adding to the cost of its operation. The union official, taking advantage of the fact that the employer had over a million dollars in perishable meat and fruit on the pier, acting on his own and without the authority of the president of the local, induced the longshoremen to refuse to report for work one morning. In view of the seriousness of the situation, the Commission immediately dispatched several attorneys and agents to obtain evidence concerning the reason for the stoppage. By 11:00 p.m. the same evening, Commission attorneys had obtained a court injunction against the work stoppage. As a result thereof, the following morning the longshoremen were again moving the cargo. In addition to obtaining the injunction, the Commission ordered a hearing on the longshoreman registrations of the union official and his brother to determine whether or not their registrations should be suspended or revoked. Pending the outcome of the hearing, the Commission suspended both men.

## PIER PHANTOMS

Another common practice of the past on the piers was the carrying on the payroll of people who did not perform any services. This practice has been largely eliminated by the Commission. In order to prevent its resurgence, the Commission continually makes spot checks on piers to uncover those who may still engage in the practice.

In one case this year it was disclosed that a relative of a longshore union shop steward was not only receiving his regular salary for "work" at a Brooklyn pier but also substantial overtime, while he was actually spending most of the work day at a local race track. The evidence to establish this type of violation is usually obtained by discreet surveillances conducted by Commission special agents. In the instant case, the proof included photographs taken of the subject at the race track. The longshoreman was removed from the Register after an administrative hearing.

*Discussing a hiring problem at a Commission Employment Information Center.*



## Legislation

In the years subsequent to the adoption of the Waterfront Commission Act in 1953, the Commission acquired expertise in dealing with the evils which the States of New York and New Jersey had sought to abolish. It became apparent that the original legislation contained certain statutory loopholes through which a number of persons with criminal records were able to escape the Commission's licensing jurisdiction. For example, the original Act required the registration of the classic longshoreman who physically handled waterborne cargo on the piers and in the holds of ships but overlooked those who performed tasks incidental, but nevertheless essential, to the smooth flow of the freight. Thus, the Commission found that when it barred a man with a serious criminal record from a longshoreman's job, he would simply move to an "uncovered" job, often at the same pier, to escape jurisdiction.

In addition, in the area of jurisdictional legislation, the Commission has had to deal with technological changes in the longshore industry. The last several years have seen the advent of remarkable changes in the industry with the introduction of containerization. The techniques of containerization are at the same time quite simple and quite revolutionary. Simple because the idea merely involves the loading by a shipper of a box-like device with cargo for shipment. Then the entire container is loaded aboard a truck frame and moves forward to a pier where again the entire cargo-laden container is hoisted aboard a ship specially designed to carry such containers. At the port of discharge, the process is simply reversed. The idea is revolutionary because from time immemorial the same shipping process involved first the loading of a truck, item-by-item, at a plant, the discharge of the truck at a pier, piece-by-piece, and thence the loading of the ship in the same fashion. Again, the process was reversed at the cargo's destination.

With these changes in the industry have come new contractors, who, though they handle the same cargo as the classic contract stevedore, do not readily fit the categories originally envisioned by the legislatures of 1953.

Moreover, judicial interpretations of the Waterfront Commission Act have also vitally affected the Commission's determination to carry out the legislatures' mandate to rid the piers of criminal influence.

All of the foregoing considerations, *i.e.*, legislative loopholes, technological changes and the consequences of litigation, were important factors in shaping the Commission's legislative program during the past year.

At the outset it should be again pointed out that the International Longshoremen's Association, adhering to the pattern it has invariably followed, bitterly opposed and fought each and every reform measure proposed to the legislatures by the Commission, including bills over which there should not have been any quarrel at all.

For example, the Commission asked the legislatures to clarify the law which defined the type of powers its Special Agents may exercise in the performance of their police functions.

In 1957, when Commission investigators were granted police powers there was only one category of person under the laws of both states who could exercise such powers, the "peace officer." Accordingly, Commission Special Agents became peace officers in both New York and New Jersey. Later, New York created a special classification of "police officer" and assigned certain powers to the "police officer" which the "peace officer" would no longer possess.

Inasmuch as the Waterfront Commission's Special Agents had always been the "police" of the waterfront, the Commission merely requested the legislatures to clarify the law to avoid any question that its agents had the same powers as the new "police officers." Though the change in classification only concerned New York, the consent of New Jersey was essential because of the Commission's bi-state nature.

Upon the introduction of this bill the ILA made ludicrous allegations to the effect that arrests made by Commission special agents would not be reviewable by the courts because of the bi-state nature of the agency and that a "gestapo" was being created.

Another facet of the Commission's legislative program was to clarify a provision of the Waterfront Commission Act. From the outset the Act carried a remedial measure in the form of a statute, separately adopted in each state and not part of the bi-state compact, identified as "Section 8." Section 8 prohibits persons with serious convictions from holding union office on the waterfront. New Jersey's version of the statute had built into it a criminal penalty for its violation. On the other hand, New York's version, though intended to be penal in nature, depended upon a general penal law provision (not within the Act itself) for its criminal penalties.

In an attack upon the statute during a recent criminal case in Kings County, the lower court decided that since the general penal law provision (which was the underpinning of Section 8 for it to be a criminal statute) was vague and indefinite as



to its applicability to Section 8, to reply upon such general penal law provision was unconstitutional. Thus, Section 8 could no longer be considered penal in nature and the Commission asked New York to restore the criminal penalties to Section 8.

The final and most important bill recommended by the Commission to the legislatures was designed to close the loopholes in the law with respect to the licensing of certain categories of pier workers who worked alongside the classic longshoreman but did not physically move the cargo and to require the licensing and registration of the new companies and men brought into the waterfront industry by recent technological changes and certain warehouses storing waterfront cargo and freight.

The technological revolution which has been occurring on the waterfront has seen more and more of the cargo passing through the Port in containers rather than in break-bulk shipments. The growth of the containerization technique would consequently mean that each year more longshoremen would be employed not by traditional carriers and presently licensed stevedores, but by container consolidating and related companies which have been establishing themselves along the waterfront.

Moreover, the Commission has repeatedly uncovered instances where men who have been removed from pier employment by the Commission because of their misconduct have nonetheless been able to return as waterfront warehouse employees, in which capacity they work in immediate proximity to the regular and qualified longshoremen and upon the same cargo. The failure to require the registration of warehouse employees as longshoremen represented an anomaly in the law which called for correction.

The Commission's legislative program as outlined above was presented to the legislatures of both New York and New Jersey.

New York acted first by calling for public hearings on the measures before the New York City Committee. All interested parties were given an opportunity to express their opinions on the bills at the hearings which were held in Albany. The bills were passed in both houses after extensive debate and despite rather intense opposition by the ILA. Governor Rockefeller signed all three bills on May 2, 1969.

As previously mentioned, only two of the Commission's legislative proposals were measures requiring joint action by New York and New Jersey. After quick and unanimous action by the New Jersey Senate on the two bills, they then moved to the General Assembly for consideration. That body adjourned for the summer without taking action on the proposals. Governor Hughes, however, called the body back into special session, indicating to the General Assembly that the enact-

ment of the bills was essential to the fight against organized crime and for the protection of the Port. Before the special session convened, public hearings were again held on the measures before the Labor Relations Committee on which occasion the ILA renewed its attack.

The two bills were passed by the General Assembly on July 2, 1969 and forwarded to the Governor who signed them on the same day. The new acts took effect in September 1969.

## Administration

The Waterfront Commission is composed of one commissioner each from the States of New York and New Jersey, appointed by the respective Governor of each state with the advice and consent of the State Senates. The chief operating officer of the Commission is the Executive Director and General Counsel, who is in charge of the various divisions of the Commission.

In enforcing the legislation enacted by both states governing the waterfront, the Commission is primarily concerned with combatting crime on the waterfront and regulating the hiring conditions of the over 21,000 longshoremen and checkers working on the docks. The Commission operates with a staff of 230 employees, including attorneys, accountants, special agents, hearing reporters, personnel supervising the hiring of waterfront workers, and its clerical staff. The staff is divided into six divisions: Executive, Legal, Investigation, Licensing, Employment Information Centers and Administration.

The Executive Division administers the policies promulgated by the Commissioners, prepares legislation and regulations, handles all contracts and leases and litigates all court cases.

The Legal Division participates in the investigation of violations of law concerning the waterfront and conducts administrative trials to determine whether registrations and licenses issued to waterfront workers and companies should be revoked.

The Investigation Division has a staff of some fifty special agents, all of whom have full police powers in both New York and New Jersey. In addition to patrolling the piers, this division conducts full scale investigations concerning waterfront violations.

The Licensing Division is responsible for the registration and licensing of all waterfront workers and companies required to obtain such permits under law, and the removal from the work force of casual labor. Attorneys assigned to the Licensing Division hold administrative hearings to determine whether applications for such licenses and registrations should be granted or denied.

All hiring of waterfront workers is conducted through a number of employment information centers operated throughout the Port by the Division of Employment Information Centers. This division is responsible for the orderly and recorded hiring of such workers on a seven day a week basis.

The Commission's Administration Division is composed of hearing reporters, stenographers and the remainder of the clerical staff servicing the other five divisions of the Commission. In addition, accountants assigned to this division audit the books and records of the various companies licensed

by the Commission, administer the assessments imposed under law and participate in investigations conducted by the Legal, Licensing and Investigation Divisions.

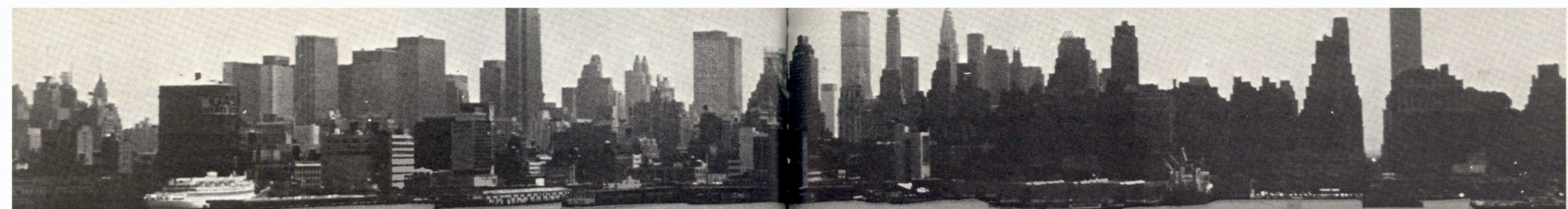
This past year the Commission's operating expenses totaled \$2,963,843, well within the budget of \$3,116,547 approved for it by the Governors of New York and New Jersey, a saving of almost five percent through tight budget controls and economies within the Commission.

The employment information center operated by the Commission in the Port Newark-Elizabeth area of the harbor was found to be physically inadequate to service the increased hiring of workers in that continually expanding area. Accordingly, such center is presently being enlarged and modernized with

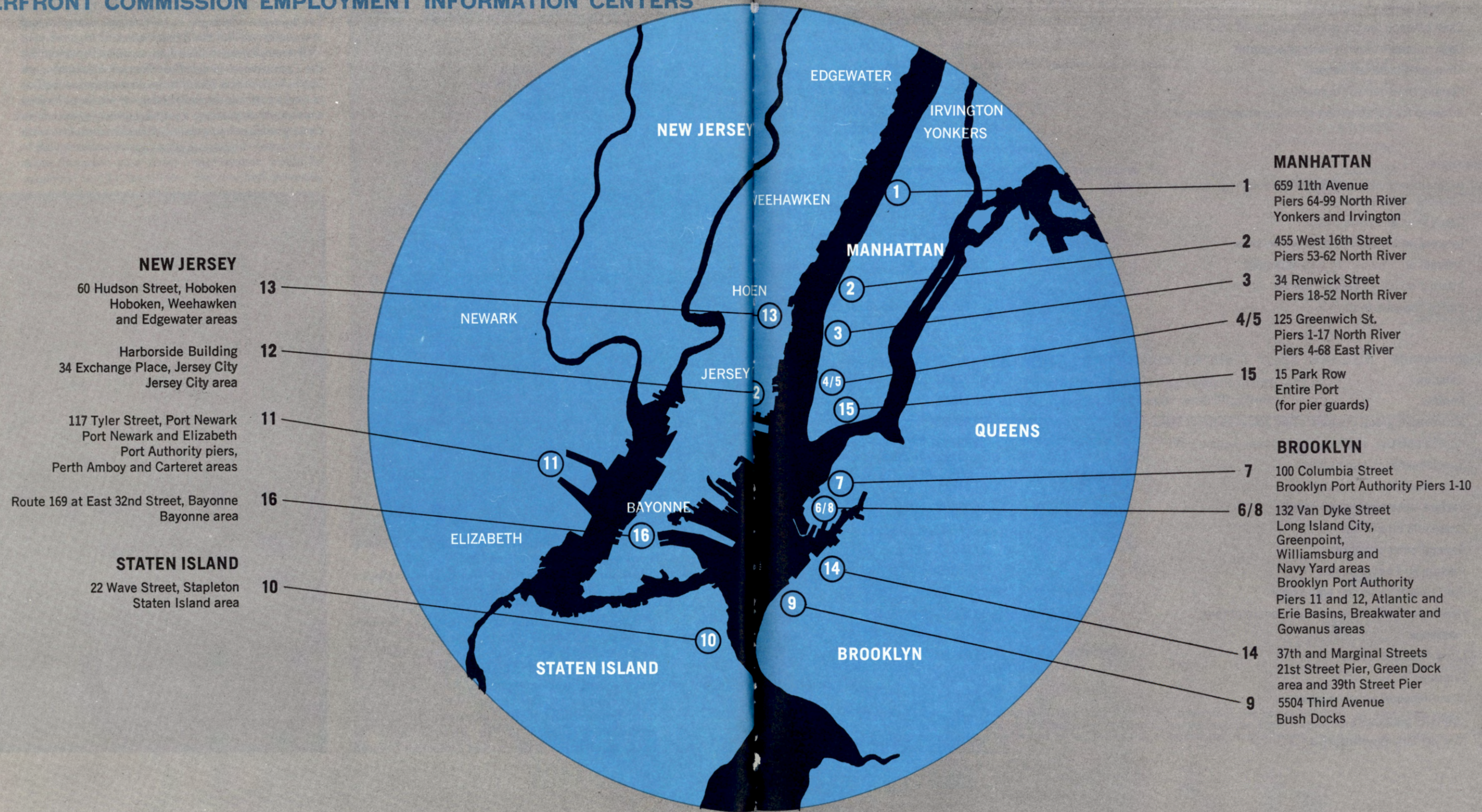
*(Continued on page 19)*







**WATERFRONT COMMISSION EMPLOYMENT INFORMATION CENTERS**





# FINANCIAL STATEMENT

## WATERFRONT COMMISSION OF NEW YORK HARBOR

### Statement of Cash Receipts and Disbursements for the Year Ended June 30, 1969

Balance of funds at beginning of year:		
Cash balance (net of amounts withheld from employees' earnings)		\$116,167.19
Cash in badge deposit savings account		10,640.00
Time certificates of deposit		250,000.00
Penalty time deposit account		66,250.00
Advance for construction of Employment Center #11		10,000.00
		<u>453,057.19</u>
Receipts:		
Assessments on employers of persons registered or licensed by the Commission	\$2,731,202.77	
Court fines and penalties	38,000.00	
Interest on United States Treasury bills	3,239.19	
Interest on time certificates of deposit	25,879.78	
Interest on badge deposit savings account	539.09	
Badge deposits (net)	505.00	2,799,365.83
		<u>3,252,423.02</u>
Disbursements:		
Salaries	1,940,222.02	
Rentals	250,116.61	
Retirement, group insurance and social security taxes	389,934.23	
Implementation of guaranteed annual income plan	55,724.21	
Special services and expense	25,775.02	
Communications	51,117.61	
Carfare, auto and travel expense	36,504.09	
Leasehold alterations	174.50	
General office expense	21,890.27	
Repairs and maintenance	30,518.29	
Furniture, fixtures and equipment	25,448.62	
Hearing officers, auditors and consultant fees	19,550.00	
Insurance	25,485.23	
Light, heat and power	15,035.08	
Printing	14,695.75	
Miscellaneous overtime expense	8,256.50	
Seniority plan costs	778.00	
New center—Bayonne, N. J.	52,616.10	2,963,842.13

Excess of receipts and balance of funds at beginning of year over disbursements—balance of funds at end of year consisting of:		
Cash in checking accounts and on hand	124,322.16	
Less taxes and other withholdings from employees	19,886.27	
	<u>104,435.89</u>	
Cash in badge deposit savings account	11,145.00	
Time certificates of deposit	125,000.00	
Penalty time deposit account	38,000.00	
Advance for construction of Employment Center #11	10,000.00	
	<u>288,580.89</u>	\$288,580.89

Schedule 1

## WATERFRONT COMMISSION OF NEW YORK HARBOR

### Construction Fund—Employment Center #11 for the Year Ended June 30, 1969

Advance from Waterfront Commission of New York Harbor	\$10,000.00	
Prior years' disbursements, net	(75.00)	
Cash in checking account at beginning of year	9,925.00	
Receipts:		
Reimbursement by Port of New York Authority	\$50,677.50	
Deposits on architect's plans	320.00	
	<u>50,997.50</u>	
Disbursements:		
Construction costs	44,820.00	
Architect's fee	5,857.50	
Return of deposits on architect's plans	180.00	
	<u>50,857.50</u>	
Excess of receipts over disbursements	140.00	
Cash in checking account at end of year	<u>\$10,065.00</u>	

**Note:** The Waterfront Commission of New York Harbor is supervising the construction of an additional wing and alterations to Employment Center #11 which is leased from the Port of New York Authority. The cost of this construction is estimated to be \$290,000, of which the Authority will reimburse the Commission to the extent of \$225,000.



**S. D. LEIDESDORF & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

125 PARK AVENUE

AT 42ND STREET

NEW YORK, N. Y. 10017

AREA CODE 212 697-0200

ACCOUNTANTS' REPORT

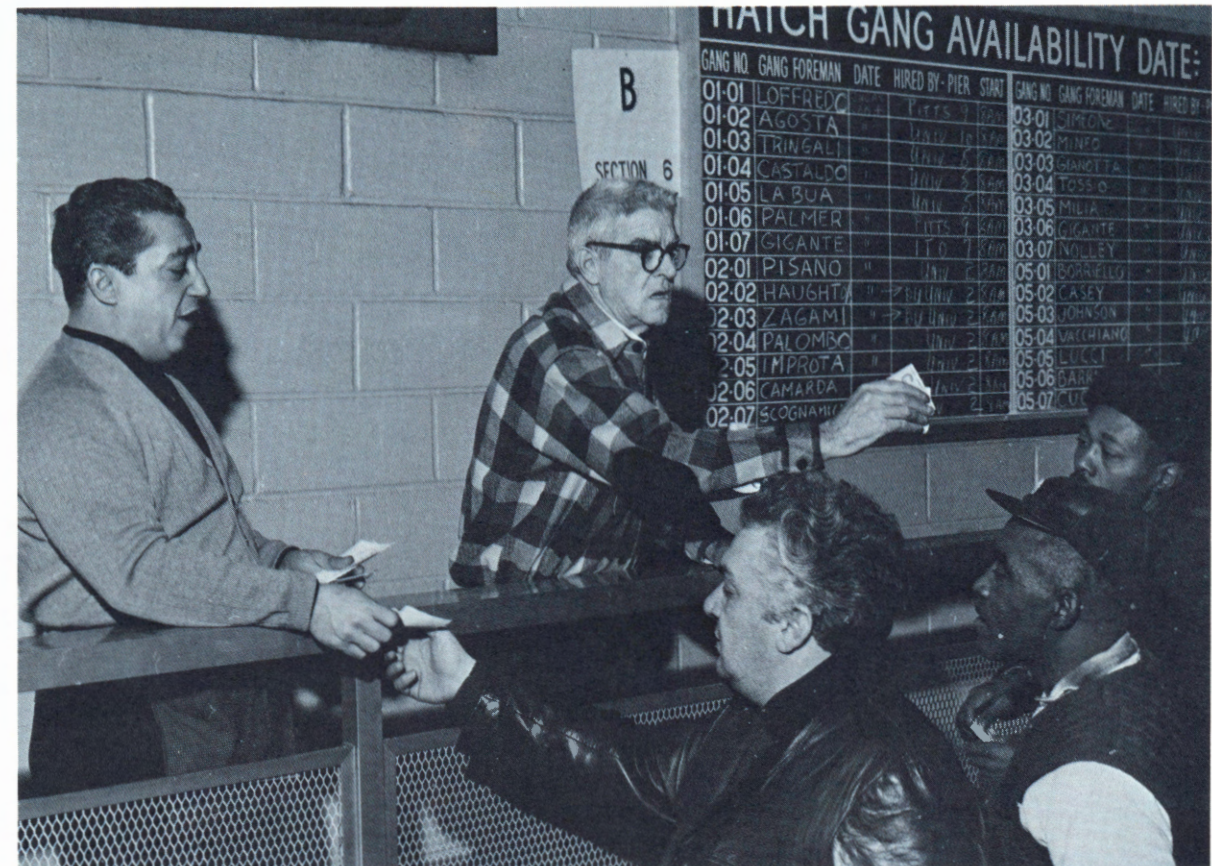
To the Commissioners  
Waterfront Commission of New York Harbor

We have examined the statement of cash receipts and disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of cash receipts and disbursements presents fairly the cash transactions of the Waterfront Commission of New York Harbor for the year ended June 30, 1969, on a basis consistent with that of the preceding year. Further, in our opinion, Schedule 1 presents fairly the data set forth therein.

*S. D. Leidesdorf & Co.*

New York, N. Y.  
July 18, 1969



(Continued from page 13)

a tentative completion date in early 1970. In addition, in anticipation of increased hiring in the Bayonne area of the Port, the Commission purchased a parcel of land on the Bayonne waterfront from the United States Government for the possible construction of an additional hiring hall.

In its continuing program to cooperate with and assist other ports and agencies, the Commission this past year conferred with representatives from such nations as Canada, Brazil, New Zealand, Pakistan, India, Trinidad, Barbados and Peru. These states were particularly interested in the Commission's program for regularizing waterfront labor and protecting cargo. As mentioned throughout this report, the Commission forwards to the appropriate district attorneys and United States attorneys evidence and information for criminal prosecution of those persons found to be violating the laws concerning the waterfront.

As in the past, the Waterfront Commission wishes to express its appreciation to the various local, state and federal agencies, and the civic and community groups throughout the Port of New York District, which have cooperated with the Commission in its regulatory and informational activities.

The Commission records with sorrow the untimely death this year of Special Agent Arthur Pritchard.

**CONCLUSION**

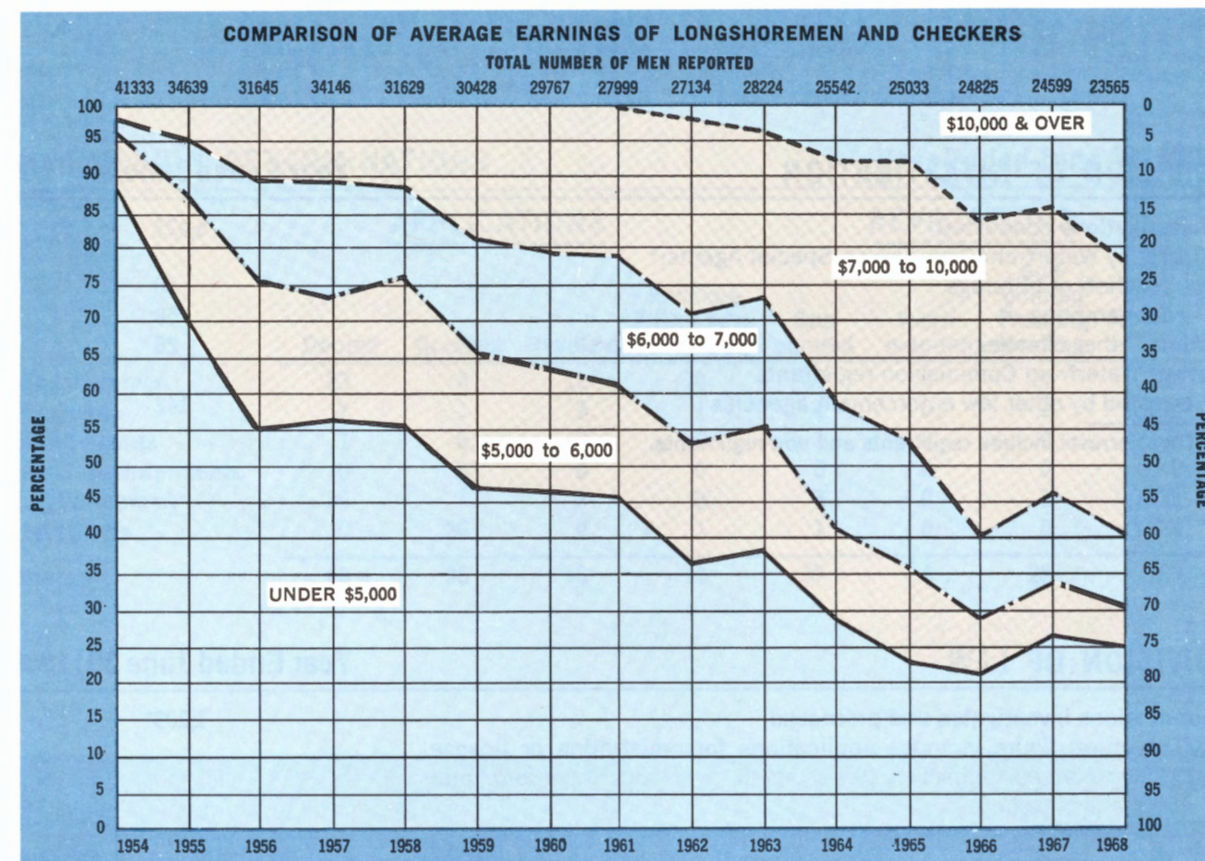
For the reasons set forth in this Annual Report, the Waterfront Commission of New York Harbor finds and determines that public necessity exists for the continued registration of longshoremen, the continued licensing of the occupations and employment as required by the Waterfront Commission Compact and its amendments, and the continued operation of the Employment Information Centers as provided in Article XII of the Compact. Continuation of these measures is deemed necessary to maintain the well-being of the vital Port of New York and to achieve the objectives of the Compact.

Respectfully submitted,

JOSEPH KAITZ  
Commissioner for New York

STEVEN J. BERCIK  
Commissioner for New Jersey





### AVERAGE ANNUAL EARNINGS OF PIER GUARDS

For Fiscal*	Total Payroll	Average Number of Registrants	Earnings**
1960/1961	\$8,397,935	2,028	\$4,141
1961/1962	7,973,755	1,998	3,991
1962/1963	8,028,333	1,819	4,414
1963/1964	8,003,427	1,731	4,624
1964/1965	8,410,423	1,745	4,820
1965/1966	8,858,295	1,706	5,192
1966/1967	9,155,820	1,634	5,603
1967/1968	8,921,905	1,654	5,394
1968/1969	9,042,859	1,639	5,517

SOURCE: Waterfront Commission of New York Harbor.

\* Fiscal year begins on July 1st.

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



## DIVISION OF INVESTIGATION

Year Ended June 30, 1969

Investigations conducted	5,423
Arrests by Waterfront Commission Special Agents:*	
for theft or pilferage	50
for gambling	50
for other offenses	26
Active Waterfront Commission registrants arrested by other law enforcement agencies	142

\* These arrests include registrants and non-registrants.

## DIVISION OF LAW

Year Ended June 30, 1969

Applications investigated and processed (The above figure includes applications for registration or license as longshoreman, checker, hiring agent, pier superintendent, pier guard and stevedore.)	1,209*
Formal Hearings Conducted and Completed	154
Petitions for Reconsideration or Leave to Reapply	67
Investigations Conducted and Completed	499
Recent Arrests Investigated and Completed	161
Probationary Cases Investigated and Completed	88
Hearings Ordered	161
Witnesses Questioned	2,119**

\* includes 1,155 applications investigated and processed by attorneys assigned to Division of Licensing.

\*\* includes 1,004 witnesses questioned by attorneys assigned to Division of Licensing.

## PETITIONS

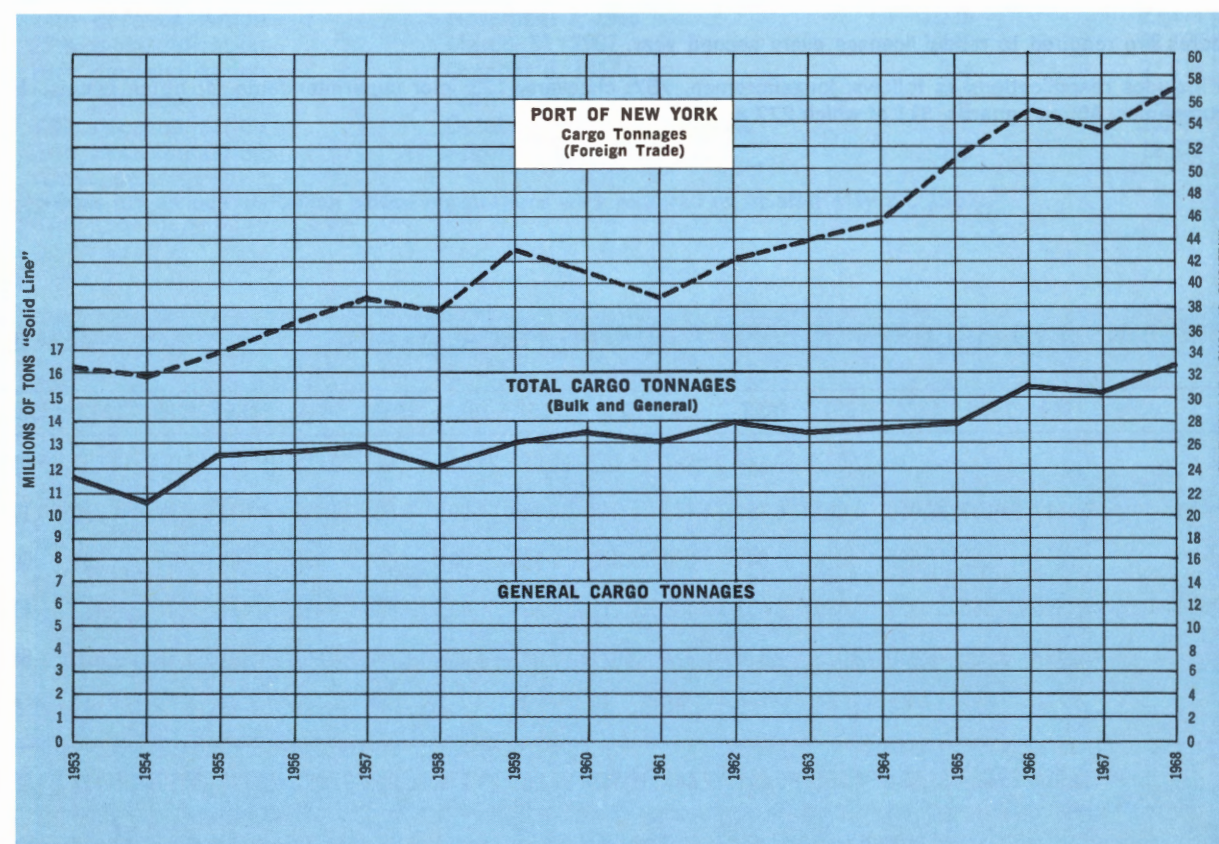
Year Ended June 30, 1969

	Denied	Granted	Totals
Petitions for Reconsideration or for Leave to Reapply	42	19	62
Petitions for Rehearing	0	4	4
Petitions to Withdraw	0	14	14
Petitions to Remove Ineligibility by Reason of Criminal Conviction	0	5	5
TOTALS	62	42	85

## COMMISSION DETERMINATIONS

Year Ended June 30, 1969

	APPLICATIONS				REVOCATIONS			
	Denied	Granted	Revoked	Revoked With Leave To Reapply	Sus-pended	Repri-manded	Sus-pended Pending Hearing	Totals
Longshoremen	23	4	12	10	28	4	24	105
Checkers	7	1	3	1	4	0	3	19
Hiring Agents	1	0	0	1	1	0	0	3
Pier Superintendents	0	0	0	0	0	0	0	0
Port Watchmen	25	7	3	0	3	0	1	39
Stevedores	0	26	0	1	1	0	0	28
Totals	56	38	18	13	37	4	28	193





APPLICATIONS AND REAPPLICATIONS RECEIVED AND PROCESSED DURING FISCAL YEARS

	As of June 30th															
	1954*	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Longshoremen	36,272	5,196	3,681	7,296 <sup>a</sup>	5,940	3,491	3,983	2,926	2,141	3,189	1,640	1,566	1,283	3,107	1,557 <sup>d</sup>	1,846
Checkers				4,077 <sup>a</sup>	618	320	398	265	134	613	171	453	286	276	320 <sup>d</sup>	516
Pier Guards <sup>b</sup>	2,890	458	265	2,893	573	350	2,415	335	168	321	199	418	2,081	472	699 <sup>d</sup>	1,014 <sup>**</sup>
Pier Superintendents	457	88	87	69	81	59	88	73	84	176	41	37	47	73	116 <sup>d</sup>	57
Hiring Agents	787	147	103	129	102	77	127	107	119	103	66	51	127	92	169 <sup>d</sup>	66
Stevedore Companies <sup>c</sup>	77	7	54	4	45	4	45	0	36	1	29	0	53	5	53 <sup>d</sup>	7
TOTALS	40,483	5,896	4,190	14,468	7,359	4,301	7,056	3,706	2,683	4,403	2,146	2,525	3,877	4,024	2,914	3,506

\* Initial year of Commission operations.

\*\* Figure includes 540 pier guard renewals as of December 25, 1968.

(a) Craftsmen required to register as longshoremen, and checkers registered separately under amendment to Waterfront Commission Act effective May 27, 1957.

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

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

(d) Figure includes reapplications as follows: longshoremen, 757; checkers, 123; pier superintendents, 4; hiring agents, 14; stevedore companies, 45; pier guards, 311 of which 277 are renewals.

REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS

	As of June 30th															
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Longshoremen				27,537 <sup>a</sup>	27,948	24,967	24,182	22,661	22,079	22,691	20,408	19,792	19,110	18,352	17,026	16,612
Checkers	35,117	31,639	27,050	4,062	4,381	4,173	4,268	4,140	4,095	4,503	4,197	4,511	4,397	4,220	4,115	4,335
Hiring Agents	612	592	597	618	645	630	622	589	607	609	578	565	606	631	600	559 <sup>c</sup>
Pier Superintendents	355	365	379	380	407	408	411	392	403	438	418	417	414	430	417	365
Pier Guards	2,796	3,009	3,010	2,319	2,414	2,218	2,021 <sup>b</sup>	2,047	1,961	1,756	1,652	1,801	1,551	1,630	1,654	1,637
Stevedores	54	52	48	45	46	45	39	36	33	29	29	28	49	49	50	46
TOTALS	38,934	35,657	31,084	34,961	35,841	32,441	31,543	29,865	29,178	30,026	27,282	27,114	26,127	25,312	23,862	23,554

(a) Craftsmen required to register as longshoremen, and checkers registered separately under amendments to Waterfront Commission Act effective May 27, 1957.

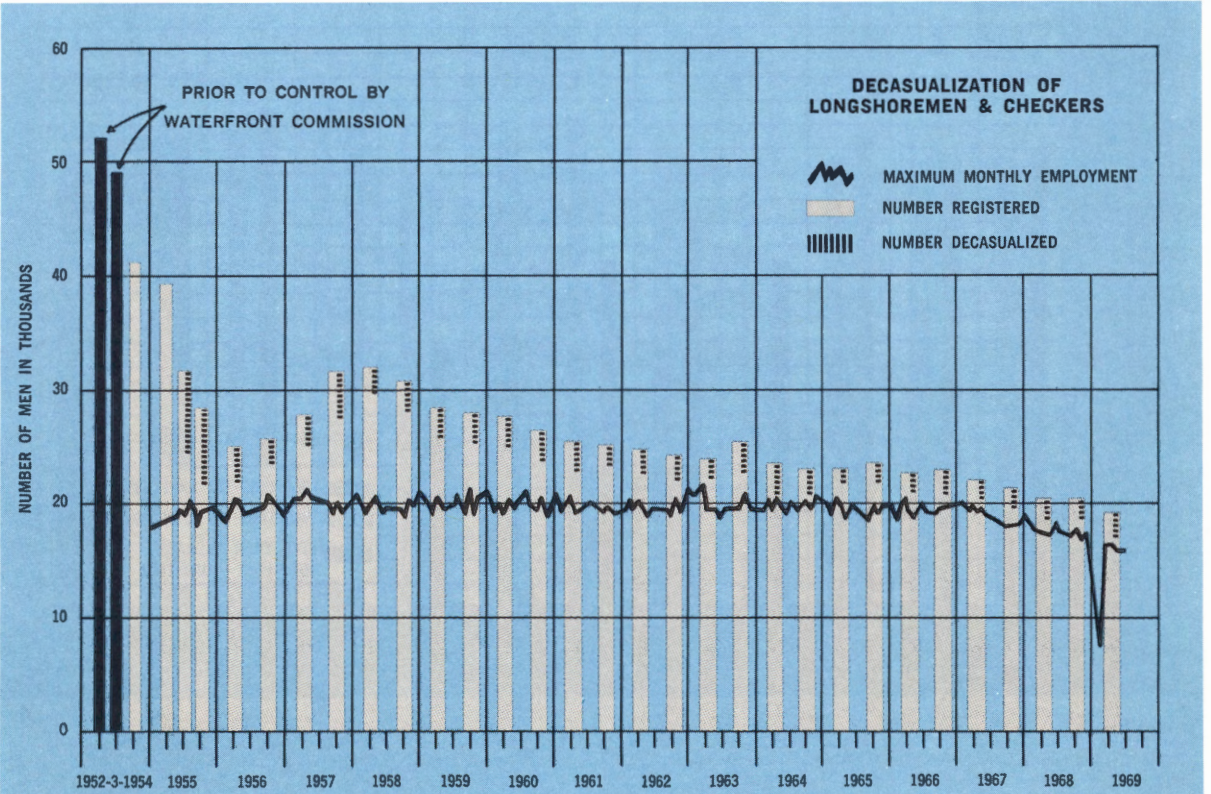
(b) Supervisory personnel required to be licensed under Waterfront Commission Regulations effective January 1, 1960.

(c) 42 of whom are hiring agent assistants.

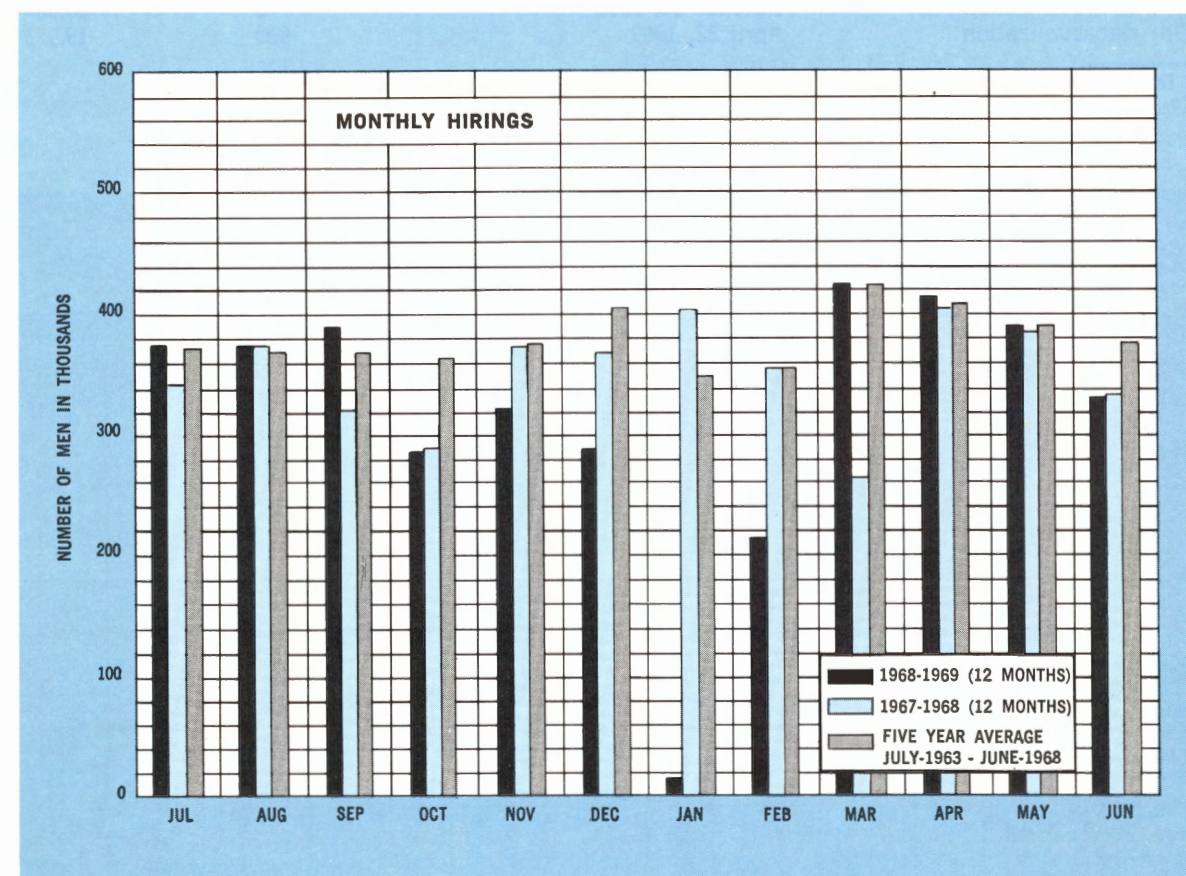
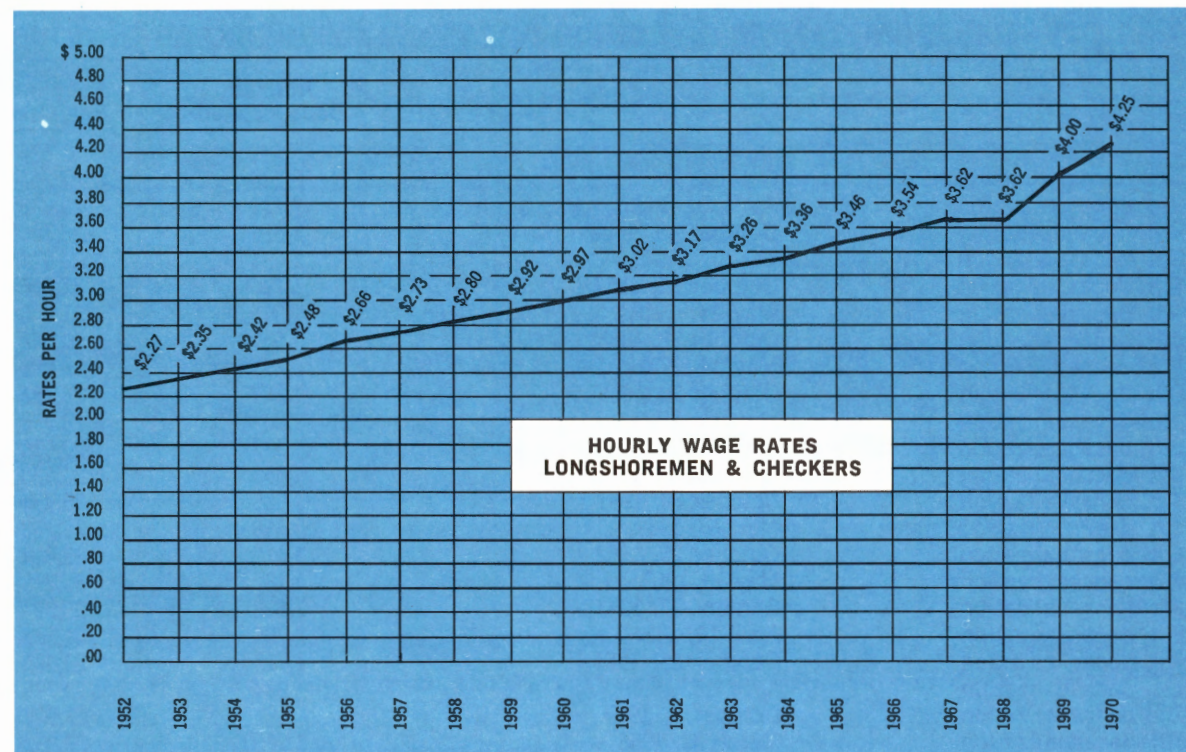
DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		Number Decasualized	Remaining Registrants
1st decasualization	June 3, 1955	7,141	31,574*
2nd decasualization	October 28, 1955	5,118	27,284*
3rd decasualization	April 20, 1956	2,731	26,486*
4th decasualization	October 19, 1956	1,554	26,746*
5th decasualization	May 3, 1957	1,694	28,928*
6th decasualization	October 21, 1957	1,775	31,056*
7th decasualization	May 21, 1958	1,898	31,946*
8th decasualization	October 22, 1958	2,510	30,364
9th decasualization	May 14, 1959	2,753	28,886
10th decasualization	October 29, 1959	1,667	28,928
11th decasualization	May 11, 1960	1,807	28,355
12th decasualization	October 27, 1960	1,577	27,535
13th decasualization	May 11, 1961	1,859	26,920
14th decasualization	October 26, 1961	1,536	25,754
15th decasualization	May 10, 1962	1,498	25,758
16th decasualization	October 25, 1962	1,012	25,843
17th decasualization	May 10, 1963	1,182	25,218
18th decasualization	October 22, 1963	1,523	25,997
19th decasualization	April 10, 1964	2,096	24,172
20th decasualization	October 15, 1964	1,715	23,084
21st decasualization	April 16, 1965	934	23,796
22nd decasualization	October 7, 1965	581	23,920
23rd decasualization	March 31, 1966	1,070	23,332
24th decasualization	November 7, 1966	1,226	23,471
25th decasualization	March 31, 1967	1,142	22,100
26th decasualization	October 6, 1967	954	21,515
27th decasualization	April 12, 1968	903	20,901
28th decasualization	October 18, 1968	770	20,384
29th decasualization	April 22, 1969	999	19,973

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







## AREA SURVEY OF WATERFRONT HIRINGS

(For year ended June 30, 1969)

Piers and Areas	Hirings 1968-1969	Hirings 1967-1968	% Change	% Share of Port Employment	
				1968-1969	1967-1968
Piers 64-99 North River including Irvington and Yonkers	291,222	348,543	-16.44	07.6	08.2
Piers 53-62 North River	130,700	257,402	-49.22	03.4	06.1
Piers 18-52 North River	142,958	167,132	-14.46	03.7	04.0
Piers 1-17 North River					
Piers 4-68 East River	150,320	185,959	-19.16	03.9	04.4
<b>TOTAL—MANHATTAN</b>	<b>715,200</b>	<b>959,036</b>	<b>-25.42</b>	<b>18.6</b>	<b>22.7</b>
Brooklyn Port Authority Piers Long Island City, Greenpoint and Williamsburg, Atlantic and Erie Basins, Breakwater and Gowanus Bush Docks 21st Street, Green Docks and 39th Street	571,389	547,269	+04.41	14.9	12.9
<b>TOTAL—BROOKLYN</b>	<b>1,924,883</b>	<b>2,001,044</b>	<b>-03.81</b>	<b>50.2</b>	<b>47.3</b>
Staten Island	147,930	131,430	+12.55	03.9	03.2
<b>TOTAL—STATEN ISLAND</b>	<b>147,930</b>	<b>131,430</b>	<b>+12.55</b>	<b>03.9</b>	<b>03.2</b>
Port Newark and Port Elizabeth, Perth Amboy and Carteret Jersey City Hoboken, Weehawken and Edgewater Bayonne	678,009	731,724	-07.34	17.7	17.3
	55,298	48,893	+13.10	01.4	01.2
	210,678	249,919	-15.70	05.5	05.9
	104,100	102,955	+01.11	02.7	02.4
<b>TOTAL—NEW JERSEY</b>	<b>1,048,085</b>	<b>1,133,491</b>	<b>-07.53</b>	<b>27.3</b>	<b>26.8</b>
<b>TOTAL—PORT OF NEW YORK</b>	<b>3,836,098</b>	<b>4,225,001</b>	<b>-09.20</b>	<b>100.00</b>	<b>100.00</b>





# **WATERFRONT COMMISSION OF NEW YORK HARBOR 1968-1969**

JOSEPH KAITZ, *Commissioner for New York*  
 STEVEN J. BERCIK, *Commissioner for New Jersey*  
 WILLIAM P. SIRIGNANO, *Executive Director and General Counsel*  
 CHARLES E. MCGEE, *Secretary to the Commission*  
 THOMAS F. JONES, *Director of Division of Law Enforcement*  
 LEONARD MARAN, *Director, Division of Law*  
 JAMES J. DAVITT, *Assistant to the Executive Director*  
 IRVING MALCHMAN, *Assistant to the General Counsel*  
 JESSE O. LANGSTON, *Director of Employment Centers*  
 JEROME J. KLIED, *Administrative Counsel in Charge of Licensing*  
 SAMUEL P. LISMAN, *Director of Administration*  
 ANTHONY ANGELICO, *Comptroller*  
 15 Park Row, New York, New York 10038

## **COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS**

	1954	1967	1968
\$7,000 and over	406	13,053	13,939
\$6,000 to \$7,000	802	2,954	2,194
\$5,000 to \$6,000	2,589	1,932	1,479
\$4,000 to \$5,000	6,330	1,533	1,043
\$3,000 to \$4,000	7,013	1,092	852
UNDER \$3,000	24,193	4,035	4,058
TOTAL REPORTED	41,333	24,599	23,565
Total Earnings	\$102,061,108	\$166,499,147	\$169,961,891
Total Hours Worked	37,813,991	40,722,166	39,844,742
% Hours Overtime	24.3%	23.9%	28.2%
AVERAGE ANNUAL WAGES*	\$ 2,469	\$ 6,769	\$ 7,212

\* Does not include fringe benefits.

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

**SOURCE:** New York Shipping Association for fiscal year ending September 30, 1968.



1050  
1050  
1050

1050  
1050  
1050