

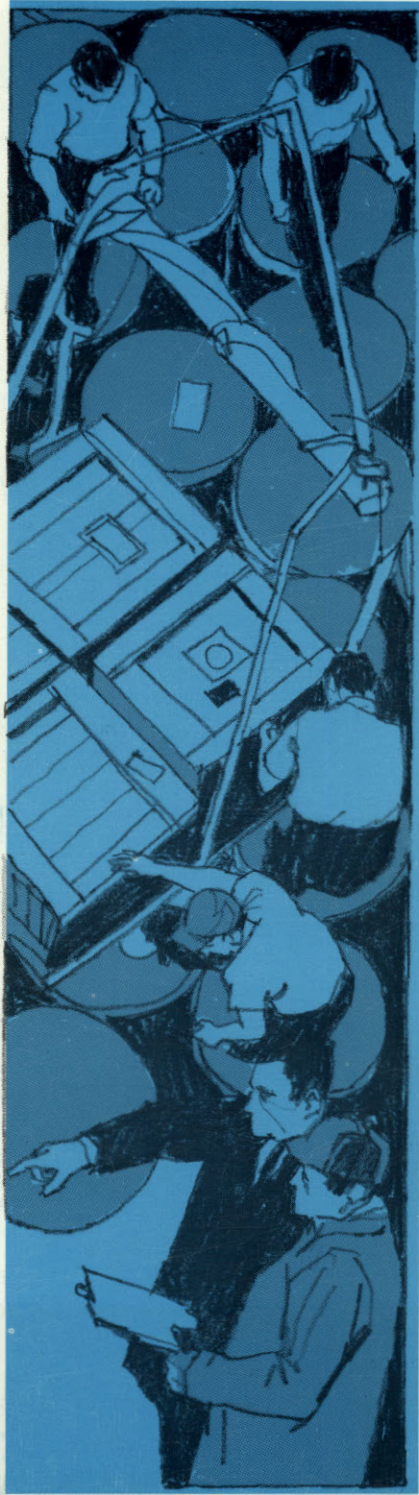
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WATERFRONT COMMISSION OF NEW YORK HARBOR • ANNUAL REPORT 1966-1967





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Acknowledgement: For its 1966-1967 Annual Report, the Waterfront Commission of New York Harbor has used photographs from the files of the Port of New York Authority and Aero Service Corp.

ANNUAL REPORT
1966-1967



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 Richard J. Hughes, Governor,
and the Legislature of the State of New Jersey*

The drives of the Waterfront Commission of New York Harbor to end crime and violence on the waterfront and enhance the conditions under which waterfront labor is hired have continued to infuse a new confidence in the Port of New York. Last year we reported the emergence of an improved moral climate on the waterfront, resulting in a growth of the port's business, a rehabilitation of its physical facilities and a new dignity for the waterfront worker. During the past year this new confidence has continued.

The port, which began its revitalization fourteen years ago with establishment by the States of New York and New Jersey of the Waterfront Commission, has now entered into a new era of cargo transportation. With fifteen per cent of its general cargo being shipped in containers, the Port of New York has become the cargo container capital of the world. Moreover, for the first time in five years, the Port expanded its share of the national volume of general cargo moving from 17.5 per cent in 1965 to 17.7 per cent in 1966. A total of 15.4 million tons of general cargo moved in foreign trade in 1966, an increase of one and one-half million tons over the 13.9 million tons reported the previous year.

The dollar value of this cargo increased one and three-quarter billion dollars, from \$11.36 billion to \$13.11 making an all time high in the port's economic history.

The number of arrivals and sailings climbed from 24,100 to 24,200 vessels, despite a decrease in the number of vessels serving this port because of military commitments in service. This is almost twice the arrivals and sailings of ships reported for the nation's second busiest seaport.

The average annual wages of the longshoremen who load and unload the port's ships increased to \$8,000, or approximately \$200 more than previously reported annual earnings.

The pier guards, who are hired to protect waterborne cargo, increased their average earnings by more than \$400—from \$5,200 to \$5,600 a year. Thus, the 24,500 dock workers in the port earned a yearly payroll exceeding 192 million dollars, of which almost all is spent in the port community.

Within the past few years the port has experienced numerous changes, including the utilization of a well-organized and experienced labor force, new concepts of ship design and port facilities, and the utilization of the revolutionary cargo handling techniques of containerization. These

dramatic changes, which may be as significant to the commerce and economy of the nation as was the change from sail to steam in oceangoing vessels, were largely made feasible because of the Commission's establishment of a limited and regulated work force which permits the employment of the new container techniques without a vast displacement of waterfront workers.

Historically, prior to the use of containers, goods carried on ships were loaded and unloaded, item by item, principally by the use of the brawn of longshoremen. Today, in those operations using the containerization technique, goods are enclosed in the containers, truck-trailer type vans, prior to delivery to the pier. The containers are lifted from trucks or rail cars to specially designed vessels by million dollar gantry cranes and are ferried across oceans to the receiving port. Here they are removed from the vessels and hooked up to motor tractors or placed on rails for delivery to their ultimate destinations. By their very nature, these operations require the use of fewer longshoremen for the loading and discharging. Control over the size of the Longshoremen's Register in our port by the Commission has made the use of containers expedient, permitting a balancing of the port's work force without violent disruptions to the overall economic well-being of this seaport.

The convenience, speed and economy of container services are certain to attract millions of additional tons of cargo to the Port of New York. For example, it is now possible to ship fresh lettuce from Arizona or citrus fruits from Florida or Texas to the Scandinavian countries and inland European countries such as Switzerland, rapidly enough for such foodstuffs to be sold on the fresh produce markets in those areas at attractive prices.

Containerization on a world-wide basis is growing swiftly. The importance of the new mode of ocean transportation in foreign commerce has been demonstrated dramatically by the formation of a single company made up of Holland-American Line, Swedish-American Line, Swedish-Transatlantic Line, Wallenius Line, French Line and Cunard Steam-Ship Company, Limited, along with Moore-McCormack Lines which will operate a containership terminal at Port Elizabeth. This facility will utilize 175 acres of upland, where the Port of New York Authority has already completed ten berths with four additional in the process of being completed. When the vast container port at Elizabeth is completed, it will embrace more than



Trans-Atlantic combination trailer-containership

900 acres of upland and provide berths for 25 ocean-going containerships. Four berths are also scheduled for early completion at Port Newark.

Older piers and terminals existing in New York Harbor were built prior to the turn of the century and cannot be considered adaptable to movement of containerized cargo for a variety of reasons, including the lack of farm area or marshalling space for the huge container vans and tractors. It is this latter reason that has required the relocation of large cargo handling from the smaller piers in congested areas of the port to the more open areas of New Jersey, Staten Island and Brooklyn. It is this shift that is causing considerable hardship to those longshoremen who for many years have sought and found work in their home neighborhoods.

During the past three years some major innovations have been introduced in the waterfront industry, such as a guaranteed annual income for waterfront workers, a reduction in the size of longshore gangs, and the elimination of "frozen details." Experience now shows that additional steps must be taken to meet the changing requirements brought about by the increased use of containerization and the relocations of operations within the Port.

Thus, the existing labor force must be fully utilized (1) to accommodate those men who are losing work opportunities in areas where cargo operations have moved, and (2) to keep down the

rising cost of moving cargo caused by the use of new men to perform the work in the newly developed areas while the industry is paying established men a guaranteed wage because of their inability to find work in the old areas.

Registration and Licensing

Since its establishment, the Commission has licensed or registered almost 88,000 longshoremen, checkers, port watchmen, hiring agents, pier superintendents and stevedore companies.

Under the procedures of the Commission, no application for registration or for a license may be denied and no existing registration or license may be suspended or revoked without affording the applicant, registrant or licensee an opportunity to be heard at a formal administrative hearing. Every such applicant or respondent is permitted representation by counsel before a hearing officer selected from a rotating panel of experienced practicing attorneys. The applicant or respondent has an opportunity to cross-examine witnesses, to produce evidence in his own behalf and to file exceptions to the hearing officer's report and recommendations. Each case is personally reviewed by the Commissioners before a final determination is made. In the past fiscal year, the Commission held 90 application hearings and 67 hearings to determine whether to suspend or revoke existing registrations or licenses.

LAW ENFORCEMENT

One of the evil conditions found on the waterfront prior to the enactment of the Waterfront Commission Act was the situation where hiring agents, management representatives filling key position on the docks, were often selected by union officials and forced upon the employers. To eliminate this situation the law provides that hiring agents and pier superintendents are required to be licensed by the Commission and each license can only be issued upon an application submitted by the employer. Commission regulations prohibit any person, other than the employer, to "identify or select" any one as the employer's pier superintendent or hiring agent.

Union Interference in Management

In investigating an application to license a longshoreman as a pier superintendent and hiring agent submitted by a steamship company operating in Brooklyn, the Commission uncovered evidence indicating a high ILA official had selected the longshoreman for the management position. In addition, it was discovered that the company was actually employing the longshoreman as a pier superintendent even though he was unlicensed as such.

The Commission initiated an administrative hearing to determine whether to grant or deny the application for the licenses and also brought suit in the New York Supreme Court against the steamship company to recover money penalties

for violating the Waterfront Commission Act. The steamship company withdrew its application for the licenses with prejudice and consented to the settlement of the payment of a \$5,000 fine to the State of New York.

Phantoms on Waterfront Payrolls

During the course of a year the Waterfront Commission receives a large number of complaints from waterfront workers about wrongdoings on the piers. The Commission thoroughly investigates each complaint.

In 1967 an anonymous letter was received at the Commission's offices alleging that a longshoreman receiving pay for work at a Staten Island pier was, in fact, not performing his work there. Acting upon this complaint, Commission investigators conducted a surveillance at the New Jersey home of the manager of the stevedore company's pier. It was shown that a longshoreman listed as working at the pier as a cooper to repair cargo cartons and drawing over \$2,800 in pay during a three-month period for such alleged work was actually doing carpentry work at the terminal manager's home.

Interrogation of witnesses and admissions made by the parties also revealed that the stevedore company's chief hiring agent at the pier, who was also the head foreman, had knowledge of the misappropriation of his employer's funds. Indeed, he had instructed three other dock workers to ensure that

Port Elizabeth Marine Terminal at night



the "phantom" longshoreman's name appeared in the pier's timebook as working at the pier.

As a result of the investigation by its staff, the Commission instituted an administrative hearing to determine whether to suspend or revoke the licenses and registrations of the men involved. During the course of the hearing, all the respondents pleaded guilty to the charges.

The Commission staff uncovered another payroll phantom operating at the same pier. Surveillances conducted by Commission investigators disclosed that a longshoreman would check in at the pier each morning for work but would leave a few minutes later. He would then visit local taverns where he was observed accepting bets and taking policy numbers. He returned to the pier in the late afternoon.

The employer's payroll books showed that the longshoreman was being paid for the time he was observed away from the pier. The Commission thereupon instituted a proceeding to revoke his registration as a longshoreman and furnished evidence to the New York Police Department which led to his arrest as a policy operator.

Misappropriation of ILA Funds

Acting upon a complaint of a member of an ILA local in Newark, the Commission initiated an investigation into an alleged misapplication of the union's funds. It was uncovered that a trustee of the local, also chairman of the union's audit committee had collected over \$1,800 in initiation fees and dues which he failed to remit to the local, keeping the money for his personal use. It was also revealed that he had issued union books to the members of the local for the initiation fees and dues after forging the initials of the local's financial secretary.

The evidence uncovered by the Commission was forwarded to the Prosecutor of Essex County in New Jersey, who obtained an indictment against the trustee for forgery and obtaining money under false pretenses. After learning of the investigation the trustee disappeared and is presently a fugitive from justice. The Commission has suspended his registration and barred him from waterfront employment pending an administrative hearing on charges that he misappropriated the union funds.

Morning hiring, Commission employment center



Criminal Influence in Waterfront Firms

An audit of books and records of a company applying for a license as a limited stevedore by Waterfront Commission accountants disclosed serious overbilling of steamship companies and a stevedore firm for which the applicant was performing waterfront work. Enough evidence was obtained to warrant an administrative hearing on the application for the license on charges that, within a three-year period, the applicant had "padded" its payroll and accordingly overbilled customers more than \$40,000.

In addition, it was shown that known waterfront criminals were part owners or employees of the applicant company. One of these men testified that although he never performed any services for the company he was paid a weekly "salary" of \$160 and certain expenses.

The president of the company, along with a criminal, barred by law from the waterfront, who was suspected of being the real party in interest in the company, refused to testify upon the ground of possible self-incrimination. The secretary of the company, testifying only after being found guilty by the New York Supreme Court of criminal contempt for refusing to obey a Commission subpoena to appear and give evidence, revealed that the false billings were prepared in accordance with instructions from the president of the company.

After the hearing, the Commission denied the stevedore application and revoked a license as a port watchman held by the president of the firm. Moreover, the evidence on the charges has been turned over to the District Attorney of New York County for appropriate criminal prosecution.

Loan Sharking

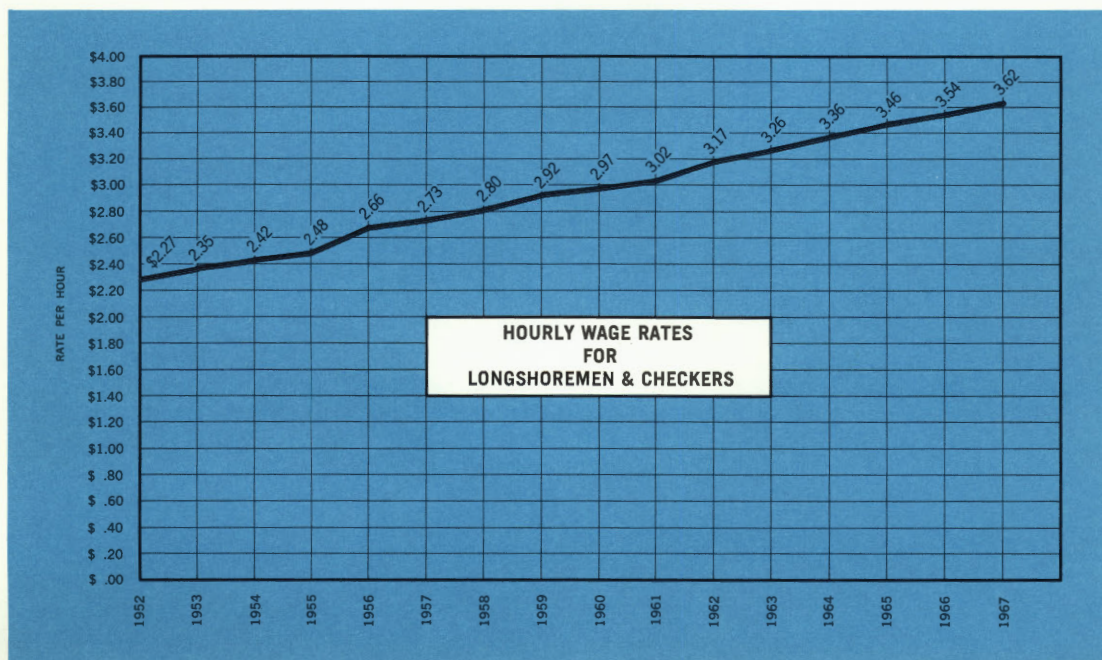
The Commission's continuing drive to uncover waterfront usury operations resulted in the abolition of an important loan shark ring operating on a North River pier. A lengthy investigation by the Commission, during the course of which search warrants were executed against a longshoreman, a checker and their motor vehicles, brought to light a loan shark operation involving numerous longshoremen borrowers which had been active for two years.

The evidence obtained by the Commission, including many interviews conducted under oath, was forwarded to the District Attorney of New York County and is expected to be presented to a grand jury in the near future.

In addition, the Commission has suspended the registrations of the accused loan sharks pending an administrative hearing in connection with their licenses.

Criminals in Waterfront Unions

During the year, a Brooklyn, N.Y., grand jury indicted various longshore union officials and certain waterfront companies for violating a section of the Waterfront Commission Act which prohibits the collection of union dues if an officer, agent or employee of the union has been convicted of a felony or certain other crimes. The indictment was dismissed after a justice of the New York Supreme Court determined that the facts did not constitute a crime under the New York Penal Law. The Commission has joined the District Attorney of Kings County in his appeal from this ruling.



FINANCIAL STATEMENT

WATERFRONT COMMISSION OF NEW YORK HARBOR

Statement of Cash Receipts and Disbursements

Year ended June 30, 1967

Balance of funds at beginning of year:			
Cash balance (net of amounts withheld from employees' earnings)		\$	24,760.53
Cash in badge deposit savings account			10,410.00
United States Treasury bills, at cost, which approximates market			197,660.00
Advance for construction of Employment Center #7			10,000.00
			<u>242,830.53</u>
Receipts:			
Assessments on employers of persons registered or licensed by the Commission	\$2,812,388.63		
Court fines and penalties	66,250.00		
Interest on United States Treasury bills	6,588.50		
Interest on time certificates of deposit	21,377.09		
Interest on badge deposit savings account	422.66		
			<u>2,907,026.88</u>
			3,149,857.41
Disbursements:			
Salaries	1,772,885.60		
Rentals	253,278.05		
Retirement, group insurance and social security taxes	337,747.94		
Implementation of guaranteed annual income plan	53,570.07		
Special services and expense	34,933.26		
Communications	49,696.64		
Carfare, auto and travel expense	34,124.90		
Leasehold alterations	3,113.85		
Relocation of centers	4,535.50		
General office expense	24,470.32		
Repairs and maintenance	23,997.51		
Furniture, fixtures and equipment	29,587.33		
Hearing officers, auditors and consultant fees	20,024.96		
Insurance	24,535.89		
Light, heat and power	17,218.72		
Printing	13,669.60		
Miscellaneous overtime expense	10,855.25		
Seniority plan costs	2,578.35		
New center—Bayonne, N. J.	30,877.16		
Return of badge deposits (net)	50.00		
			<u>2,741,750.90</u>
Excess of receipts and balance of funds at beginning of year over disbursements—balance of funds at end of year, consisting of:			
Cash in checking accounts	128,991.26		
Less taxes and other withholdings from employees	16,658.58		
			<u>112,332.68</u>
Cash in badge deposit savings account	10,360.00		
United States Treasury bills, at cost, which approximates market	99,163.83		
Time certificates of deposit	100,000.00		
Penalty time deposit account	66,250.00		
Advance for construction of Employment Center #7	10,000.00		
Advance for construction of Employment Center #11	10,000.00		
			<u>\$ 408,106.51</u>

Schedule 1

WATERFRONT COMMISSION OF NEW YORK HARBOR
Construction Fund—Employment Center #7
Year ended June 30, 1967

Advance from Waterfront Commission of New York Harbor		\$10,000.00
Excess or prior year disbursements over receipts		<u>(452.00)</u>
Cash in checking account at beginning of year		9,548.00
Disbursements:		
Construction costs	\$145,479.35	
Architect's fee	3,713.28	
Return of bid deposit	20.00	
		<u>149,212.63</u>
Receipts—reimbursement by Port of New York Authority	149,192.63	
Excess of disbursements over receipts		<u>20.00</u>
Cash in checking account at end of year		<u>\$ 9,528.00</u>

Note: The Waterfront Commission of New York Harbor has supervised the construction of a building for the Port of New York Authority. Such building is being leased by the Commission for use as Employment Center #7. Upon certification of the building by the architect and final payment on retainage, the Construction Fund will be closed. All funds expended by the Commission for the construction of this building will be reimbursed by the Port Authority.

Schedule 2

WATERFRONT COMMISSION OF NEW YORK HARBOR
Construction Fund—Employment Center #11
Year ended June 30, 1967

Advance from Waterfront Commission of New York Harbor		\$10,000.00
Disbursements—architect's fee		<u>1,767.00</u>
Cash in checking account at end of year		<u>\$ 8,233.00</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. All funds expended by the Commission for the construction and alterations will be reimbursed by the Authority.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
SEVENTY PINE STREET
NEW YORK, NEW YORK 10005

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, 1967. 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, 1967, on a basis consistent with that of the preceding year. The supplementary data included in Schedules 1 and 2 have been subjected to the same auditing procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the basic financial statement.

Peat, Marwick, Mitchell & Co.

August 3, 1967

INTERNAL MANAGEMENT

The Waterfront Commission, with an approved budget of \$2,817,805, continued to operate well below its maximum assessment rate of two per cent of the gross payroll payments to persons registered and licensed by the Commission. The rate established for the fiscal year 1966-1967 was 1.38 per cent of these payrolls.

The Commission has been able to end its fiscal year with budget savings of \$183, 832. This consisted of a \$74,728 savings in personal service, \$76,104 in unspent operating expenses, and \$33,000 in the unused contingency reserve fund set aside for unanticipated expenses.

These savings are part of a continuing program to achieve economies in the use of personnel and the purchase of materials, supplies and services. These economies have been accomplished without any diminution in services to the waterfront workers, the industry and the Port. In fact, in recent years these services have increased because of new requirements of the collective bargaining agreement between labor and industry concerning seniority hiring, the implementation of the longshore guaranteed annual income and the need for additional and more modern longshore hiring facilities.

Thus, a new employment information center has been completed and is presently functioning in south Brooklyn. A temporary hiring center has been established in the Bayonne, New Jersey area to accommodate the transfer of operations from the

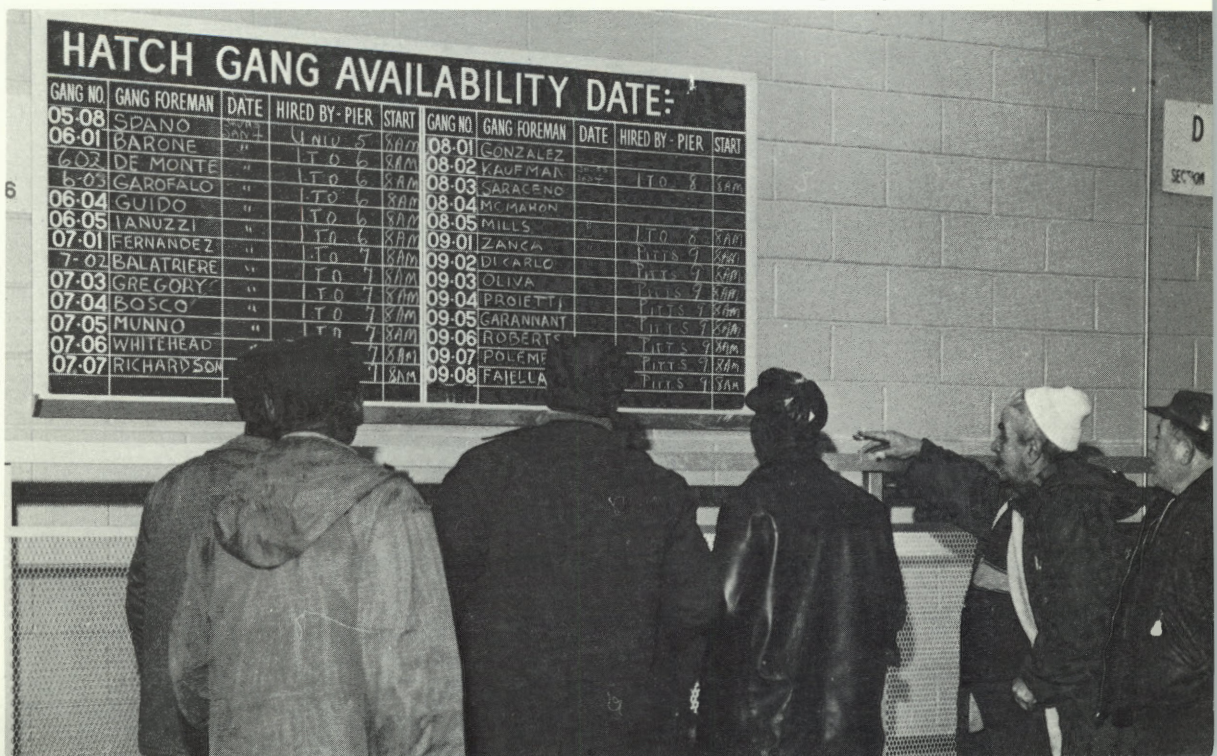
Brooklyn Army Terminal to the Military Ocean Terminal of Bayonne. In renegotiating a lease for the Commission's Center on the west side of Manhattan, the Commission was able to extensively renovate and modernize the Center while at the same time achieve considerable savings in the cost. Plans are underway for the Commission to construct a permanent building for the hiring of longshoremen in Bayonne as soon as the Commission completes negotiations with the United States Government to either lease or purchase a parcel of land in the area. The tremendous expansion of cargo in the Port Newark-Port Elizabeth area also requires enlarged hiring facilities and the Commission is presently working on detailed plans with the Port of New York Authority for the enlargement of its Center in Newark.

Finally, industry's request for additional weekend services has been accommodated by the Commission by opening an average of 11 of its 14 employment centers each week rather than the four or five opened in the past years.

Once again, the Commission expresses its appreciation for the extraordinary assistance and cooperation it has received from other law enforcement agencies and civic and community organizations in both New York and New Jersey.

It is with deep sorrow that the Commission records the death this past year of Stephen J. Doherty, a member of the Employment Information Centers staff.

Hatch Gang Assignment Board, Brooklyn



WATERFRONT COMMISSION EMPLOYMENT INFORMATION CENTERS

MANHATTAN

- | | | |
|------|----------------------|--|
| 1. | 659 11th Avenue | Piers 64-99 North River
Yonkers and Irvington |
| 2. | 455 West 16th Street | Piers 53-62 North River |
| 3. | 34 Renwick Street | Piers 18-52 North River |
| 4/5. | 125 Greenwich St. | Piers 1-17 North River
Piers 4-68 East River |
| 15. | 15 Park Row | Entire Port
(for pier guards) |

BROOKLYN

- | | | |
|-----|---------------------------|---|
| 6. | 32 Java Street | Long Island City, Greenpoint, Williamsburg and Navy Yard areas |
| 7. | 100 Columbia Street | Brooklyn Port Authority Piers 1-10 |
| 8. | 132 Van Dyke Street | Brooklyn Port Authority Piers 11 & 12, Atlantic and Erie Basins, Breakwater and Gowanus areas |
| 9. | 5504 Third Avenue | Bush Docks and Army Terminal areas |
| 14. | 37th and Marginal Streets | 21st Street Pier, Green Dock area and 39th Street Pier |



STATEN ISLAND

10. 22 Wave Street,
Stapleton Staten Island area

NEW JERSEY

11. 117 Tyler Street,
Port Newark Port Newark and Elizabeth
Port Authority piers,
Perth Amboy and Carteret
areas
12. Harborside Building
34 Exchange Place,
Jersey City Jersey City area
13. 60 Hudson Street,
Hoboken Hoboken, Weehawken
and Edgewater areas
16. Route 169 at
East 32nd Street,
Bayonne Bayonne area



REGISTRATION OF NEW MEN

To accommodate a request by management and labor for additional men to be added to the waterfront work force, the Commission "opened" the Longshoremen's Register on August 30, 1966. The Register had been "closed" since April 1966 in accordance with a new law suspending acceptance by the Commission of applications from men seeking to be included in the Register. In a single day over 2,600 applications for various waterfront crafts were distributed at the 9th Regiment Armory of the New York National Guard.

This massive distribution of licensing applications included the taking of fingerprints as a safeguard that applications would not be transferred by those persons receiving them to others and the scheduling by the NYSA-ILA Seniority Board of physical examinations for the applicants.

Within a period of two weeks, each of these applications was examined to ascertain that all pertinent questions were answered. Each applicant was fingerprinted also. More than 30 Commission employees, including attorneys, investigators, license examiners, fingerprint experts and interpreters (knowledgeable in languages such as Italian,

Spanish, Hungarian, Portuguese and Russian) were assigned to this operation. In the balance of the processing, court and police records were obtained, security and past employment checks conducted and applicants with a criminal record interviewed under oath by Commission attorneys.

By the end of the fiscal year, the 2,600 applicants had been processed. Approximately 1,550 of them were admitted to the Register in various categories as longshoremen, checkers, carpenters, coopers and waterfront maintenance men.

Some 150 men were found to be physically unsuitable for waterfront employment by physicians engaged by the NYSA-ILA Seniority Board. Another 300 applicants either had serious criminal backgrounds which barred registration, or withdrew their applications. The last 600 applicants, held in reserve to be used only in case the manpower needs of the port were not met, were not admitted to the Register since the labor requirements were satisfied from within the first 2,000 men applying.

Approximately 1,000 of the new men remain on the Register. The other 550 men of the group registered were ultimately removed from the Register for failing to seek work regularly.

AVERAGE ANNUAL EARNINGS OF LONGSHOREMEN AND CHECKERS

For Fiscal*	Total Payroll	Average Number of 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

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.

AVERAGE ANNUAL EARNINGS OF PIER GUARDS

For Fiscal*	Total Payroll	Average Number of Registrants	Average 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

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.

CARGO SECURITY

An urgent requirement for upgrading the quality of cargo protection maintained by terminal operators was recently pointed out by the armed theft of \$620,000 in travelers checks from a pier in Manhattan last April. Investigation by the Waterfront Commission disclosed that the two heavy wooden boxes delivered by armored car with instructions to be stowed in the ship's strongroom had been carelessly left on the pier in a poorly secured and unwatched area rather than in the "hot" crib which provides maximum security by means of a high wire fence and a pier guard protecting the gate.

At night four armed men entered the pier, bound the pier guards on duty and seized the two boxes without interference because standard security procedures had been neglected.

Investigative work by the Waterfront Commission recently uncovered \$41,500 in travelers checks in Brooklyn which were identified as part of a \$620,000 theft of American Express checks.

These lapses in security and the fact that the pier was not sufficiently staffed with pier guards combined to demonstrate the continuing need for constant supervision of the procedures employed to protect property on the docks.

Also, members of the Commission investigative staff recovered part of a \$28,000 containerized ship-

ment of imported electrical shavers hi-jacked on the Hudson River waterfront in Brooklyn. It is to be noted that the movement of finished and high-valued goods by container affords thieves an opportunity to steal large quantities of goods in one single theft.

The impressive growth in ocean-borne container traffic has created new problems in cargo security. While the use of containers may deter petty thefts or pilferage, it is to be noted that waterfront hi-jackings of loaded containers have run into losses exceeding \$200,000 an incident. The prevention of large-scale larcenies such as this require utilization of modern devices for the identification of vehicles and location in the huge marshalling areas, along with fast and effective protective measures for the identification of cargo, driver and owner of the vehicles.

Without forward-looking cargo security programs which keep pace with the expanding ocean-borne container industry, it might happen that the Port of New York could lose its prestigious position among the world's seaports.

If the full benefits of containerization are to be realized without a serious dislocation of longshore manpower, every possible effort must be made to increase the amount of tonnage moving through the Port. In order to accomplish this, not only must the security measures of the Port be of the highest level, but the far-sighted cooperation between labor and management will be required.

Pier Guard Training Class



RESUME OF LITIGATION

Waterfront Commission v. Arpene Deroian (Unreported)

The Supreme Court of New York granted a motion by the Waterfront Commission to punish a witness for her refusal to attend and testify pursuant to a subpoena issued by the Commission in connection with an investigation of the application of the Chet Maintenance Corporation for a limited stevedore's license. The Commission in its investigation of Chet Maintenance Corporation had ascertained that criminal elements were associated with Chet; that the real party in interest in Chet may be a notorious former waterfront hoodlum whom the Commission had barred from the waterfront; that Chet may be engaged in the practice of fraudulently overcharging the customers, of fraudulently underpaying its employees for the vacation monies to which they were entitled, of fraudulently obtaining pension and vacation benefits from the New York Shipping Association for certain persons, and of fraudulently underpaying the Metropolitan Marine Contractors Association for pension and welfare benefits.

After having testified to certain preliminary matters, the witness, who was Chet's bookkeeper, refused to testify any further upon the ground that Chet was withdrawing its application for a limited stevedore's license. The Commission contended in court that under its Regulations an application could be withdrawn only with permission of the Commission and that, in any event, the Commission had the authority to investigate into possible criminal activities on the waterfront even if the person or firm being investigated was neither a licensee of the Commission nor an applicant for a license.

The Court sustained the Commission's position and ordered the witness to testify in the Commission's investigation. Thereafter, the witness invoked the privilege against self-incrimination and the Commission granted her immunity from prosecution in order to obtain her testimony. The Commission has submitted the evidence adduced in its investigation of Chet to the District Attorney's office of New York County for possible prosecutive action. The Commission has also denied Chet's application for a limited stevedore's license, the basis for the denial being that the evidence (obtained by the Commission in its investigation) showed that the directors, officers, and controlling stockholders of Chet were not persons of good character and integrity.

Waterfront Commission v. Hellenic Lines Limited (Unreported)

The Waterfront Commission instituted an action against a steamship company for statutory penalties under the Waterfront Commission Act for employing a person as a pier superintendent who was not licensed by the Commission to act as such. The steamship company had submitted an application for a pier superintendent's license for the person in question and the Commission commenced an investigation into the circumstances surrounding the steamship company's selection of such person to be a pier superintendent. During the pendency of the Commission's investigation and notwithstanding that the Commission had not issued a temporary license to such person to act as a pier superintendent, the steamship company employed such person as a pier superintendent.

The Commission sued in the Supreme Court of the State of New York for statutory penalties in the total sum of \$32,000, representing violations over a period of 64 days at the maximum fine of \$500 per day. In accordance with the provisions of the Waterfront Commission Act, this action for statutory penalties by the Commission was brought on behalf of the State of New York.

After institution of the Commission's action, the steamship company voluntarily withdrew its application for a pier superintendent's license for such person and offered to pay the sum of \$5,000 in settlement of the Commission's suit for statutory penalties. In light of all the surrounding circumstances, the Commission considered the steamship company's actions to constitute a satisfactory disposition of this matter. As required by the Waterfront Commission Act, an application was made for court approval of the \$5,000 payment by the steamship company in settlement of the Commission's action against it to the Supreme Court, which entered an order approving such settlement. The sum of \$5,000 paid by the steamship company was duly remitted by the Commission to the State of New York.

In re Kaiser, 94 N.J. Super. 95 (App. Div. 1967)

The Commission denied the application for registration as a checker made by an applicant who had been convicted of several misdemeanors arising out of a large-scale numbers operation upon the ground that the applicant lacked the good character and integrity required for registration as a checker. The applicant instituted a court proceeding to review the Commission's order of denial,

contending, among other things, that the Commission had denied his application upon the mistaken belief that he had been successively convicted on four unrelated gambling convictions and further that he had paid his debt to society by serving his jail sentence and was now an honest and law abiding person. The Appellate Division of the State of New Jersey rejected these contentions and affirmed the Commission's order of denial, stating that gambling has been one of the conditions which has plagued the waterfront, that applicant's criminal involvement in a large-scale numbers operation justified the Commission's finding of lack of good character and integrity, and that the Commission's order of denial was reasonable and correct in all respects.

Bell v. Waterfront Commission of New York Harbor, 20 N.Y.2d 54 (1967)

The Commission made a determination revoking a longshoreman's registration and also denying an application by such longshoreman for registration as a checker for fraud in denying in a sworn interview his membership and activities in certain subversive organizations. The Court of Appeals unanimously held that the evidence supported the Commission's determination that the longshoreman had in fact committed fraud and also unanimously sustained the constitutionality of the provision of the Compact empowering the Commission to deny or revoke the registration of any person who "knowingly or willingly advocates the desirability of overthrowing or destroying the government of the United States by force or violence or who shall be a member of a group who advocates such desirability knowing the purposes of such group include such advocacy."

However, upon the question of discipline, the Court of Appeals divided 4-3 the majority holding that the suspension of the longshoreman's registration to the date of the Court of Appeals' decision constituted sufficient punishment. The minority of three judges would have confirmed the Commission's order of outright revocation without prejudice to an application by the longshoreman for reinstatement.

English v. Waterfront Commission (Unreported)

A determination of the Commission revoking a checker's registration for participating in the theft of 45 bales of woolen piece goods from a Brooklyn Port Authority pier was unanimously affirmed by the Court of Appeals (16 N.Y.2d 761), which

rejected the checker's claim that the Commission's determination rested upon unreliable testimony by an accomplice. Thereafter, the Commission denied a petition by the former checker for leave to reapply as a checker and the former checker instituted a court proceeding in the Supreme Court of New York to review the Commission's order denying such leave to reapply. The checker contended that he had been improperly denied a hearing upon his petition for leave to reapply and further that he had been sufficiently punished by the revocation of his registration over four years ago and that he had been free of any misconduct since then. The Supreme Court rejected these contentions and affirmed the Commission's order denying leave to reapply for registration as a checker.

Waterfront Commission v. Joseph Visone (Unreported)

The Supreme Court of New York granted a motion by the Commission to punish a witness for his refusal to testify pursuant to a subpoena issued by the Commission notwithstanding a grant by the Commission of immunity from prosecution. The witness and a registered longshoreman had been arrested at a Brooklyn pier for theft of a quantity of metal dinner ware. The Supreme Court adjudged the witness in contempt and required him to testify before the Commission. As a result of the witness' testimony, the Commission has instituted proceedings to revoke the registration of the longshoreman who was arrested with the witness.

CONCLUSION

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

Respectfully submitted,

JOSEPH KAITZ
Commissioner for New York

STEVEN J. BERCIK
Commissioner for New Jersey

STATISTICAL INFORMATION

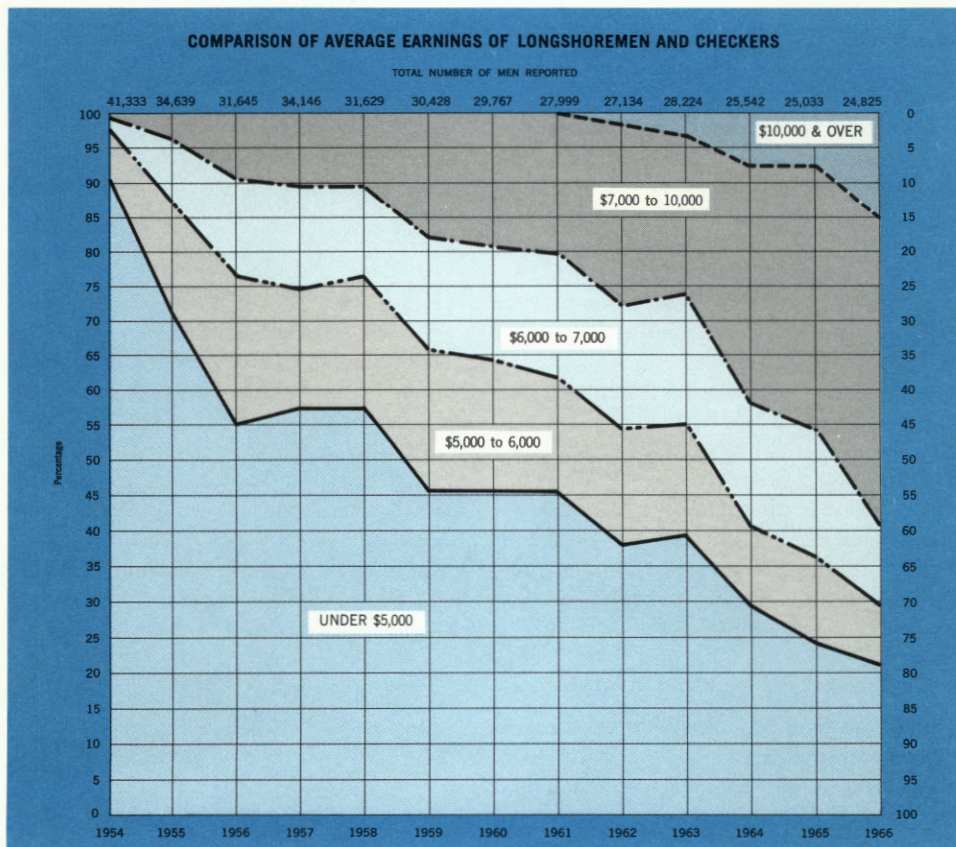
COMPARISON OF EARNINGS OF LONGSHOREMEN AND CHECKERS

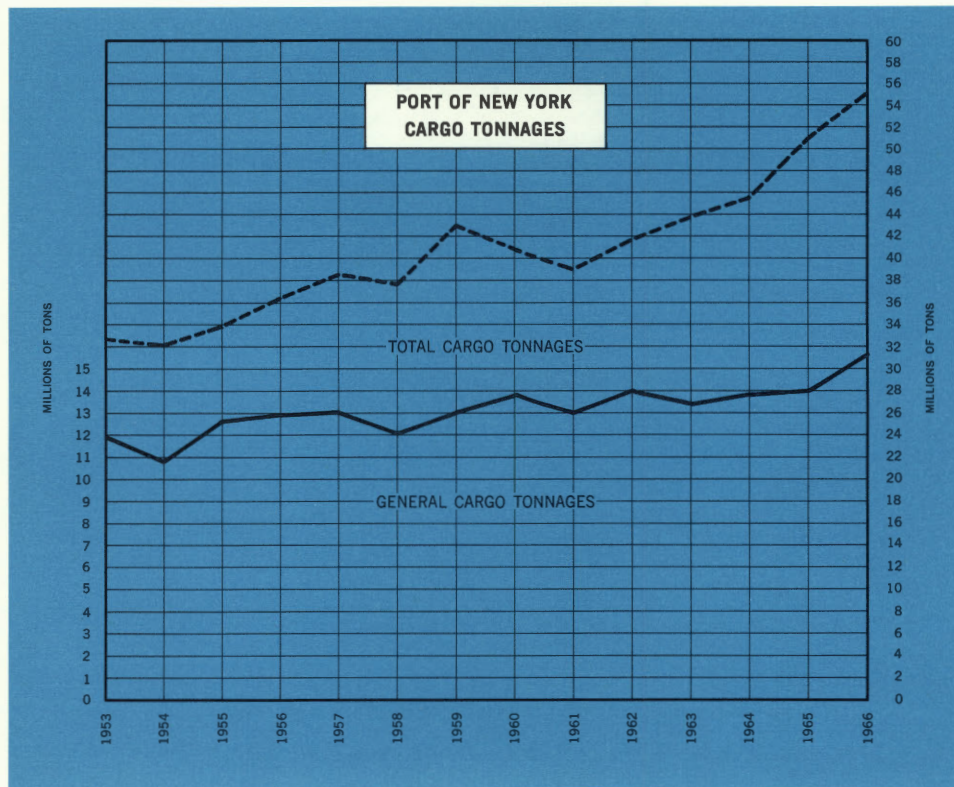
	1954	1964	1965	1966
\$7,000 and over ..	406	10,660	11,460	14,559
\$6,000 to \$7,000 ..	802	4,303	4,326	2,984
\$5,000 to \$6,000 ..	2,589	3,067	3,035	1,675
\$4,000 to \$5,000 ..	6,330	2,101	1,807	1,090
\$3,000 to \$4,000 ..	7,013	1,498	1,131	899
Under \$3,000	24,193	3,913	3,274	3,618
Total Reported ..	41,333	25,542	25,033	24,825
Total Earnings	\$102,061,108	\$157,455,521	\$160,629,874	\$175,112,163
Total Hours				
Worked	37,813,991	42,148,092	40,757,634	43,695,543
% Hours Overtime .	24.3	22.7	27.8	24.8
Average Annual Wages *	\$ 2,469	\$ 6,165	\$ 6,417	\$ 7,054

* 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 that of 1957-58 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association whose fiscal year ends September 30.

Source: New York Shipping Association for fiscal year ending September 30, 1966.





COMPARISON OF EARNINGS OF PIER GUARDS

	1954	1964a	1965a	1966a
\$7,000 and over . . .	5	917	436	461
6,000 to \$7,000 . . .	21	—	279	295
5,000 to \$6,000 . . .	137	49	145	154
4,000 to \$5,000 . . .	735	82	107	113
3,000 to \$4,000 . . .	546	55	101	109
Under \$3,000	1,977	505	655	693
Total Reported . . .	3,421	1,608	1,723	1,825
Total Earnings	\$7,707,271	\$7,440,943	\$7,845,717	\$8,087,551
Total Hours Worked . .	4,400,903	2,911,058	2,946,529	2,985,829
% Hours Overtime . . .	29.14	32.9	32.0	30.2
Average Annual				
Wages *	\$ 2,252	\$ 4,627	\$ 4,554**	\$ 4,432

* Does not include fringe benefits.

** Projected on percentages for 1966.

Note: (a) Figures include supervisory security personnel required to be licensed under Waterfront Commission regulation effective January 1, 1960. Wages increased from \$11.18 per day in 1954 to \$17.08 per day in 1963, \$17.56 per day in 1964, \$18.12 per day in 1965, \$18.68 per day in 1966, and \$19.24 per day on January 1, 1967. This is an overall increase of 72%. The average annual wage for port watchmen as indicated above represents an increase of 96.8%.

Source: New York Shipping Association for fiscal year ending September 30, 1966. With the exception of the earnings breakdown for the year 1965, this information is based on data received from the New York Shipping Association. The breakdown indicated for 1965 is based on a breakdown of the year 1966. Because information prepared by the Waterfront Commission for 1965 indicated the average number of pier guards employed, not the number reported, the Annual Report of 1965-1966 showed a total of 1,209 rather than the above figure of 1,723.

DIVISION OF LAW

Year Ended June 30, 1967

Applications investigated and processed	189
(The above figure includes applications for registration or license as longshoreman, checker, hiring agent, pier superintendent, pier guard and stevedore.)	
Formal Hearings Conducted and Completed	164
Petitions for Removal of Ineligibility Investigated and Completed*	5
Petitions for Reconsideration Investigated and Completed	76
Recent Arrests Investigated and Completed	189
Probationary Cases Investigated and Completed	91
Hearings Ordered	170
Cases of Withdrawal, Legal Hold and Decasualization	81
Investigations Conducted and Completed	223
Witnesses Questioned	2,265

* Effective October 21, 1966 petitions of this nature were directed to Division of Licensing.

DIVISION OF INVESTIGATION

Year Ended June 30, 1967

Investigations conducted	5,487
Active Waterfront Commission registrants or licensees arrested	174
Arrests by Waterfront Commission Investigators:	
for theft or pilferage	34
for gambling	34
for other offenses	11

APPLICATIONS RECEIVED AND PROCESSED DURING FISCAL YEARS

	As of June 30th													
	1954*	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Longshoremen	36,272	5,196	3,681	7,296 ^(a)	5,940	3,491	3,983	2,926	2,141	3,189	1,640	1,566	1,283	3,107
Checkers				4,077 ^(a)	618	320	398	265	134	613	171	453	286	276
Pier Guards ^(b)	2,890	458	265	2,893	573	350	2,415	335	168	321	199	418	2,081	472
Pier Superintendents	457	88	87	69	81	59	88	73	84	176	41	37	47	73
Hiring Agents	787	147	103	129	102	77	127	107	119	103	66	51	127	92
Stevedore Companies ^(c)	77	7	54	4	45	4	45	0	36	1	29	0	53	4
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

* Initial year of Commission operations.

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

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

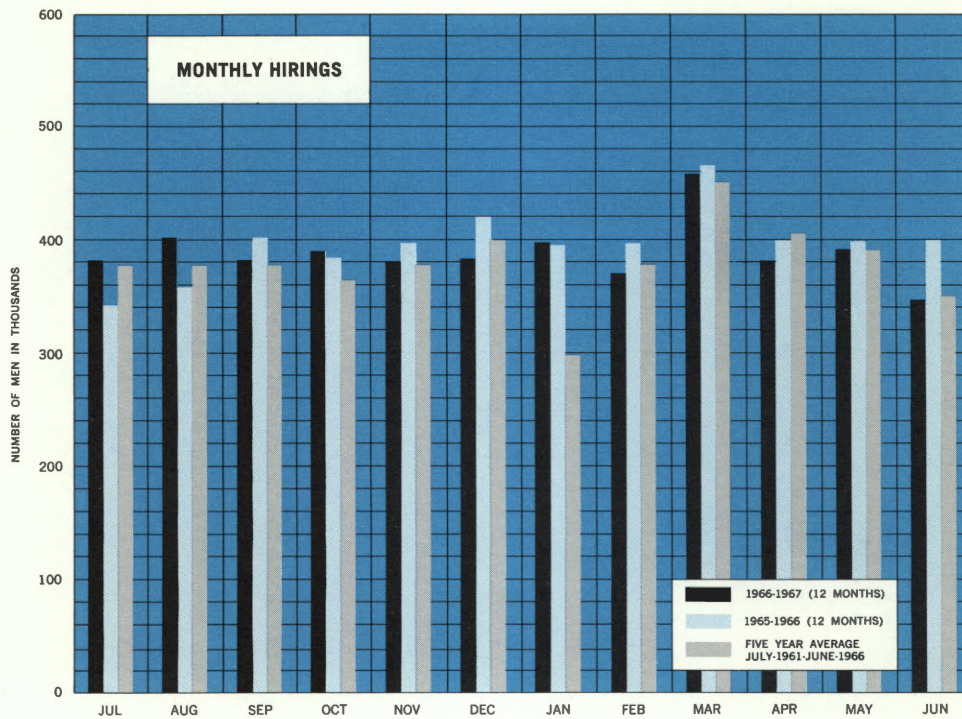
(c) Stevedores are required to renew licenses every second year.

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
Longshoremen				27,537 ^(a)	27,948	24,967	24,182	22,661	22,079	22,691	20,408	19,792	19,110	18,352
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
Hiring Agents	612	592	597	618	645	630	622	589	607	609	578	565	606	631
Pier Superintendents	355	365	379	380	407	408	411	392	403	438	418	417	414	430
Pier Guards	2,796	3,009	3,010	2,319	2,414	2,218	2,021 ^(b)	2,047	1,961	1,756	1,652	1,801	1,551	1,630
Stevedores	54	52	48	45	46	45	39	36	33	29	29	28	49	49
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

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

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



COMMISSION DETERMINATIONS

Year Ended June 30, 1967

APPLICATIONS

REVOICATIONS

	APPLICATIONS		Revoked With Leave		REVOICATIONS		Sus- Pended Pending Hearing	Totals
	Denied	Granted	Revoked	to Reapply	Sus- pended	Repri- manded		
Longshoremen	43	7	18	14	21	0	15	118
Checkers	11	2	3	1	1	0	3	21
Hiring Agents	1	1	0	0	2	5	0	9
Pier								
Superintendents	0	0	0	0	0	0	0	0
Port Watchmen	17	3	0	1	0	0	1	22
Stevedores	0	7	0	0	1	0	0	8
Totals	72	20	21	16	25	5	19	178

PETITIONS

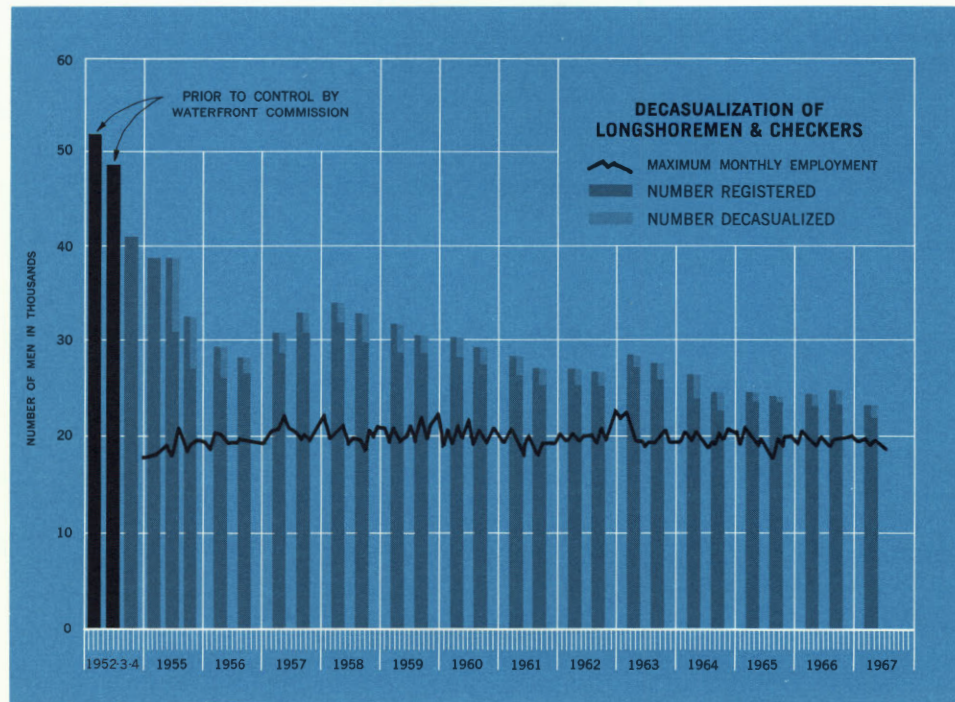
Year Ended June 30, 1967

	Denied	Granted	Totals
Petitions for Reconsideration or for Leave to Reapply	51	25	76
Petitions for Rehearing	1	5	6
Petitions to Withdraw	1	9	10
Petitions to Remove Ineligibility by Reason of Criminal Conviction	4	10	14
TOTALS	57	49	106

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

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



AREA SURVEY OF WATERFRONT HIRINGS
(For year ended June 30, 1967)

Piers and Areas	Hirings 1965-1966	Hirings 1966-1967	% Change	% Share of Port Employment	
				1965-1966	1966-1967
Piers 64-99 North River Irvington-Yonkers	417,497	394,327	— 05.55	08.8	08.4
Piers 53-62 North River	351,255	382,974	+ 09.03	07.4	08.2
Piers 18-52 North River	262,250	223,405	— 14.81	05.5	04.7
Piers 1-17 North River	<u>220,741</u>	<u>197,814</u>	— 10.37	<u>04.6</u>	<u>04.2</u>
Piers 4-68 East River					
TOTAL - MANHATTAN	<u>1,251,743</u>	<u>1,198,520</u>	— 04.25	<u>26.3</u>	<u>25.5</u>
Long Island City Greenpoint and Williamsburg	32,783	33,416	+ 01.93	00.7	00.7
Brooklyn Port Authority Piers	656,531	663,851	+ 01.11	13.8	14.2
Atlantic and Erie Basins Breakwater and Gowanus	632,691	582,379	— 07.95	13.3	12.4
Bush Docks and Brooklyn Army Terminal areas	457,151	353,926	— 22.58	09.6	07.6
21st Street, Green Docks and 39th Street	<u>557,174</u>	<u>595,984</u>	+ 06.97	<u>11.7</u>	<u>12.7</u>
TOTAL - BROOKLYN	<u>2,336,330</u>	<u>2,229,556</u>	— 04.57	<u>49.1</u>	<u>47.6</u>
Staten Island	<u>99,763</u>	<u>118,031</u>	+ 18.31	<u>02.1</u>	<u>02.5</u>
TOTAL - STATEN ISLAND	<u>99,763</u>	<u>118,031</u>	+ 18.31	<u>02.1</u>	<u>02.5</u>
Port Newark and Elizabeth Port Authority, Perth Amboy and Carteret	580,488	629,176	+ 08.39	12.2	13.4
Jersey City Area	169,330	111,689	— 34.04	03.6	02.4
Hoboken, Weehawken and Edgewater	319,739	302,841	— 05.28	06.7	06.5
**Bayonne	<u>-</u>	<u>95,333</u>	+100.00	<u>-</u>	<u>02.1</u>
TOTAL - NEW JERSEY	<u>1,069,557</u>	<u>1,139,039</u>	+ 06.50	<u>22.5</u>	<u>24.4</u>
TOTAL - PORT OF NEW YORK	<u>4,757,393</u>	<u>4,685,146</u>	— 01.52	<u>100.00</u>	<u>100.00</u>

NOTE: * Brooklyn Army Terminal operations concluded on December 31, 1967.
** Bayonne Center #16 opened September 6, 1966.

THE WATERFRONT COMMISSION OF NEW YORK HARBOR 1966-1967

JOSEPH KAITZ

Commissioner for New York

STEVEN J. BERCIK

Commissioner for New Jersey

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Executive Director and General Counsel

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