NEW JERSEY-NEW YORK WATERFRONT COMMISSION COMPACT

HEARING

BEFORE

SUBCOMMITTEE NO. 3 OF THE COMMITTEE ON THE JUDICIARY HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

FIRST SESSION

ON

H. R. 6286, H. R. 6321, H. R. 6343, and S. 2383

BILLS GRANTING THE CONSENT OF CONGRESS TO A COMPACT BETWEEN THE STATE OF NEW JERSEY AND THE STATE OF NEW YORK, KNOWN AS THE WATERFRONT COMMISSION COMPACT, AND FOR OTHER PURPOSES

JULY 22, 1953

Printed for the use of the Committee on the Judiciary

Serial No. 6

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1953

38123

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[1] Elected to committee March 30, 1953 (H. Res. 194). Hon. Joseph R. Bryson, of South Carolina, a member of this committee, died on March 10, 1953.

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NEW JERSEY-NEW YORK WATERFRONT COMMISSION COMPACT

WEDNESDAY, JULY 22, 1953

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE No. 3,
Washington, D. C.

The subcommittee met at 9:30 a. m., in room 346, Old House Office Building, pursuant to call, Hon. Kenneth B. Keating, chairman, presiding.

Present: Representatives Keating (chairman of the subcommittee), Crumpacker, Taylor, and Fine.

Also present: Mr. Malcolm Mecartney and Mr. Cyril F. Brickfield, committee counsel.

Mr. KEATING. The committee will come to order.

This hearing is called for the purpose of taking testimony with reference to H. R. 6286, H. R. 6321, H. R. 6343, and S. 2383, bills granting the consent of Congress to the compact between the States of New Jersey and New York to establish the Waterfront Commission of New York Harbor.

(H. R. 6286, introduced by Mr. Keating, is as follows:)

[H. R. 6286, 83d Cong., 1st sess.]

A BILL Granting the consent of Congress to a compact between the State of New Jersey and the State of New York known as the Waterfront Commission Compact, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of of Congress is hereby given to the compact set forth below to all of its terms and provisions, and to the carrying out and effectuation of said compact, and enactments in furtherance thereof:

THE WATERFRONT COMMISSION COMPACT BETWEEN THE STATES OF NEW YORK AND NEW JERSEY AS AUTHORIZED BY CHAPTER 882 AS AMENDED BY CHAPTER 883 OF THE LAWS OF THE STATE OF NEW YORK OF 1953, AND BY CHAPTER 202 AS AMENDED BY CHAPTER 203 OF THE LAWS OF THE STATE OF NEW JERSEY OF 1953.

ARTICLE I

FINDINGS AND DECLARATIONS

1. The States of New Jersey and New York hereby find and declare that the conditions under which waterfront labor is employed within the Port of New York district are depressing and degrading to such labor, resulting from the lack of any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity and neither responsive or responsible to the

employers nor to the uncoerced will of the majority of the members of the labor organizations of the employees; that as a result waterfront laborers suffer from irregularity of employment, fear and insecurity, inadequate earnings, an unduly high accident rate, subjection to borrowing at usurious rates of interest, exploitation and extortion as the price of securing employment and a loss of respect for the law; that not only does there result a destruction of the dignity of an important segment of American labor, but a direct encouragement of crime which imposes a levy of greatly increased costs on food, fuel and other necessaries handled in and through the Port of New York district.

2. The States of New Jersey and New York hereby find and declare that many of the evils above described result not only from the causes above described but from the practices of public loaders at piers and other waterfront terminals; that such public loaders serve no valid economic purpose and operate as parasites exacting a high and unwarranted toll on the flow of commerce in and through the Port of New York district, and have used force and engaged in discriminatory and coercive practices including extortion against persons not desiring to employ them; and that the function of loading and unloading trucks and other land vehicles at piers and other waterfront terminals can and should be performed, as in every other major American port, without the evils and abuses of the public loader system, and by the carriers of freight by water, stevedores and operators of such piers and other waterfront terminals or the operators of such trucks or other land vehicles.

3. The States of New Jersey and New York hereby find and declare that many of the evils above described result not only from the causes above described but from the lack of regulation of the occupation of stevedores; that such stevedores have engaged in corrupt practices to induce their hire by carriers of freight by water and to induce officers and representatives of labor organizations to betray their trust to the members of such labor organizations.

4. The States of New Jersey and New York hereby find and declare that the occupations of longshoremen, stevedores, pier superintendents, hiring agents and port watchmen are affected with a public interest requiring their regulation and that such regulation shall be deemed an exercise of the police power of the two States for the protection of the public safety, welfare, prosperity, health, peace and living conditions of the people of the two States.

Article II

Definitions

As used in this compact:

"The Port of New York district" shall mean the district created by Article II of the compact dated April thirtieth, one thousand nine hundred and twenty-one, between the States of New York and New Jersey, authorized by chapter one hundred fifty-four of the laws of New York of one thousand nine hundred and twenty-one and chapter one hundred fifty-one of the laws of New Jersey of one thousand nine hundred and twenty-one.

"Commission" shall mean the waterfront commission of New York harbor established by Article III hereof.

"Pier" shall include any wharf, pier, dock or quay.

"Other waterfront terminal" shall include any warehouse, depot or other terminal (other than a pier) which is located within one thousand yards of any pier in the Port of New York district and which is used for waterborne freight in whole or substantial part.

"Person" shall mean not only a natural person but also any partnership, joint venture, association, corporation or any other legal entity but shall not include the United States, any State or territory thereof or any department, division, board, commission or authority of one or more of the foregoing.

"Carrier of freight by water" shall mean any person who may be engaged or who may hold himself out as willing to be engaged, whether as a common carrier, as a contract carrier or otherwise (except for carriage of liquid cargoes in bulk in tank vessels designed for use exclusively in such service or carriage by barge of bulk cargoes consisting of only a single commodity loaded or carried without wrappers or containers and delivered by the carrier without transportation mark or count) in the carriage of freight by water between any point in the Port of New York district and a point outside said district.

"Waterborne freight" shall mean freight carried by or consigned for carriage by carriers of freight by water.

"Longshoreman" shall mean a natural person, other than a hiring agent, who is employed for work at a pier or other waterfront terminal, either by a carrier of freight by water or by a stevedore

(a) physically to move waterborne freight on vessels berthed at piers, on piers or at other waterfront terminals, or

(b) to engage in direct and immediate checking of any such freight or of the custodial accounting therefor or in the recording or tabulation of the hours worked at piers or other waterfront terminals by natural persons employed by carriers of freight by water or stevedores, or

(c) to supervise directly and immediately others who are employed as in subdivision (a) of this definition.

"Pier superintendent" shall mean any natural person other than a longshoreman who is employed for work at a pier or other waterfront terminal by a carrier of freight by water or a stevedore and whose work at such pier or other waterfront terminal includes the supervision, directly or indirectly, of the work of longshoremen.

"Port watchman" shall include any watchman, gateman, roundsman, detective, guard, guardian or protector of property employed by the operator of any pier or other waterfront terminal or by a carrier of freight by water to perform services in such capacity on any pier or other waterfront terminal.

"Longshoremen's register" shall mean the register of eligible longshoremen compiled and maintained by the commission pursuant to Article VIII.

"Stevedore" shall mean a contractor (not including an employee) engaged for compensation pursuant to a contract or arrangement with a carrier of freight by water, in moving waterborne freight carried or consigned for carriage by such carrier on vessels of such carrier berthed at piers, on piers at which such vessels are berthed or at other waterfront terminals.

"Hiring agent" shall mean any natural person, who on behalf of a carrier of freight by water or a stevedore shall select any longshoreman for employment.

"Compact" shall mean this compact and rules or regulations lawfully promulgated thereunder.

Article III

Waterfront Commission of New York Harbor

1. There is hereby created the waterfront commission of New York harbor, which shall be a body corporate and politic, an instrumentality of the States of New York and New Jersey.

2. The commission shall consist of two members, one to be chosen by the State of New Jersey and one to be chosen by the State of New York. The member representing each State shall be appointed by the Governor of such State with the advice and consent of the Senate thereof, without regard to the State of residence of such member, and shall receive compensation to be fixed by the Governor of such State. The term of office of each member shall be for three years; *provided, however*, that the members first appointed shall be appointed for a term to expire June thirtieth, nineteen hundred fifty-six. Each member shall hold office until his successor has been appointed and qualified. Vacancies in office shall be filled for the balance of the unexpired term in the same manner as original appointments.

3. The commission shall act only by unanimous vote of both members thereof. Any member may, by written instrument filed in the office of the commission, designate any officer or employee of the commission to act in his place as a member whenever he shall be unable to attend a meeting of the commission. A vacancy in the office of a member shall not impair such designation until the vacancy shall have been filled.

Article IV

General Powers of Commission

In addition to the powers and duties elsewhere prescribed in this compact, the commission shall have the power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To acquire, hold and dispose of real and personal property by gift, purchase, lease, license or other similar manner, for its corporate purposes;
4. To determine the location, size, and suitability of accommodations necessary and desirable for the establishment and maintenance of the employment

information centers provided in Article XII hereof and for administrative offices for the commission;

5. To appoint such officers, agents and employees as it may deem necessary, prescribe their powers, duties and qualifications and fix their compensation and retain and employ counsel and private consultants on a contract basis or otherwise;

6. To administer and enforce the provisions of this compact;

7. To make and enforce such rules and regulations as the commission may deem necessary to effectuate the purposes of this compact or to prevent the circumvention or evasion thereof, to be effective upon publication in the manner which the commission shall prescribe and upon filing in the office of the Secretary of State of each State. A certified copy of any such rules and regulations, attested as true and correct by the commission, shall be presumptive evidence of the regular making, adoption, approval and publication thereof;

8. By its members and is properly designated officers, agents and employees, to administer oaths and issue subpoenas throughout both States to compel the attendance of witnesses and the giving of testimony and the production of other evidence;

9. To have for its members and its properly designated officers, agents and employees, full and free access, ingress and egress to and from all vessels, piers and other waterfront terminals or other places in the port of New York district, for the purposes of making inspection or enforcing the provisions of this compact; and no person shall obstruct or in any way interfere with any such member, officer, employee or agent in the making of such inspection, or in the enforcement of the provisions of this compact or in the performance of any other power or duty under this compact;

10. To recover possession of any suspended or revoked license issued under this compact;

11. To make investigations, collect and compile information concerning waterfront practices generally within the port of New York district and upon all matters relating to the accomplishment of the objectives of this compact;

12. To advise and consult with representatives of labor and industry and with public officials and agencies concerned with the effectuation of the purposes of this compact upon all matters which the commission may desire, including but not limited to the form and substance of rules and regulations, the administration of the compact, maintenance of the longshoremen's register, and issuance and revocation of licenses;

13. To make annual and other reports to the Governors and Legislatures of both States containing recommendations for the improvement of the conditions of waterfront labor within the port of New York district, for the alleviation of the evils described in Article I and for the effectuation of the purposes of this compact. Such annual reports shall state the commission's finding and determination as to whether the public necessity still exists for (a) the continued registration of longshoremen, (b) the continued licensing of any occupation or employment required to be licensed hereunder and (c) the continued public operation of the employment information centers provided for in Article XII;

14. To cooperate with and receive from any department, division, bureau, board, commission, or agency of either or both States, or of any county or municipality thereof, such assistance and data as will enable it properly to carry out its powers and duties hereunder; and to request any such department, division, bureau, board, commission, or agency, with the consent thereof, to execute such of its functions and powers, as the public interest may require.

The powers and duties of the commission may be exercised by officers, employees and agents designated by them, except the power to make rules and regulations. The commission shall have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the Legislature of either State concurred in by the Legislature of the other.

ARTICLE V

PIER SUPERINTENDENTS AND HIRING AGENTS

1. On or after the first day of December, nineteen hundred and fifty-three, no person shall act as a pier superintendent or as a hiring agent within the port of New York district without first having obtained from the commission a license to act as such pier superintendent or hiring agent, as the case may be, and no person shall employ or engage another person to act as a pier superintendent or hiring agent who is not so licensed.

2. A license to act as a pier superintendent or hiring agent shall be issued only upon the written application, under oath, of the person proposing to employ or engage another person to act as such pier superintendent or hiring agent, verified by the prospective licensee as to the matters concerning him, and shall state the following:

(a) The full name and business address of the applicant;

(b) The full name, residence, business address (if any), place and date of birth and social security number of the prospective licensee;

(c) The present and previous occupations of the prospective licensee, including the places where he was employed and the names of his employers;

(d) Such further facts and evidence as may be required by the commission to ascertain the character, integrity, and identity of the prospective licensee; and

(e) That if a license is issued to the prospective licensee, the applicant will employ such licensee as pier superintendent or hiring agent, as the case may be.

(3) No such license shall be granted

(a) Unless the commission shall be satisfied that the prospective licensee possesses good character and integrity;

(b) If the prospective licensee has, without subsequent pardon, been convicted by a court of the United States, or any State or territory thereof, of the commission of, or the attempt or conspiracy to commit treason, murder, manslaughter or any felony or high misdemeanor or any of the following misdemeanors or offenses: illegally using, carrying or possessing a pistol or other dangerous weapon; making or possessing burglar's instruments; buying or receiving stolen property; unlawful entry of a building; aiding an escape from prison; unlawfully possessing or distributing habit-forming narcotic drugs; and violation of this compact. Any such prospective licensee ineligible for a license by reason of any such conviction may submit satisfactory evidence to the commission that he has for a period of not less than five years, measured as hereinafter provided, and up to the time of application, so conducted himself as to warrant the grant of such license, in which event the commission may, in its discretion, issue an order removing such ineligibility. The aforesaid period of five years shall be measured either from the date of payment of any fine imposed upon such person or the suspension of sentence or from the date of his unrevoked release from custody by parole, commutation or termination of his sentence;

(c) If the prospective licensee knowingly or wilfully advocates the desirability of overthrowing or destroying the government of the United States by force or violence or shall be a member of a group which advocates such desirability, knowing the purposes of such group include such advocacy.

4. When the application shall have been examined and such further inquiry and investigation made as the commission shall deem proper and when the commission shall be satisfied therefrom that the prospective licensee possesses the qualifications and requirements prescribed in this article, the commission shall issue and deliver to the prospective licensee a license to act as pier superintendent or hiring agent for the applicant, as the case may be, and shall inform the applicant of his action. The commission may issue a temporary permit to any prospective licensee for a license under the provisions of this article pending final action on an application made for such a license. Any such permit shall be valid for a period not in excess of thirty days.

5. No person shall be licensed to act as a pier superintendent or hiring agent for more than one employer, except at a single pier or other waterfront terminal, but nothing in this article shall be construed to limit in any way the number of pier superintendents or hiring agents any employer may employ.

6. A license granted pursuant to this article shall continue through the duration of the licensee's employment by the employer who shall have applied for his license.

7. Any license issued pursuant to this article may be revoked or suspended for such period as the commission deems in the public interest or the licensee thereunder may be reprimanded for any of the following offenses:

(a) Conviction of a crime or act by the licensee or other cause which would require or permit his disqualification from receiving a license upon original application;

(b) Fraud, deceit or misrepresentation in securing the license, or in the conduct of the licensed activity;

(c) Violation of any of the provisions of this compact;

(d) Addiction to the use of or trafficking in morphine, opium, cocaine, or other narcotic drug;

(e) Employing, hiring or procuring any person in violation of this compact or inducing or otherwise aiding or abetting any person to violate the terms of this compact;

(f) Paying, giving, causing to be paid or given or offering to pay or give to any person any valuable consideration to induce such other person to violate any provision of this compact or to induce any public officer, agent or employee to fail to perform his duty hereunder;

(g) Consorting with known criminals for an unlawful purpose;

(h) Transfer or surrender of possession of the license to any person either temporarily or permanently without satisfactory explanation;

(i) False impersonation of another licensee under this compact;

(j) Receipt or solicitation of anything of value from any person other than the licensee's employer as consideration for the selection or retention for employment of any longshoreman;

(k) Coercion of a longshoreman by threat of discrimination or violence or economic reprisal, to make purchases from or to utilize the services of any person;

(l) Lending any money to or borrowing any money from a longshoreman for which there is a charge of interest or other consideration; and

(m) Membership in a labor organization which represents longshoremen or port watchmen; but nothing in this section shall be deemed to prohibit pier superintendents or hiring agents from being represented by a labor organization or organizations which do not also represent longshoremen or port watchmen. The American Federation of Labor, the Congress of Industrial Organizations and any other similar federation, congress or other organization of national or international occupational or industrial labor organizations shall not be considered an organization which represents longshoremen or port watchmen within the meaning of this section although one of the federated or constituent labor organizations thereof may represent longshoremen or port watchmen.

ARTICLE VI

STEVEDORES

1. On or after the first day of December, nineteen hundred and fifty-three, no person shall act as a stevedore within the Port of New York district without having first obtained a license from the commission, and no person shall employ a stevedore to perform services as such within the Port of New York district unless the stevedore is so licensed.

2. Any person intending to act as a stevedore within the Port of New York district shall file in the office of the commission a written application for a license to engage in such occupation, duly signed and verified as follows:

(a) If the applicant is a natural person, the application shall be signed and verified by such person and if the applicant is a partnership, the application shall be signed and verified by each natural person composing or intending to compose such partnership. The application shall state the full name, age, residence, business address (if any), present and previous occupations of each natural person so signing the same, and any other facts and evidence as may be required by the commission to ascertain the character, integrity and identity of each natural person so signing such application.

(b) If the applicant is a corporation, the application shall be signed and verified by the president, secretary and treasurer thereof, and shall specify the name of the corporation, the date and place of its incorporation, the location of its principal place of business, the names and addresses of, and the amount of the stock held by stockholders owning five percent or more of any of the stock thereof, and of all officers (including all members of the board of directors). The requirements of subdivision (a) of this section as to a natural person who is a member of a partnership, and such requirements as may be specified in rules and regulations promulgated by the commission, shall apply to each such officer or stockholder and their successors in office or interest as the case may be.

In the event of the death, resignation or removal of any officer, and in the event of any change in the list of stockholders who shall own five percent or more of the stock of the corporation, the secretary of such corporation shall forthwith give notice of that fact in writing to the commission, certified by said secretary.

3. No such license shall be granted

(a) If any person whose signature or name appears in the application is not the real party in interest required by section 2 of this article to sign or to be identified in the application or if the person so signing or named in the application is an undisclosed agent or trustee for any such real party in interest;

(b) Unless the commission shall be satisfied that the applicant and all members, officers and stockholders required by section 2 of this article to sign or be identified in the application for license possess good character and integrity;

(c) Unless the applicant is either a natural person, partnership or corporation;

(d) Unless the applicant shall be a party to a contract then in force or which will take effect upon the issuance of a license, with a carrier of freight by water for the loading and unloading by the applicant of one or more vessels of such carrier at a pier within the port of New York district;

(e) If the applicant or any member, officer or stockholder required by section 2 of this article to sign or be identified in the application for license has, without subsequent pardon, been convicted by a court of the United States or any State or territory thereof of the commission of, or the attempt or conspiracy to commit, treason, murder, manslaughter or any felony or high misdemeanor or any of the misdemeanors or offenses described in subdivision (b) of section 3 of Article V. Any applicant ineligible for a license by reason of any such conviction may submit satisfactory evidence to the commission that the person whose conviction was the basis of ineligibility has for a period of not less than five years, measured as hereinafter provided and up to the time of application, so conducted himself as to warrant the grant of such license, in which event the commission may, in its discretion issue an order removing such ineligibility. The aforesaid period of five years shall be measured either from the date of payment of any fine imposed upon such person or the suspension of sentence or from the date of his unrevoked release from custody by parole, commutation or termination of his sentence;

(f) If, on or after July first, nineteen hundred fifty-three, the applicant has paid, given, caused to have been paid or given or offered to pay or give to any officer or employee of any carrier of freight by water any valuable consideration for an improper or unlawful purpose or to induce such person to procure the employment of the applicant by such carrier for the performance of stevedoring services;

(g) If, on or after July first, nineteen hundred fifty-three, the applicant has paid, given, caused to be paid or given or offered to pay or give to any officer or representative of a labor organization any valuable consideration for an improper or unlawful purpose or to induce such officer or representative to subordinate the interests of such labor organization or its members in the management of the affairs of such labor organization to the interests of the applicant.

4. When the application shall have been examined and such further inquiry and investigation made as the commission shall deem proper and when the commission shall be satisfied therefrom that the applicant possesses the qualifications and requirements prescribed in this article, the commission shall issue and deliver a license to such applicant. The commission may issue a temporary permit to any applicant for a license under the provisions of this article pending final action on an application made for such a license. Any such permit shall be valid for a period not in excess of thirty days.

5. A license granted pursuant to this article shall be for a term of two years or fraction of such two-year period, and shall expire on the first day of December of each odd numbered year. In the event of the death of the licensee, if a natural person, or its termination or dissolution by reason of the death of a partner, if a partnership, or if the licensee shall cease to be a party to any contract of the type required by subdivision (d) of section 3 of this article, the license shall terminate ninety days after such event or upon its expiration date, whichever shall be sooner. A license may be renewed by the commission for successive two-year periods upon fulfilling the same requirements as are set forth in this article for an original application.

6. Any license issued pursuant to this article may be revoked or suspended for such period as the commission deems in the public interest or the licensee thereunder may be reprimanded for any of the following offenses on the part of the licensee or of any person required by section 2 of this article to sign or be identified in an original application for a license;

(a) Conviction of a crime or other cause which would permit or require disqualification of the licensee from receiving a license upon original application;

(b) Fraud, deceit or misrepresentation in securing the license or in the conduct of the licensed activity;

(c) Failure by the licensee to maintain a complete set of books and records containing a true and accurate account of the licensee's receipts and disbursements arising out of his activities within the Port of New York district;

(d) Failure to keep said books and records available during business hours for inspection by the commission and its duly designated representatives until the expiration of the fifth calendar year following the calendar year during which occurred the transactions recorded therein;

(e) Any other offense described in subdivisions (e) to (i) inclusive, of section 7 of Article V.

ARTICLE VII

PROHIBITION OF PUBLIC LOADING

1. The States of New Jersey and New York hereby find and declare that the transfer of cargo to and from trucks at piers and other waterfront terminals in the port of New York district has resulted in vicious and notorious abuses by persons commonly known as "public loaders." There is compelling evidence that such persons have exacted the payment of exorbitant charges for their services, real and alleged, and otherwise extorted large sums through force, threats of violence, unauthorized labor disturbances and other coercive activities, and that they have been responsible for and abetted criminal activities on the waterfront. These practices which have developed in the port of New York district impose unjustified costs on the handling of goods in and through the port of New York district, and increase the prices paid by consumers for food, fuel and other necessaries, and impair the economic stability of the port of New York district. It is the sense of the Legislatures of the States of New York and New Jersey that these practices and conditions must be eliminated to prevent grave injury to the welfare of the people.

2. It is hereby declared to be against the public policy of the States of New Jersey and New York and to be unlawful for any person to load or unload waterborne freight onto or from vehicles other than railroad cars at piers or at other waterfront terminals within the port of New York district, for a fee or other compensation, other than the following persons and their employees:

(a) Carriers of freight by water, but only at piers at which their vessels are berthed;

(b) Other carriers of freight (including but not limited to railroads and truckers), but only in connection with freight transported or to be transported by such carriers;

(c) Operators of piers or other waterfront terminals (including railroads, truck terminal operators, warehousemen and other persons), but only at piers or other waterfront terminals operated by them;

(d) Shippers or consignees of freight, but only in connection with freight shipped by such shipper or consigned to such consignee;

(e) Stevedores licensed under article VI, whether or not such waterborne freight has been or is to be transported by a carrier of freight by water with which such stevedore shall have a contract of the type prescribed by subdivision (d) of section 3 of article VI.

Nothing herein contained shall be deemed to permit any such loading or unloading of any waterborne freight at any place by any such person by means of any independent contractor, or any other agent other than an employee, unless such independent contractor is a person permitted by this article to load or unload such freight at such place in his own right.

ARTICLE VIII

LONGSHOREMEN

1. The commission shall establish a longshoremen's register in which shall be included all qualified longshoremen eligible, as hereinafter provided, for employment as such in the Port of New York district. On or after the first day of December, nineteen hundred fifty-three, no person shall act as a longshoreman within the Port of New York district unless at the time he is included in the longshoremen's register, and no person shall employ another to work as a longshoreman within the Port of New York district unless at the time such other person is included in the longshoremen's register.

2. Any person applying for inclusion in the longshoremen's register shall file at such place and in such manner as the commission shall designate a written statement, signed and verified by such person, setting forth his full name, residence address, social security number, and such further facts and evidence as the commission may prescribe to establish the identity of such person and his criminal record, if any.

3. The commission may in its discretion deny application for inclusion in the longshoremen's register by a person

(a) Who has been convicted by a court of the United States or any State or territory thereof, without subsequent pardon, of treason, murder, manslaughter or of any felony or high misdemeanor or of any of the misdemeanors or offenses described in subdivision (b) of section 3 of Article V or of attempt or conspiracy to commit any of such crimes;

(b) 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 which advocates such desirability knowing the purposes of such group includes such advocacy;

(c) Whose presence at the piers or other waterfront terminals in the Port of New York district is found by the commission on the basis of the facts and evidence before it, to constitute a danger to the public peace or safety.

4. Unless the commission shall determine to exclude the applicant from the longshoremen's register on a ground set forth in section 3 of this article it shall include such person in the longshoremen's register. The commission may permit temporary registration of any applicant under the provisions of this article pending final action on an application made for such registration. Any such temporary registration shall be valid for a period not in excess of thirty days.

5. The commission shall have power to reprimand any longshoreman registered under this article or to remove him from the longshoremen's register for such period of time as it deems in the public interest for any of the following offenses:

(a) Conviction of a crime or other cause which would permit disqualification of such person from inclusion in the longshoremen's register upon original application;

(b) Fraud, deceit, or misrepresentation in securing inclusion in the longshoremen's register;

(c) Transfer or surrender of possession to any person either temporarily or permanently of any card or other means of identification issued by the commission as evidence of inclusion in the longshoremen's register, without satisfactory explanation;

(d) False impersonation of another longshoreman registered under this article or of another person licensed under this compact;

(e) Wilful commission of or wilful attempt to commit at or on a waterfront terminal or adjacent highway any act of physical injury to any other person or of wilful damage to or misappropriation of any other person's property, unless justified or excused by law; and

(f) Any other offense described in subdivisions (c) to (f) inclusive of section 7 of Article V.

6. The commission shall have the right to recover possession of any card or other means of identification issued as evidence of inclusion in the longshoremen's register in the event that the holder thereof has been removed from the longshoremen's register.

7. Nothing contained in this article shall be construed to limit in any way any rights of labor reserved by Article XV.

ARTICLE IX

REGULARIZATION OF LONGSHOREMEN'S EMPLOYMENT

1. On or after the first day of December, one thousand nine hundred and fifty-four, the commission shall, at regular intervals, remove from the longshoremen's register any person who shall have been registered for at least nine months and who shall have failed during the preceding six calendar months either to have worked as a longshoreman in the Port of New York district or to have applied for employment as a longshoreman at an employment information center established under article XII for such minimum number of days as shall have been established by the commission pursuant to section two of this article.

2. On or before the first day of June, one thousand nine hundred and fifty-four, and on or before each succeeding first day of June or December, the commission shall, for the purposes of section one of this article, establish for the six-month period beginning on each such date a minimum number of days and the distribution of such days during such period.

3. In establishing any such minimum number of days or period, the commission shall observe the following standards:

(a) To encourage as far as practicable the regularization of the employment of longshoremen;

(b) To bring the number of eligible longshoremen more closely into balance with the demand for longshoremen's services within the Port of New York district without reducing the number of eligible longshoremen below that necessary to meet the requirements of longshoremen in the Port of New York district;

(c) To eliminate oppressive and evil hiring practices affecting longshoremen and waterborne commerce in the Port of New York district;

(d) To eliminate unlawful practices injurious to waterfront labor; and

(e) To establish hiring practices and conditions which will permit the termination of governmental regulation and intervention at the earliest opportunity.

4. A longshoreman who has been removed from the longshoremen's register pursuant to this article may seek reinstatement upon fulfilling the same requirements as for initial inclusion in the longshoremen's register, but not before the expiration of one year from the date of removal, except that immediate reinstatement shall be made upon proper showing that the registrant's failure to work or apply for work the minimum number of days above described was caused by the fact that the registrant was engaged in the military service of the United States or was incapacitated by ill health, physical injury, or other good cause.

5. Notwithstanding any other provision of this article, the commission shall at any time have the power to register longshoremen on a temporary basis to meet special or emergency needs.

Article X

PORT WATCHMAN

1. On or after the first day of December, nineteen hundred fifty-three, no person shall act as a port watchman within the Port of New York district without first having obtained a license from the commission, and no person shall employ a port watchman who is not so licensed.

2. A license to act as a port watchman shall be issued only upon written application, duly verified, which shall state the following:

(a) The full name, residence, business address (if any), place and date of birth and social security number of the applicant;

(b) The present and previous occupations of the applicant, including the places where he was employed and the names of his employers;

(c) The citizenship of the applicant and, if he is a naturalized citizen of the United States, the court and date of his naturalization; and

(d) Such further facts and evidence as may be required by the commission to ascertain the character, integrity and identity of the applicant.

3. No such license shall be granted

(a) Unless the commission shall be satisfied that the applicant possesses good character and integrity;

(b) If the applicant has, without subsequent pardon, been convicted by a court of the United States or of any State or territory thereof of the commission of, or the attempt or conspiracy to commit, treason, murder, manslaughter or any felony or high misdemeanor or any of the misdemeanors or offenses described in subdivision (b) of section 3 of Article V;

(c) Unless the applicant shall meet such reasonable standards of physical and mental fitness for the discharge of his duties as may from time to time be established by the commission;

(d) If the applicant shall be a member of any labor organization which represents longshoremen or pier superintendents or hiring agents; but nothing in this Article shall be deemed to prohibit port watchmen from being represented by a labor organization or organizations which do not also represent longshoremen or pier superintendents or hiring agents. The American Federation of Labor, the Congress of Industrial Organizations and any other similar federation, congress or other organization of national or international occupational or industrial labor organizations shall not be considered an organization which represents longshoremen or pier superintendents or hiring agents within the meaning of this section although one of the federated or constituent labor organizations thereof may represent longshoremen or pier superintendents or hiring agents.

(e) If the applicant knowingly or wilfully advocates the desirability of overthrowing or destroying the government of the United States by force or violence

or shall be a member of a group which advocates such desirability, knowing the purposes of such group include such advocacy.

4. When the application shall have been examined and such further inquiry and investigation made as the commission shall deem proper and when the commission shall be satisfied therefrom that the applicant possesses the qualifications and requirements prescribed by this article and regulations issued pursuant thereto, the commission shall issue and deliver a license to the applicant. The commission may issue a temporary permit to any applicant for a license under the provisions of this article pending final action on an application made for such a license. Any such permit shall be valid for a period not in excess of thirty days.

5. A license granted pursuant to this article shall continue for a term of three years. A license may be renewed by the commission for successive three-year periods upon fulfilling the same requirements as are set forth in this article for an original application.

6. Any license issued pursuant to this article may be revoked or suspended for such period as the commission deems in the public interest or the licensee thereunder may be reprimanded for any of the following offenses:

(a) Conviction of a crime or other cause which would permit or require his disqualification from receiving a license upon original application;

(b) Fraud, deceit or misrepresentation in securing the license; and

(c) Any other offense described in subdivisions (c) to (i), inclusive, of section 7 of article V.

Article XI

HEARINGS, DETERMINATIONS AND REVIEW

1. The commission shall not deny any application for a license or registration without giving the applicant or prospective licensee reasonable prior notice and an opportunity to be heard.

2. Any application for a license or for inclusion in the longshoremen's register, and any license issued or registration made, may be denied, revoked, cancelled, suspended as the case may be, only in the manner prescribed in this article.

3. The commission may on its own initiative or on complaint of any person, including any public official or agency, institute proceedings to revoke, cancel or suspend any license or registration after a hearing at which the licensee or registrant and any person making such complaint shall be given an opportunity to be heard, provided that any order of the commission revoking, cancelling or suspending any license or registration shall not become effective until fifteen days subsequent to the serving of notice thereof upon the licensee or registrant unless in the opinion of the commission the continuance of the license or registration for such period would be inimicable to the public peace or safety. Such hearing shall be held in such manner and upon such notice as may be prescribed by the rules of the commission, but such notice shall be of not less than ten days and shall state the nature of the complaint.

4. Pending the determination of such hearing pursuant to section 3 the commission may temporarily suspend a license or registration if in the opinion of the commission the continuance of the license or registration for such period is inimicable to the public peace or safety.

5. The commission, or such member, officer, employee or agent of the commission as may be designated by the commission for such purpose, shall have the power to issue subpoenas throughout both States to compel the attendance of witnesses and the giving of testimony or production of other evidence and to administer oaths in connection with any such hearing. It shall be the duty of the commission or of any such member, officer, employee or agent of the commission designated by the commission for such purpose to issue subpoenas at the request of and upon behalf of the licensee, registrant or applicant. The commission or such person conducting the hearing shall not be bound by common law or statutory rules of evidence or by technical or formal rules of procedure in the conduct of such hearing.

6. Upon the conclusion of the hearing, the commission shall take such action upon such findings and determination as it deems proper and shall execute an order carrying such findings into effect. The action in the case of an application for a license or registration shall be the granting or denial thereof. The action in the case of a licensee shall be revocation of the license or suspension thereof for a fixed period or reprimand or a dismissal of the charges. The action in the case of a registered longshoreman shall be dismissal of the charges, repri-

mand or removal from the longshoremen's register for a fixed period or permanently.

7. The action of the commission in denying any application for a license or in refusing to include any person in the longshoremen's register under this compact or in suspending or revoking such license or removing any person from the longshoremen's register or in reprimanding a licensee or registrant shall be subject to judicial review by a proceeding instituted in either State at the instance of the applicant, licensee or registrant in the manner provided by the law of such State for review of the final decision or action of administrative agencies of such State; *provided, however,* that notwithstanding any other provision of law the court shall have power to stay for not more than thirty days an order of the commission suspending or revoking a license or removing a longshoreman from the longshoremen's register.

ARTICLE XII

EMPLOYMENT INFORMATION CENTERS

1. The States of New Jersey and New York hereby find and declare that the method of employment of longshoremen and port watchmen in the Port of New York district, commonly known as the "shape-up," has resulted in vicious and notorious abuses, of which such employees have been the principal victims. There is compelling evidence that the "shape-up" has permitted and encouraged extortion from employees as the price of securing or retaining employment and has subjected such employees to threats of violence, unwilling joinder in unauthorized labor disturbances and criminal activities on the waterfront. The "shape-up" has thus resulted in a loss of fundamental rights and liberties of labor, has impaired the economic stability of the Port of New York district and weakened law enforcement therein. It is the sense of the Legislatures of the States of New Jersey and New York that these practices and conditions must be eliminated to prevent grave injury to the welfare of waterfront laborers and to the people at large and that the elimination of the "shape-up" and the establishment of a system of employment information centers are necessary to a solution of these public problems.

2. The commission shall establish and maintain one or more employment information centers in each State within the Port of New York district at such locations as it may determine. No person shall, directly or indirectly, hire any person for work as a longshoreman or port watchman within the Port of New York district, except through such particular employment information center or centers as may be prescribed by the commission. No person shall accept any employment as a longshoreman or port watchman within the Port of New York district, except through such an employment information center. At each such employment information center the commission shall keep and exhibit the longshoremen's register and any other records it shall determine to the end that longshoremen and port watchmen shall have the maximum information as to available employment as such at any time within the Port of New York district and to the end that employers shall have an adequate opportunity to fill their requirements of registered longshoremen and port watchmen at all times.

3. Every employer of longshoremen or port watchmen within the port of New York district shall furnish such information as may be required by the rules and regulations prescribed by the commission with regard to the name of each person hired as a longshoreman or port watchman, the time and place of hiring, the time, place and hours of work, and the compensation therefor.

4. All wage payments to longshoremen or port watchmen for work as such shall be made by check or cash evidenced by a written voucher receipted by the person to whom such cash is paid. The commission may arrange for the provision of facilities for cashing such checks.

ARTICLE XIII

EXPENSES OF ADMINISTRATION

1. By concurrent legislation enacted by their respective Legislatures, the two States may provide from time to time for meeting the commission's expenses. Until other provision shall be made, such expense shall be met as authorized in this article.

2. The commission shall annually adopt a budget of its expenses for each year. Each budget shall be submitted to the Governors of the two States and shall

take effect as submitted; *provided,* that either Governor may within thirty days disapprove or reduce any item or items, and the budget shall be adjusted accordingly.

3. After taking into account such funds as may be available to it from reserves, Federal grants or otherwise, the balance of the commission's budgeted expenses shall be assessed upon employers of persons registered or licensed under this compact. Each such employer shall pay to the commission an assessment computed upon the gross payroll payments made by such employer to longshoremen, pier superintendent, hiring agents and port watchmen for work or labor performed within the port of New York district, at a rate, not in excess of two per cent, computed by the commission in the following manner: the commission shall annually estimate the gross payroll payments to be made by employers subject to assessment and shall compute a rate thereon which will yield revenues sufficient to finance the commission's budget for each year. Such budget may include a reasonable amount for a reserve but such amount shall not exceed ten percent of the total of all other items of expenditure contained therein. Such reserve shall be used for the stabilization of annual assessments, the payment of operating deficits and for the repayment of advances made by the two States.

The amount required to balance the commission's budget, in excess of the estimated yield of the maximum assessment, shall be certified by the commission, with the approval of the respective Governors, to the Legislatures of the two States, in proportion to the gross annual wage payments made to longshoremen for work in each state within the port of New York district. The Legislatures shall annually appropriate to the commission the amount so certified.

5. The commission may provide by regulation for the collection and auditing of assessments. Such assessments hereunder shall be payable pursuant to such provisions for administration, collection and enforcement a the States may provide by concurrent legislation. In addition to any other sanction provided by law, the commission may revoke or suspend any license held by any person under this compact, or his privilege of employing persons registered or licensed hereunder, for non-payment of any assessment when due.

6. The assessment hereunder shall be in lieu of any other charge for the issuance of licenses to stevedores, pier superintendents, hiring agents and port watchmen or for the registration of longshoremen or use of an employment information center. The commission shall establish reasonable procedures for the consideration of protests by affected employees concerning the estimates and computation of the rate of assessment.

ARTICLE XIV

GENERAL VIOLATIONS; PROSECUTIONS; PENALTIES

1. The failure of any witness, when duly subpenaed to attend, give testimony or produce other evidence, whether or not at a hearing, shall be punishable by the Superior Court of New Jersey and the Supreme Court of New York in the same manner as said failure is punishable by such court in a case therein pending.

2. Any person who, having been sworn or affirmed as a witness in any such hearing, shall willfully give false testimony or who shall willfully make or file any false or fraudulent report or statement required by this compact to be made or filed under oath, shall be guilty of a misdemeanor, punishable by a fine of not more than one thousand dollars ($1,000.00) or imprisonment for not more than one year or both.

3. Any person who violates or attempts or conspires to violate any other provision of this compact shall be punishable as may be provided by the two States by action of the Legislature of either State concurred in by the Legislature of the other.

4. Any person who interferes with or impedes the orderly registration of longshoremen pursuant to this compact or who conspires to or attempts to interfere with or impede such registration shall be punishable as may be provided by the two States by action of the Legislature of either State concurred in by the Legislature of the other.

5. Any person who directly or indirectly inflicts or threatens to inflict any injury, damage, harm or loss or in any other manner practices intimidation

upon or against any person in order to induce or compel such person or any other person to refrain from registering pursuant to this compact shall be punishable as may be provided by the two States by action of the Legislature of either State concurred in by the Legislature of the other.

6. In any prosecution under this compact, it shall be sufficient to prove only a single act (or a single holding out or attempt) prohibited by law, without having to prove a general course of conduct, in order to prove a violation.

ARTICLE XV

COLLECTIVE BARGAINING SAFEGUARDED.

1. This compact is not designed and shall not be construed to limit in any way any rights granted or derived from any other statute or any rule of law for employees to organize in labor organizations, to bargain collectively and to act in any other way individually, collectively, and through labor organizations or other representatives of their own choosing. Without limiting the generality of the foregoing, nothing contained in this compact shall be construed to limit in any way the right of employees to strike.

2. This compact is not designed and shall not be construed to limit in any way any rights of longshoremen, hiring agents, pier superintendents or port watchmen or their employers to bargain collectively and agree upon any method for the selection of such employees by way of seniority, experience, regular gangs or otherwise; *provided*, that such employees shall be licensed or registered hereunder and such longshoremen and port watchmen shall be hired only through the employment information centers established hereunder and that all other provisions of this compact be observed.

ARTICLE XVI

AMENDMENTS; CONSTRUCTION; SHORT TITLE

1. Amendments and supplements to this compact to implement the purposes thereof may be adopted by the action of the Legislature of either State concurred in by the Legislature of the other.

2. If any part or provision of this compact or the application thereof to any person or circumstances be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact or the application thereof to other persons or circumstances and the two States hereby declare that they would have entered into this compact or the remainder thereof had the invalidity of such provision or application thereof been apparent.

3. In accordance with the ordinary rules for construction of interstate compacts this compact shall be liberally construed to eliminate the evils described therein and to effectuate the purposes thereof.

4. This compact shall be known and may be cited as the "Waterfront Commission Compact."

SEC. 2. The Secretary of Labor, from time to time upon application made as authorized by the compact hereby consented to, or by concurrent legislation of the two States thereunder, shall certify to the Secretary of the Treasury for payment to the commission established by that compact, such amounts as the Secretary of Labor determines to be necessary for the proper and efficient administration of employment information centers established pursuant to the compact. The amounts so certified shall be paid by the Secretary of the Treasury to the said commission out of such funds as are appropriated to carry out the purposes of the Act of June 6, 1933 (48 Stat. 113), as amended, and subject to the same requirements as are imposed for other payments under that Act, to the extent that such requirements are not inconsistent herewith.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

(H. R. 6321 (Mr. Taylor) and H. R. 6343 (Mr. Miller of New York) are identical with H. R. 6286, printed above. S. 2383 (Senator Hendrickson for himself and Senators Smith of New Jersey, Ives, Lehman, and Tobey) as introduced, was identical with H. R. 6286, printed above. However, S. 2383 was amended on the floor of the Senate by striking out sec. 2 of the bill and renumbering sec. 3 as sec. 2.[1])

Mr. KEATING. We have quite a list of witnesses today, more than a dozen, and the Congress is in its usual state at this stage and we may be disturbed in this hearing later in the day.

I am going to request—without laying down any hard and fast rules, at this point, at least—that all of the witnesses confine themselves so far as possible to 15 minutes in their direct presentation and then members of the committee may have questions.

We are delighted to welcome here this morning as our first witness Senator Charles W. Tobey of New Hampshire. Senator, will you step forward?

Before proceeding with the testimony, on behalf of the committee I should like to extend to you greetings on what I understand is your 73d birthday.

Senator TOBEY. I plead guilty.

Mr. KEATING. My colleague from Indiana says we are not in voice so we cannot sing the customary greeting. But our hearts are with you and we are very grateful to you for coming over to help us with this problem at what I know is a busy time. However, you young fellows seem to be able to take it better than some of us.

You are the author, or at least the Senate bill which came before your committee was offered on your behalf, among others. We will be happy to hear from you.

STATEMENT OF HON. CHARLES W. TOBEY, A UNITED STATES SENATOR FROM THE STATE OF NEW HAMPSHIRE

Senator TOBEY. Mr. Chairman, it is a pleasure to come before you on legislative process this morning. I am very happy to be here and say a few words about this compact.

In the first place, the interest of my colleagues and myself came about as a result of the rotten conditions on the docks in New York and in New Jersey, which rotten conditions have become a stench in the nostrils of decent and law-abiding men. It is a pleasure to me this morning to come here, to see Congressman Celler and his colleagues, and to support this compact. I am glad of the support.

I want to say just a word now and turn to my left here and look in the corner—where is he?—Joe Proskauer, right here: you talk about being 73, he can plead guilty, also; but we can still keep pace with the young men, can't we?

Mr. PROSKAUER. Make it 76.

Senator TOBEY. I am coming; thank you.

Now, I want to confine myself to the subject here. I do not need to rehearse the situation on the docks of New York. As I said, those conditions are a stench in the nostrils of Republicans and Democrats alike across the country. We held hearings there, as you know, Mr. Keating; one of the witnesses was Father Corridan who is a wonderful power in the spiritual world and the material world. He has worked among men there. His lack of fear, his zeal for his fellow men was an inspiration to me as I heard him testify before our committee. So I am glad to join here with him.

[1] Congressional Record, 83d Cong., 1st sess., p. 9224.

We went there and held hearings. We had many men come before us—some were gangsters, crooks, thieves, and perjurers. Perhaps most vital, there were "soldiers" on the job, phantom employees who didn't do a damn bit of work and drew $8,000 and $10,000 from the steamship companies there for no work at all.

What is that huddled mass over in that pier? Go look at it; it is a shapeless man. It is a man made in the image of God originally. Twelve ice picks in his back—there he is, part of the crime wave on the docks of New York.

You go to the Warwick Hotel in New York. Who is that coming down the street? That is the gangster, Tony Bender, with a mask over his face covering him. Who is he meeting in the Hotel Warwick? The mayor of Jersey City, Kenny; a secret meeting going on there, both ashamed of fellowship, ashamed of meeting, and I am ashamed of them, too; trying to cover their faces because they were concealing from reporters the fact that they are going there. Collusion between some of the politicos in New Jersey, leaders in the different departments, and the shapeup system on the docks, which is rotten to the core.

Now comes the compact and the compact bars forever the shapeup, and the public loader. Thank God for that.

I want to pay tribute to Mr. Tobin of the Port of New York Authority. I have read the wonderful report they prepared. They have been constructive in this effort, and the work is going on.

Into the Senate came the compact. It came in to us on Tuesday. We considered it in committee on Wednesday, and on Thursday passed it unanimously on the Senate floor. That is a record for Senate procedure. Talk about the Senate being slow and conservative. There it stands. I say to the House: "Go thou and do likewise; here is your opportunity."

Now, if this thing is not ratified by you within the next few days, what happens? We have to have an interim administration by the Governor of the State of New Jersey and by the Governor of the State of New York—an interim administration. That would be a misfit in the situation beyond question, because it means that extra expense. It means greasing the wheels several times over. It would be a great mistake and a great tragedy in my judgment.

So I here speak to that, this constitutional movement, that the compact of the States be utilized to the full here by all your committee and by the House of Representatives in a joinder with the Senate, with the President's signature, and sending it out across the world.

The Nation cries out: "Unclean, unclean," to the docks in New Jersey and New York. We cry out against it, to put a stop to it. The gangsters joined together and assessed themselves $5 a piece to kill the thing if they can. It is a vain effort. Let Anastasia try to throw it out if he wants to Big Joe Ryan there! Big Joe is no good; kick him out, I say, like all of the false labor leaders on the coast who are profiteering on the men who work under them, peeling off this and peeling off that. It is un-American. I cry out against it.

We found the same condition in New Orleans. Dave Dennis was crooked down there, short $287,000 in his accounts, soaking the colored men $200 initiation fee while the white longshoremen pay less, a much lesser amount; peeling 5 percent off every pay check to put in the pocket of that union. The union rose up in objection to him. They

cried out, "Unclean, unclean." They want to throw him out; I think they will.

People are on the march in this country. God gave us the finest country in the world. We cannot afford to let these rats spoil it. We cry out against them.

I pay tribute to the great governor of a great State. Governor Driscoll of New Jersey. Thank God he is on the job. And Governor Thomas Dewey, stalwart American, in the capital at Albany. Thank God we have two men who realize what is going on and put their hands on the helm, the tiller, to guide the ship of state toward progress in decent, American life.

I thank you for the opportunity and privilege of appearing before you. I would like to file this statement, if I can. I have been ad libbing here but what I have said comes straight from my heart. I speak for quick cooperation, the quickest you can, and I know it is in your heart to give.

God save America. God bless America.

Mr. KEATING. We will receive your statement and it will be entered at this point in the record as though read.

Just a moment, if you don't mind waiting, Senator. Perhaps there might be questions.

(The statement referred to is as follows:)

Senator TOBEY. Commencing in February of 1953 the Investigating Subcommittee of the Senate Interstate and Foreign Commerce Committee has been conducting an inquiry into the situation on our Nation's waterfronts. During the past 3 months the New York-New Jersey situation has come under scrutiny.

The subcommittee held 15 days of open hearings and an additional 6 days of executive sessions and heard over 50 witnesses.

The port of New York is not a fair sample of the Nation's waterfront ills. It has become, in recent years, a horrible example. The former Senate Crime Committee touched its racket-infested peripheries briefly in 1950. Other studies and investigations had sought to illuminate it—without notable success or lasting effects—intermittently through the last quarter century.

The Federal Government's concern with this area has been intensified by a substantial increase in the flow of military and strategic materials to Europe and Africa through its shipping facilities. In 1952 the United States Government, in the person of its Army Corps of Engineers, was in effect driven out of the area. This is the Claremont fiasco, for which the Nation's taxpayers are still entitled to a full accounting. Further, a number of underworld figures who are prominent for their activities in organized crime seem clearly to have moved in on the New York waterfront when their other domains were restricted. The subcommittee also directed its attention to the effectiveness of the Federal Government's maritime subsidy plan.

The subcommittee was invited to round out the splendid accomplishments of Judge Proskauer and the New York State Crime Commission by directing its attention to the interstate aspects of what had come to light on the New Jersey side of the port, and by analyzing the problems of the various Federal agencies which Judge Proskauer could not examine within the scope of his inquiry.

The extensive evidence of crime, corruption, and inefficiency gathered by the subcommittee has made it clear, beyond all question, that

the plan proposed by the States of New York and New Jersey is urgently needed. The compact between those two great States represents the culmination of the efforts of men of good will to obliterate the long years of powder-keg conditions in an area of great human, social, and economic suffering—the waterfront of the port of New York.

The compact required the urgent consideration of the Senate and now requires the same urgent consideration of the House of Representatives because, if it is not ratified at this session, the two States would have to establish separate interim administrations to supervise the regulations embodied in the compact. Such would be a costly and delaying procedure; it would weaken the power of the fist which would otherwise be brought down hard to smash the conditions breeding evil and crime throughout the port of New York's tortured history and would bring about unnecessary duplication.

With this sense of extreme urgency in mind, the Senate Committee on Interstate and Foreign Commerce received the New Jersey-New York Waterfront Commission compact for consideration on July 14, 1953. The compact was approved by the committee on July 15, 1953, and forwarded to the United States Senate. That body gave its consent to the compact the following day, July 16, 1953.

Mr. TAYLOR. Senator, are you convinced, after all the investigation you have conducted, and having been aware, of your own knowledge, of this particular subject, that this legislation is necessary—why is it that the States of New Jersey and New York cannot on their own combat this problem which you say is so vicious?

Senator TOBEY. It is much more effective: the strength of the back, for which there is a Latin phrase. The Congress of the United States, the Federal Government saying, we are backing you up, boys; go to it; turn the rascals out and keep them out. That is why, in my judgment, you should get all the power you can behind it. Let the snowball roll; pile it up. And these crooks had better get out of the way, quick.

Of course, the commission, under the compact, has the power of subpena across State lines, as one of our committee staff points out to me. All these things help make a picture.

Are there any other questions, gentlemen?

Mr. KEATING. Thank you very much, Senator.

Senator TOBEY. It was my pleasure.

Mr. KEATING. You should take off the rest of the day; this is your birthday.

Senator TOBEY. I am just beginning it.

Mr. KEATING. Thank you, sir.

We are pleased to welcome here the distinguished Governor of New Jersey who has come down to testify in this hearing.

Governor Driscoll, we will be happy to hear from you now.

STATEMENT OF HON. ALFRED E. DRISCOLL, GOVERNOR OF THE STATE OF NEW JERSEY

Governor DRISCOLL. Congressman Keating, members of this subcommittee, I want first to express my appreciation for this opportunity to appear before you.

It is my privilege to represent one of the great States of our country. It is a State that has constantly sought to carry its own burdens without asking Congress for too much support, but now we need the help of the Congress.

The States of New Jersey and New York have requested the consent of the Congress to our waterfront commission compact. The compact is part of a concerted drive against organized crime in the North Jersey-New York metropolitan area. It deals with criminal and corrupt practices in the operation of the Nation's largest port. These practices have been festering for at least 30 years, and have defied conventional methods of law enforcement. During the postwar period, it became apparent that a fresh approach would be required to cope with crime on the waterfront and to save employers and employees in the vital shipping industry from the tribute of gangsterism. In the fall of 1951, Gov. Thomas E. Dewey and I agreed to marshal the forces of our respective States to clean up crime and criminal conditions in New York Harbor.

The first step was a major investigation to establish the specific nature and scope of the problem. This was undertaken by the New York Crime Commission, with which the New Jersey Law Enforcement Council, upon its subsequent establishment, entered into a cooperative relationship. Previously, in New Jersey, the department of law and public safety had assigned Gen. H. Norman Schwarzkopf to coordinate investigating efforts of law-enforcement agencies on our side of New York Harbor, and the Hudson County grand jury had entered upon an inquiry into the rackets prevailing on the waterfronts of that county. It was apparent that we were dealing with a single shipping industry operating in a single harbor bisected artificially by the accident of a historical boundary line between the two States. It was plain from the beginning that the only real solution would depend upon the creation of a single bistate agency to deal with this indivisible problem.

I might say, Mr. Chairman, by way of footnote, that New Jersey is the only State in the Union that shares two of the Nation's greatest ports with its neighbors: New York to the north and Pennsylvania to the south and to the west. Therefore, we are intimately familiar in our State with the need for interstate cooperation. Under the present interpretation of our Constitution by the Supreme Court, this requires the consent and the approval of the Congress.

The present program which has been placed before the Congress for consent, under the compact clause of the Federal Constitution, is the product of the most cordial cooperation between the two States of New York and New Jersey. While roughly 70 percent of the longshoremen are employed along the waterfronts of the State of New York, the compact views the program as the equal responsibility of both States. It recognizes that organized crime does not respect either State boundaries or economic statistics. It is a great pleasure to acknowledge the general spirit of full cooperation, leadership, and understanding in which Governor Dewey has worked on this legislation.

Now a word with respect to the need. When we consider the need for the compact, one major fact stands out: No one will deny the criminal and corrupt conditions on the waterfront that now have been fully exposed—that is, no one with the possible exception of those responsible for them. Now can anyone fairly deny the urgent neces-

sity for a remedy. Just let me cite to you a few examples of the kind of conditons we are seeking to correct. For example:

The Hudson County grand jury, following a prolonged investigation, directed and supported by our State department of law and public safety, in a presentment dated December 5, 1952, made this finding with respect to the public-loading racket:

> * * * These public boss loaders are, in most instances, members of an International Longshoremen's Association local and, at the same time, are employers of members of their own union.
>
> This grand jury found that, for the most part, these boss loaders are ex-convicts and persons of ill repute; nevertheless, they are the ones that primarily handle millions of dollars' worth of freight every day. We found that the monetary returns in connection with boss loading are of fantastic proportions, notwithstanding the fact that in many cases a person becomes a boss loader, or a partner in a boss loading racket, without any investment. We found—

said the grand jury investigation—

> that one of the organizers of the International Longshoremen's Association, Edward Florio, who is paid by the said association to represent the rank and file, receives 10 percent of the gross receipts of a boss loading operation on one of the piers in Hoboken, and then shares equally with a number of other partners in the net receipts of the said operation. He renders no services, and in this instance he represents labor and management at one and the same time. * * * It appears from the testimony that the loading and unloading of freight from a truck to or from a pier is handled by racketeers, ex-convicts, and goons, to the great detriment and exorbitant and unnecessary cost to industry, consignors, consignees, and to the public.
>
> * * * Boss loading—

said the grand jury in its presentment—

> is so lucrative that it is one of the causes of wildcat strikes, assaults, and even murder. One of the causes of pilferage on the waterfront is the character and type of persons engaged in connection with boss loading.

With respect to the shape-up system of employing longshoremen, the same Hudson County grand-jury presentment made the following findings:

> Testimony reveals that there are entirely too many persons seeking employment on the waterfront in comparison with the number of jobs available. As a result, the International Longshoremen's Association has established a vicious and un-American method of selecting men to do a day's work. This is the so-called shape-up system. At a designated time and place at or near a pier, men seeking employment gather in a semicircle around a person known as the hiring boss, who summons them by blowing a whistle. He then arbitrarily proceeds to choose the number of persons required for the particular job. * * * Here again the testimony reveals that most of the hiring bosses are ex-convicts, many with long criminal records, and it is upon persons of this type that the stevedoring companies depend in choosing their help. The hiring boss must be a member of an International Longshoremen's Association. This, like many other jobs on the waterfront, is a key position. It is to the interest of the racketeers to have a hiring boss of their own type, so that he may be in a position to pick men who will be under his domination. The control of this job is of vital importance to the gangsters and ex-convicts dominating the waterfront.

These degrading conditions under which longshoremen have been compelled to seek a living, according to every competent investigator, have been in large part caused by the domination of criminal elements in existing waterfront labor union locals. The findings of the same Hudson County grand-jury presentment leave no doubt on this score, as follows:

> We are convinced that the rank and file of the longshoremen and checkers are honest, upright, decent, and hard-working members of the community. The same, however, cannot be said about the officials of the International Longshoremen's Association. We had a parade of individuals before this grand jury who held various offices and positions and who are ex-convicts and racketeers. We found from testimony by qualified and decent labor leaders that the International Longshoremen's Association is not a union in the accepted sense of its designation. It is true that they have a constitution and bylaws but no one seems to adhere or pay any attention thereto. Meetings of locals, with very few exceptions, are rarely held. Years pass by before an election is called, and even then the mode and manner of holding the said election is similar to that of communistic Russia. There is but one set of officers to be selected and no one dares nominate an opposition. With very few exceptions, there are no records of finances and no plausible explanation of moneys expended.

These findings have been confirmed by a further Hudson County grand-jury presentment dated May 5, 1953. Both presentments, which I am offering for the record, found ample evidence that the hard-working longshoreman was being made a victim of corruption in his union local and of rule by the mob or syndicate. He has also been the prey of loan sharks and subject to various forms of coercion and tribute.

I should like to offer, first, the grand-jury presentment dated December 5, 1952. It is a presentment by the Hudson County grand jury that investigated conditions on the waterfront in Hudson County.

Mr. KEATING. It will be received.

(The grand-jury presentment referred to, dated December 5, 1952, is printed in full as exhibit A to the testimony of Hon. Alfred E. Driscoll, Governor of the State of New Jersey, pp. 30 to 39, infra.)

Governor DRISCOLL. Then I should like to offer a supporting presentment by another grand jury, also in Hudson County, dated May 5, 1953.

Mr. KEATING. That will be received also.

(The grand-jury presentment referred to, dated May 5, 1953, is printed in full as exhibit B to the testimony of Hon. Alfred E. Driscoll, Governor of New Jersey, pp. 39 to 43, infra.)

Governor DRISCOLL. In the Fourth Report of the New York State Crime Commission, the Congress may find a carefully documented disclosure of the evil conditions existing within the district of the port of New York. The question-and-answer testimony presented in that report with respect to corrupt practices in the stevedoring industry, in operations of the ILA, the evils of the shape-up method of hiring and of the public-loading racket, are almost unbelievable. The distinguished chairman of the commission, Judge Joseph M. Proskauer, will appear before you today. I should like, Mr. Chairman, to pay tribute to Judge Proskauer, and to the members of his commission, for the very substantial contribution that they have made to the public welfare at considerable cost to themselves and great personal inconvenience.

Mr. KEATING. I might say at this point that Judge Proskauer is here. He gave up, I understand, a vacation which he was enjoying and which he has richly earned in order to come down here to present the details of what he knows about this problem. We are deeply grateful to him.

The subcommittee shares your views of Judge Proskauer as a great American.

Governor DRISCOLL. We in New Jersey have adopted him as one of our very own. We admire him greatly. He speaks from years of

experience and from no small partisan sense but only as a distinguished American. He found a job to do and did it admirably.

The Congress itself has provided valuable confirmation of the need for the compact in the work of the subcommittee of the Senate Committee on Interstate and Foreign Commerce, headed by Senator Tobey, the distinguished Senator from New Hampshire, whom we have just heard. As that committee's report on S. 2383, the compact consent bill passed by the Senate, stated:

> New York is the Nation's largest port; it also is one of the finest natural harbors in the world, and the chief avenue of commerce with our friends and allies across the Atlantic. For several decades conditions prevailing on the New York waterfront have been a disgrace to the entire Nation. Here the thug, the racketeer, and the labor goon have flourished in open defiance of law-enforcement agencies and the much-abused shipping industry which you support. Pilferage and extortion have imposed so great a toll that private shippers and shipping lines have actually begun to divert substantial amounts of their traffic to other outlets and even vital public installations, handling military traffic and other Government shipments under the foreign-aid program, have been seriously disrupted.
>
> A subcommittee of your committee on Interstate and Foreign Commerce has recently concluded the study of waterfront conditions in the New York-New Jersey area. The extensive evidence of crime, corruption, and inefficiency gathered by the subcommittee has made it clear, beyond all question, that the plan proposed by the States of New York and New Jersey is urgently needed.

In brief, we are dealing with a unique situation. There is no other industry in the Nation which has become so infested by underworld characters. There are no other working conditions in which honest, American workingmen have fallen so completely under the domination of known criminals. Nowhere have the normal forces of law and order and the usual methods of industrial relations failed so completely. While both States have been reluctant to enter upon any new regulatory function, the conditions are obviously those for which the police power of the States is meant to be used.

Now a word with respect to the scope of the compact. The proposed compact has been developed as a result of painstaking investigations in both New York and New Jersey, followed by the most intensive cooperation of the staffs of both State crime commissions, of the Port of New York Authority, and of both Governors' offices—all have worked many hundreds of hours in the preparation of the legislation which passed, as I understand it, in New York without a dissenting vote, and in New Jersey with only one dissenting vote.

I assure you that the preparation of this legislation has been no light undertaking. Its goal has been to drive the hoodlums, racketeers, and criminals off the waterfront—a single goal which permits no compromise of the responsibility of either Federal or State Governments.

A very good summary of the compact, as well as the text itself, is already before you. I should like to offer for the record a summary of the act which was presented to the legislators of our State which I think contributed to the fact that it was adopted almost unanimously with leaders in both parties supporting its adoption. It is entitled, "Summary of Act To Establish Waterfront Commission of New York Harbor and Authorize Compact Between the State of New Jersey and the State of New York."

(The summary of an act to establish a waterfront commission of New York Harbor and authorizing a compact between the State of New Jersey and the State of New York for the establishment of such a commission, referred to above, is printed in full as exhibit C to the testimony of Hon. Alfred E. Driscoll, Governor of New Jersey, pp. 43 to 47, infra.)

In briefest digest, the compact would set up a bistate commission to administer a system of licensing of those in key positions on the waterfront; that is, pier superintendents, hiring agents, and port watchmen. It would also license stevedores who are the key employers of longshoremen. The purpose of this licensing system would be to bar those who are known criminals or who engage in corrupt practices. The public-loading racket and the shapeup method of hiring would be abolished. Longshoremen would be required to register at public employment information centers, but the right to register is absolute and its only purpose is to permit the commission in its discretion to weed out those convicted of felonies, other crimes of violence or trafficking in narcotics, subversives and others whose presence on the waterfront is clearly likely to endanger the public safety.

I might add that in this legislation we have been very careful to authorize first the longshoremen to register as a matter of right and then to make it possible for the commission in the exercise of its sound discretion to permit those men who have paid their debt to society and who have turned over a new leaf, to return to their normal occupations.

The rights of licensees and registrants are protected by every possible safeguard, including notice and hearing and judicial review as of right.

The compact provides for the establishment of employment information centers for longshoremen and port watchmen, but expressly guarantees that it shall not be construed in any way to interfere with the rights of employers and employees to "bargain collectively and agree upon any method for the selection of such employees by way of seniority, experience, regular gangs, or otherwise. * * *"

I see in this new legislation a charter of liberty for the honest, hard-working longshoreman to earn his living and to organize and bargain collectively through unions of his uncoerced choice. It will create an environment in which organized labor can build truly representative waterfront unions that will serve rather than exploit their members.

I venture to predict an important increase in trade and commerce throughout the port of New York as soon as the port is rid of the evil conditions with which it has been for too many long years plagued. This should mean great benefits to our vital shipping industry, and more and better jobs for all those who make their living in the port.

Congress here has an opportunity to participate in the liberation of our greatest port from the bonds of crookedness. We do not expect the Congress to underwrite the soundness of the compact nor to be fully assured on its every detail. These are matters for which the parties to the agreement or compact must necessarily remain responsible. We look to the Congress for approval of the public policy of the compact and for the creation of the bistate agency which would effectuate that policy.

A major regulatory agency is a pioneering effort in interstate cooperation. It is the sincere conviction of the responsible authorities in both States that the conditions which have resisted all conventional

approaches for several decades will respond to the curative effect of this compact. It is in the best traditions of interstate cooperation which the States of New York and New Jersey have long enjoyed under the previous sanction of Congress. It is my own personal, deep-felt hope that the committee will report the compact consent bill favorably. In this way the Congress, in addition to its many other achievements of this session, can help to forge a new weapon in the fight against organized crime.

Much has been said in the capitals of the several States and in the capital of the United States with respect to home rule. We have two States who are anxious to assume new and heavy responsibilities under the doctrine of home rule. I hope they will be afforded that opportunity.

Mr. KEATING. Thank you very much, Governor Driscoll.

I wanted to make this inquiry. I believe it is incorporated in the compact itself, although you appreciate the fact that the committee has had a relatively short time to study it. If the Congress at this session prior to adjournment should not take action to approve the compact, would it then be necessary for both of the States to set up separate bodies? I would like to hear your views on the desirability or undesirability of such action.

Governor DRISCOLL. Mr. Chairman, if the Congress of the United States fails to approve the proposed compact, the results will be disastrous for three reasons.

Mr. KEATING. I am particularly concerned with the necessity for prompt action before adjournment of the Congress. In other words, should this be part of the "must" legislation of this session?

Governor DRISCOLL. Indeed, I believe it should be for three reasons, which I can state very briefly.

The failure to act on the part of the Congress would be completely misconstrued by the very forces that have given society the most trouble in the New York Harbor.

The failure to act promptly will be misconstrued by shippers and shipping companies who even now are considering moving their base of operations to other ports.

Finally, it would compel the two States to try to do individually what they can best do collectively and to establish two separate agencies, but that will never be a complete answer to this interstate problem. Ships dock in New Jersey, take on part of a cargo, and then proceed to New York to take on additional cargo. Men who may work in New York on one day conceivably may work in New Jersey the next day. It is that area; that area is in fact a great metropolitan area and the regulations for the area ought to be the same irrespective of the fact that a State boundary line happens to bisect the harbor.

To try to do this job on a piecemeal basis would be costly and will not be as effectual. It might result in interstate confusion which would be hard on labor and industry.

Mr. KEATING. In other words, even if Congress should act, let us say next year, to approve the compact, that would mean that these two States which had set up separate agencies to deal with this problem would have to dissolve them and create new ones with all of the cumbersome administrative problems that that would entail.

Governor DRISCOLL. That is substantially correct, Congressman Keating.

I should like also to call your attention to a very important sentence that appears on page 46 of H. R. 6321. It reads:

SECTION 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

We recognize that we are engaged in governmental research in this operation and we fully approve the right of Congress to reserve the privilege to alter or amend or repeal the act.

Mr. KEATING. Of course, I take it that Congress has no power to alter the compact in any way.

Governor DRISCOLL. That is correct, as I understand it.

Mr. KEATING. This provision only has to do with altering the basic legislation.

Mr. CELLER. Governor, do you use the word "looseness" in your characterization of the provision that you have adverted to concerning the right to make amendments to the compact? Did you use the word "looseness" in the legislation?

Governor DRISCOLL. I have no recollection of using the word "looseness."

Mr. CELLER. What did you say in your characterization of that provision?

Mr. FINE. The provision on page 46.

Governor DRISCOLL. I called attention to the fact that on page 46 of the bill that is before the House, and I think you will find the same language in H. R. 6286, likewise on page 46.

You will find the following language beginning on line 6:

SECTION 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. CELLER. Reserved to the Congress.

Governor DRISCOLL. Yes, sir.

Mr. KEATING. Thank you very much, Governor.

Mr. FINE. Not to the Congress but to the legislatures.

Mr. PROSKAUER. No, to the Congress.

Mr. CELLER. That is an amendment that was offered, is that correct, in the Senate?

Governor DRISCOLL. I do not know, Mr. Miller——

Mr. PROSKAUER. It is in the bill as passed by the Senate.

Mr. MILLER (Governor Driscoll's staff). That is a reservation of power to the Congress. Section 2 of the congressional bill is not part of the compact.

Mr. CELLER. Let me get this clear. Section 2 is the amendment offered by the distinguished Senator from New Jersey, Mr. Smith. But section 3 was in the original compact?

Mr. KEATING. Section 3 is not in the compact.

Mr. CELLER. Not in the section.

Mr. SMITH. Section 2 was taken out in the Senate because of some difference of opinion with the Department of Labor. We thought it was not necessary to have it in.

Mr. CELLER. You did not hear my question, Senator.

Is section 3 on page 46 a part of the compact or was that offered by the Senate?

Senator SMITH. That is part of the Senate legislation. It is not part of the compact.

Mr. CELLER. That is what I thought.

Senator SMITH. We start with section 1, the opening clause, consent of the Congress, and this section 3 which has become 2.

Mr. CELLER. Section 3, the right to amend, is not in the compact.

Mr. KEATING. That is what the Governor said.

Governor DRISCOLL. Congressman Celler, I understood that.

First, I would like to identify the voice that came from the rear as Dr. William Miller, one of my advisers, and a member of the staff in the State House in Trenton.

Secondly, I think we can clarify the situation just a little bit. Section 2 on page 45 of H. R. 6286——

Mr. PROSKAUER. That is out.

Senator SMITH. It was taken out in the Senate, that is correct.

Governor DRISCOLL. Therefore, in the Senate bill, as finally adopted, section 3 appeared as section 2.

Mr. PROSKAUER. Yes.

Governor DRISCOLL. As I understand it; and is part of the act introduced in the Senate and part of the act as introduced here.

Mr. KEATING. I think it is the customary provision to put in these bills approving of interstate compacts. We amend the act, not the compact. We can amend the act by adding, for instance, the present section 2; but we cannot amend the compact.

Is there anything further, Governor Driscoll?

Thank you; we appreciate your presence here very much indeed.

I am in receipt of the following telegram from Governor Dewey, dated July 21, 1953, which I would like to read into the record at this point:

> Regret that prior commitments make it impossible for me to attend July 22 hearings on waterfront commission compact bill, H. R. 6286. I am certain that Governor Driscoll, Judge Proskauer, Mr. Austin Tobin, and the other distinguished witnesses you have invited will provide the subcommittee with the facts which demonstrate the urgent need for early approval of the compact.
>
> The 19-month investigation by the New York State Crime Commission and the activities of the New Jersey Law Enforcement Council reveal that the commerce of the port was at the mercy of hoodlums and gangsters maintaining their control by intimidation, extortion, and mob rule. The proposal for a waterfront commission was carefully designed to free the piers from the control of gangsters and hoodlums. The legislation will end the public loading racket and foster genuine and free collective bargaining. All interested groups were given an opportunity to advance alternative solutions at public hearings in New York City in June. No sound alternative was advanced and those who now plead for more time are the same persons who have had control of the present situation and done nothing to correct the vicious conditions that have continued unabated.
>
> The compact legislation was approved unanimously in both houses of the New York State Legislature and has the widespread and enthusiastic support of leading business and civic groups and responsible law-enforcement officials. Prompt approval of this legislation will remove the shackles which have enveloped labor and management and subjected the most important port area in the world to exploitation by criminals and racketeers.
>
> I sincerely hope that the measure will have the support of every Member of the Congress.

Signed, "Thomas E. Dewey."

There are other telegrams I received which I will insert in the record at a later point. I do not want to delay the proceedings at this stage and——

Mr. CELLER. Mr. Chairman, may I ask Governor Driscoll just one question on the amendments. I think it should be cleared up at this point.

Governor, I suggest that you look at page 44, line 20, S. 2383. You might read that paragraph in the record.

Governor DRISCOLL. I will be glad to. This is article XVI:

> Amendments and supplements to this compact to implement the purposes thereof may be adopted by the action of the legislature of either State concurred in by the legislature of the other.

Mr. CELLER. That is all I need to say; so that you have in the compact the right of unconditional amendment.

Governor DRISCOLL. Congressman Celler, that is correct. You must read the section which I have just quoted in connection with the reservation by Congress. But I should like to call your attention to the fact that the language contained in this compact is not unprecedented; that the Congress of the United States has approved somewhat similar language in a compact that has been adopted by a number of the Midwestern States—I believe in the St. Louis area—and likewise has approved somewhat similar language with respect to a compact that presently exists between the States of New York and New Jersey and I might be able to quote other illustrations of where Congress has granted, and I think very properly, the right of amendment to the two States where it has approved the basic policy.

Now, what is the basic policy here? Should we ask the Federal Government to engage in these activities in this port? And is the Federal Government to be asked to go into other ports where similar conditions may in the future prevail? Or should the two States be given the tools with which to do the job that needs to be done? We have waited a long time for the shipping industry to clean up its own house. We have waited a long time for the local authorities to find an effective answer to evil conditions. We recognize the handicap of local authorities. So the basic issue is whether or not Congress approves this policy which has been adopted by the two States after considerable deliberation and research, which has as its goal cleaning up admittedly evil conditions.

Mr. CELLER. Is that not like buying a pig in a poke? We put the imprimatur of our approval on the right of the State legislatures to change the basic compact in any respect they wish and they shall be the determining factors as to what are the "purposes thereof." The "purposes thereof" are the words used in the first paragraph of article XVI that you read.

Mr. KEATING. I do not agree with that at all. As you know, at the discretion of Congress at any time it can repeal the whole act. If the States of New Jersey or New York by their legislatures amend this in a way which is unsatisfactory to the Congress of the United States, it can step right in and pass a repealer.

Mr. CELLER. But the Congress cannot act as a watchdog and constantly be on the alert as to what the State legislatures may do.

Governor DRISCOLL. Congressman Keating, I should like, if I may, to answer Congressman Celler's question emphatically in the negative. The two States are not asking the Congress of the United States to do a job, but to permit us to do a job that needs to be done.

Really, the basic issue here is whether we believe in our Federal representative system of government or whether we believe in cen-

tralization of government. I happen to be one of those who believes that we should not destroy our system of State governments, keeping only the shell and the outward appearance but transferring all power to Washington. All Congress is being asked to do here is to approve a policy to correct an evil that is admitted. We do not, for example, ask the Congress of the United States to operate as a watchdog when we engage in all kinds of activities, law enforcement and otherwise. Congress always has a right, however, to determine national policy and in many instances in determining national policy has in previous years seriously interfered with the opportunities of the States to do the job they were originally designed to do. We are not here asking the Congress of the United States to approve in detail that which we may have to do to correct a condition; that would be, I think, a mistake on our part to ask you to do that. We are asking you to approve a broad, general policy and then delegate to the States the task of carrying out that policy.

I submit, Congressman Celler, that that is in the finest tradition of our American way of life and our whole Federal representative system of government.

Mr. KEATING. And in the legislation itself, it is provided that if the States of New York and New Jersey should later amend this compact in such a drastic fashion that it violated national policy in the eyes of the Congress, the Congress could step in and repeal the entire thing.

Governor DRISCOLL. That is entirely correct; and Mr. Chairman, I think it is also significant that the very distinguished Governor of New York and his representatives and the representatives of the State of New Jersey provided that each year this commission must file a report indicating whether or not in the mind of the commission there is a need to carry on this program. So that there will be reports available from time to time, not only of activities, but also with respect to need.

Mr. CELLER. Is there any report to be filed of necessity to any Government agency or the President of the United States or anybody connected with the Congress? I think if you will look in the compact you will find no such provision that Congress is to be apprised as to what the States may do in the way of amendment. Nor is Congress to be apprised of what there may be contained in those reports to the governors.

Mr. KEATING. Congress will be apprised if any such conditions arise in the future as give rise to this compact; the Congress will be apprised of that fact or any other facts which so drastically affect this that the Congress should change or repeal it.

Mr. PROSKAUER. Can't amend it in secret.

Mr. CELLER. Who will apprise the Congress?

Mr. KEATING. Your constituents will, if they are like mine. They hear about conditions similar to these in the New York Harbor.

Governor DRISCOLL. On page 11 of H. R. 6286, you will find paragraph 13 beginning on line 16, it provides for—

annual report and other reports to the governors and legislatures of both States containing recommendations for the improvement of the conditions of waterfront labor within the port of New York district, for the alleviation of the evils described in article I and for the effectuation of the purposes of this compact.

Then the legislation goes on to state what the annual report shall contain, including certain findings. Those reports will be, of course, a matter of public record available to legislators within the States as well as to representatives of Congress.

Mr. CELLER. Not to representatives of the Congress. It may be available but not sent to the representatives of the Congress.

Governor DRISCOLL. They will be available. It has been my experience that the House of Representatives and the Senate have not lacked for experienced men who have found no difficulty in obtaining reports of activities in their own States, but I again submit that the basic issue is whether Congress wishes to assume in Washington the responsibility for the correction of the evils which presently exist, or whether you wish to give the States the tools to do the job.

If this port were located exclusively within one State we would not be down here asking for your approval of the action which our legislature has taken after a very considerable investigation and deliberation. It is only because New Jersey shares a great port with its sister State of New York, as well as another port with the State of Pennsylvania, that we are compelled under what I believe to be a rather extravagant and perhaps unwise interpretation of the Constitution to ask you for your approval of a basic policy.

Mr. FINE. Governor, I just wanted to ask you this: I note that you commented you did not like the centralization of power in Washington and you wanted the States not to be empty shells. But what about the local municipalities? Why is the power being taken, the jurisdiction taken from them?

Governor DRISCOLL. As a matter of fact, Congressman Fine, in the State of New Jersey a number of our municipalities have asked for State legislation to correct the very evils that the Hudson grand jury dramatically presented. There must, of course, be a happy balance between centralization in reasonable areas within a State and centralization in Washington. I believe it was one of my most distinguished predecessors, Woodrow Wilson, when he was Governor of New Jersey, who said you cannot put strength against weakness and by the same token we cannot pit weakness against strength. This problem is interstate in character. It extends far beyond the boundaries of any one municipality. Clean it up in one municipality and it squirts out into the next municipality or across the river into another State.

I am a great believer in home rule, and I think that wherever possible we should confine our Government to that level which is closest to the people. But there has to be some compromise with that principle to meet the bigness that we have developed in the past 50 years in industry, in labor, as well as in government. And I might add, it is bigness in government that I fear far more than bigness in either labor or industry.

Mr. FINE. Thank you very much.

Mr. KEATING. That same squirting out has occurred with reference to the States over into the Federal Government, we have discovered.

Governor DRISCOLL. We have not been without sin. Some of those who have proclaimed their interest in State's rights the loudest have been the first to come to Congress and ask for help.

Mr. KEATING. We encountered that primarily in the so-called grants-in-aid.

Governor DRISCOLL. However, I think it can be said of the State that I have the privilege to represent at this time that we have rather been consistent in refraining from coming down and adding to the burdens of the Congress. We have said that we do not want any increase in Federal aid; that we do not want to sing one tune in Trenton and another tune in Washington, hat in hand.

Mr. KEATING. You have enunciated a philosophy very much the same as the chairman's. Thank you, Governor.

EXHIBIT A TO TESTIMONY OF HON. ALFRED E. DRISCOLL, GOVERNOR OF NEW JERSEY

SUPERIOR COURT OF NEW JERSEY, HUDSON COUNTY LAW DIVISION (CRIMINAL)

In the matter of the investigation of the murder of one Nunzio Aluotto and of criminal conditions existing on the waterfront throughout the County of Hudson, by the Hudson County Grand Jury, 1950 term, 3d session

PRESENTMENT

To the Honorable Haydn Proctor, Assignment Judge, Superior Court, County of Hudson, State of New Jersey, A. D. 1950 Term Grand Jury, Third Session

The Grand Inquest in and for the body of the County of Hudson, Third Session, A. D. 1950 Term, now sitting, respectfully makes the following PRESENTMENT:

This Grand Jury was empaneled and sworn into office on May 7, 1951, as the A. D. 1950 Term, Third Session, Hudson County Grand Jury. It began its duties with routine matters presented to it by the Prosecutor for the County of Hudson. On May 21, 1951, one Nunzio Aluotto, a waterfront character, was shot and killed at the International Longshoremen's Association Local No. 867, located at 204 River Street, in the City of Hoboken, County of Hudson, and State of New Jersey. This Grand Jury immediately undertook an investigation of this crime and, at the same time, began an inquiry into the alleged rackets prevailing on the waterfront in Hudson County.

On September 4, 1951, Your Honor specially charged this Grand Jury to continue its investigation into the murder of the said Nunzio Aluotto and, also, to continue its inquiry into all cases of criminal violence and other violations of the criminal statutes of this State arising from or associated with industrial activities and operations on the piers, docks, and warehouses situate and bordering upon the Hudson River and adjacent to the cities of Hoboken and Jersey City, in particular, and Hudson County in general, and especially those criminal cases arising on the waterfront then presently reported to the Hudson County Prosecutor which were awaiting action by this Grand Jury. Your Honor further charged this Grand Jury to undertake collaterally a thorough investigation into the conditions—criminal and otherwise—existing on the waterfront in general in Hudson County, with a view to determining the extent of their cause, effect, and remedy.

Pursuant to Your Honor's charge, this Grand Jury investigated and heard the sworn testimony of 238 witnesses. We found 15 True Bills of Indictments, specifically charging 41 defendants with violations of the criminal laws of this State which included the criminal offenses of—

Misdemeanor
False Swearing
Concealment of Crime
Murder
Larceny
Conspiracy to Commit Grand Larceny
Conspiracy to Commit a Crime

With respect to your Honor's charge concerning the investigation of crimes existing on the waterfront in Hudson County, this Grand Jury has held many sessions continuously during the period from May 29, 1951, up to and including the date of this Presentment. Visitations were made to the piers, docks and warehouses in the County, as well as to the scenes of murder, bombings, and felonious assaults. Books and records of accounts of steamship companies, stevedoring companies, trucking companies, and International Longshoremen's Association Locals were impounded, examined and audited. Numerous municipal officials, including Mayors, Commissioners, Police and Law Enforcement Bureau

Personnel were subpoenaed and examined as to their knowledge of specific crimes and conditions in general.

This Grand Jury had the assistance of the Hudson County Prosecutor, who assigned detectives to aid in the inquiry. The Commissioner of Public Safety and the Chief of Police of Jersey City cooperated with us and assigned detectives to assist us. The Commissioner of Public Safety of Hoboken assigned detectives to aid us for a limited period, but later ceased to cooperate with this Grand Jury and withdrew his detectives.

Furthermore, pursuant to the said charge to investigate generally the conditions on the waterfront in Hudson County, this Grand Jury made a thorough investigation of the following:

A. The daily operations of steamship companies in loading and unloading cargo on the piers, docks and warehouses.
B. The personnel of all companies involved.
C. The personnel of all International Longshoremen's Association Locals in Hudson County.
D. The hiring and discharging of dock bosses, hiring bosses, checks, watchmen, longshoremen, and warehousemen.
E. The operations and management of stevedoring companies.
F. The operation, management and personnel of so-called Public Loaders.
G. The relationship between steamship company officials, stevedoring company officials, and officials of the International Longshoremen's Association on a national and local level.
H. The shapeup system for the daily hiring of longshoremen.
I. Pilferage, shortage, and breakage of cargo.
J. Kickbacks, i. e., the existence of an alleged pernicious practice in which longshoremen are compelled to pay for their jobs.
K. Relationships and associations existing between local public officials, longshoremen's Union officials, and waterfront racketeers.
L. Loan-sharking, gambling on the waterfront, illicit traffic in narcotics.
M. The extorting of money from steamship passengers by taxicab operators in demanding excessive fares.
N. Crimes originating or committed in saloons, taverns and cafes adjacent to the waterfront, involving longshoremen and seamen, being a rendezvous for characters of unsavory reputation.
O. Violations of the Federal Immigration Laws by the ship-jumping and smuggling of aliens into the country.

For the purpose of informing this Court of its findings on each of the subject matters referred to above, we report as follows:

1. THE SHOOTING AND KILLING OF NUNZIO ALUOTTO

In connection with the shooting and killing of Nunzio Aluotto, we had before us many witnesses. After due consideration of this crime, we found and presented indictments for murder against Francis Murphy, Michael Murphy, and William Murphy. The murder of Nunzio Aluotto is in line with the pattern of assault and murders that are committed on the waterfront. Due to the fact that this case is now pending for trial, we of course will not comment upon the evidence or motive. Since the commission of this crime William Murphy, one of the defendants, surrendered some time after May 21, 1951, while his brothers, Michael and Francis Murphy, are still fugitives. Every effort has been made to apprehend them. The Prosecutor of Hudson County has followed every possible lead, even to the extent of sending detectives to other States, both near and far. He has had and still has the cooperation of the Federal Bureau of Investigation in his endeavors to obtain their apprehension.

2. BOSS LOADING

This Grand Jury found that the steamship companies assume very little responsibility, and in many instances no responsibility, in connection with the loading and unloading of freight to and from a ship or to and from a truck where the freight is delivered to or taken from a pier. The practice is for the steamship company to enter into a contract with a stevedoring company to load and unload a ship. Once the freight is on the pier, the legal responsibility rests with the stevedoring company. The stevedoring company, in turn, permits a person or a group of persons (commonly known as Public Loaders), who operate as a partnership or a corporation, to handle the freight from the pier to the truck, or to take it from the truck and place it on the pier. These Public Boss Loaders

are, in most instances, members of an International Longshoremen's Association Local and, at the same time, are employers of members of their own Union.

This Grand Jury found that, for the most part, these boss leaders are ex-convicts and persons of ill repute; nevertheless, they are the ones that primarily handle millions of dollars worth of freight every day. We found that the monetary returns in connection with boss-loading are of fantastic proportions, notwithstanding the fact that in many cases a person becomes a boss-loader, or a partner in a boss-loading racket, without any investment. We found that one of the organizers of the International Longshoremen's Association, Edward Florio, who is paid by the said Association to represent the rank and file, receives ten percent of the gross receipts of a boss-loading operation on one of the piers in Hoboken, and then shares equally with a number of other partners in the net receipts of the said operation. He renders no services, and in this instance he represents labor and management at one and the same time. We found several instances where persons testified that they became partners in boss-loading operations, but did not know who recommended them to become partners in the said racket, and did not make any investment therein. It was testified by a boss loader that he was obliged to take several partners into his boss-loading business, although he had no need or use for them. When asked whether there was any threat, coercion or intimidation, he refused to admit to same. This practice is commonly known, in the vernacular of the waterfront, as "muscling in." In one instance where a person became a partner in the boss-loading racket without any investment, he testified that his "take home" income was in the sum of $400 a week. It appears from the testimony that the loading and unloading of freight from a truck to or from a pier is handled by racketeers, ex-convicts, and goons, to the great detriment and exorbitant and unnecessary cost to industry, consignors, consignees and to the public.

Responsible truckmen testified that it is cheaper for them to send their trucks from Hudson County to the City of Baltimore and pick up freight at the port terminal in that city and bring it back to Hudson County, than it would be for them to send a truck to a pier in Hudson County and deliver to any given point in the same County. We found that there is some established rate for loading freight from a pier to a truck, which usually is not complied with, but that there is no fixed rate in connection with the unloading of a truck.

It is well to mention at this time that these boss-loaders pay no rent and have no overhead, except to pay the meagre salaries of the laborers and to purchase and maintain some equipment. In many instances boss-loaders use equipment loaned to them by the stevedoring companies, for which they pay no rent or any other charge. Many of the laborers on the payrolls of the stevedoring companies are used by boss-loaders. Boss-loading is so lucrative that it is one of the causes of wildcat strikes, assaults, and even murder. One of the causes of pilferage on the waterfront is the character and type of persons engaged in connection with boss-loading.

3. THE SHAPEUP SYSTEM

Testimony reveals that there are entirely too many persons seeking employment on the waterfront in comparison with the number of jobs available. As a result, the International Longshoremen's Association has established a vicious and un-American method of selecting men to do a day's work. This is the so-called shapeup system. At a designated time and place at or near a pier, men seeking employment gather in a semicircle around a person known as the hiring boss, who summons them by blowing a whistle. He then arbitrarily proceeds to choose the number of persons required for the particular job. There may be hundreds present at the time but he may need only a small percentage of the group. Here again the testimony reveals that most of the hiring bosses are ex-convicts, many with long criminal records, and it is upon persons of this type that the stevedoring companies depend in choosing their help. The hiring boss must be a member of an International Longshoremen's Association Local. Theoretically, he is selected by the stevedoring company as one of its employees, but we are convinced that actually no one can hold a position as a hiring boss unless selected and approved by the organizer and other officials of the International Longshoremen's Association. This, like many other jobs on the waterfront, is a key position. It is to the interest of the racketeers to have a hiring boss of their own type, so that he may be in a position to pick men who will be under his domination. The control of this job is of vital importance to the gangsters and ex-convicts dominating the waterfront. We know from the testimony deduced

before us that assaults and murder are committed to determine who is to be the hiring boss at a given pier. The fact that a hiring boss has the power to determine which longshoremen shall work is conducive to, and makes it possible for, the alleged kickbacks existing on the waterfront. It can easily be seen how difficult it is to eliminate pilferage on the waterfront when the hiring bosses and boss loaders are dishonest, unscrupulous and untrustworthy.

4. LOCALS OF INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

We are convinced that the rank and file of the longshoremen and checkers are honest, upright, decent, and hard-working members of the community. The same, however, cannot be said about the officials of the International Longshoremen's Association. We had a parade of individuals before this Grand Jury who held various offices and positions and who are ex-convicts and racketeers. We found from testimony by qualified and decent labor leaders that the International Longshoremen's Association is not a Union in the accepted sense of its designation. It is true that they have a Constitution and By-Laws but no one seems to adhere or pay any attention thereto. Meetings of Locals, with very few exceptions, are rarely held. Years pass by before an election is called, and even then the mode and manner of holding the said election is similar to that of communistic Russia. There is but one set of officers to be selected and no one dares nominate an opposition. With very few exceptions, there are no records of finances and no plausible explanation of moneys expended. There is no supervision by the National Officers of the affairs of the Locals. It appears that as long as National Officers get a fair "shake" of the moneys derived from dues and initiation fees they are well satisfied. The International Longshoremen's Association, both nationally and locally, seems to exist for the benefit of a few and at the expense of the rank and file. Members receive no benefits from the dues and initiation fees which they pay. They have no strike or sick benefits. Their moneys simply go to maintain and support the favorite few. The control of a Local of the International Longshoremen's Association is also of great importance to the racketeers, hoodlums, and ex-convicts, because of the pecuniary benefit they may derive therefrom. As a result, we know that in order to gain control of an International Longshoremen's Association Local, atrocious assaults, batteries, bombings, and attempted murder were committed.

5. CHECKERS

Checkers must be members of a Local of the International Longshoremen's Association. They have a responsible and important function to perform on the waterfront. They check cargo taken off the pier onto barges, railroad freight cars, and trucks, as well as freight which is delivered to the piers by barges, railroad freight cars, and trucks. We had numerous witnesses who testified that too many of these checkers are ex-convicts and untrustworthy. Add to the unscrupulous boss-loader and racketeer hiring boss the dishonest and untrustworthy checker and one can see the reason for the enormous amount of alleged pilferage committed daily on the waterfront.

6. SHIP JUMPERS

In the course of our investigation, we discovered that there were present on the waterfront in Hudson County hundreds of persons who came into this country illegally. It was ascertained that many persons would become members of a crew at a foreign port and, when the ship arrived in this country, go ashore and not return to their ship. It is strange that although these persons arrived at various ports in our country, so many of them found immediate haven in the city of Hoboken and easily and readily obtained employment. Under the direction of the Hudson County Prosecutor, and with the very fine cooperation of the United States immigration authorities, Chief of Police James L. McNamara of Jersey City, Chief of Hudson County Police Joseph Neary (now retired), and the Chief of Police, John F. Reynolds, and Captain Edgar Scott of Hoboken, a raid was conducted in the city of Hoboken and approximately 100 ship jumpers apprehended.

These ship jumpers were taken into custody by the immigration authorities and processed by that department. It was discovered in connection with this raid that the security of our country was being jeopardized by the laxity in which these persons could come into this country, congregate in one municipality, and obtain employment in a vital artery of our economic life. We found

that some of these ship jumpers were in this country but a few days and had already obtained a place to live, an International Longshoremen's Association Union button, and employment on the piers in the city of Hoboken. In one instance we found that a ship jumper was a convicted saboteur, having served time in a Federal penitentiary during the second World War, thereafter was confined in a Detention Camp, and then deported to hi snative country in Europe; yet he returned to this country as a ship jumper and, after one day, he too had a place where to live, had a Union button of the International Longshoremen's Association, and was working on the piers. These hundreds of ship jumpers obtained employment while many American citizens with families to support and who had paid their initiation fee, and dues for many years, were unable to obtain employment. The arrest of these ship jumpers focused the attention of the country on a very bad situation existing, at least, on the eastern seaboard of the United States.

7. RELATIONSHIP BETWEEN STEAMSHIP COMPANY OFFICIALS, STEVEDORING COMPANIES, AND THE OFFICIALS OF THE I. L. A.

We are convinced that the management of steamship and stevedoring companies are in too many instances dominated by officials of the International Longshoremen's Association and, as a result, the said companies are not at liberty to manage their own affairs in accordance with good accepted business practices, but succumb to the evil influence of shady officials of the International Longshoremen's Association. Steamship and stevedoring companies make payments in cash to International Longshoremen's Association representatives for illicit services—without the knowledge of Union members. The officials of management on the waterfront are well aware of the many prevalent rackets and the crimes that are committed, but they appear to condone them. Management could, if it wanted to, correct and avoid many of the difficulties, troubles, and crimes prevailing on the waterfront.

Management has been lax in its cooperation and, in fact, has impeded this investigation. A vice president of one of the stevedoring companies, who resides in the City and State of New York, is now deliberately evading the service of process upon him to compel his appearance before this Grand Jury. Although served personally on November 10, 1952, with a subpoena, he refused, failed, and neglected to appear in accordance with the said subpoena. In previous testimony by this very individual, he stated that he was very friendly with one of the organizers of the International Longshoremen's Association and had known him for a period of 30 years.

We are satisfied that if management really and truly cooperated with law enforcement authorities, crime on the waterfront and the cost of transporting merchandise and freight would be greatly reduced.

8. PILFERAGE, SHORTAGE, AND BREAKAGE OF CARGO

Pilferage has been one of the serious problems of the waterfront. Many newspaper and magazine articles pertaining to pilferage have been called to our attention. It has been estimated that the annual loss from pilferage varies from one hundred million to one hundred sixty million dollars in the Port of New York. It was impossible for this Grand Jury, within the time limit of our investigation, to make a thorough survey of this problem. This is a subject which should receive the exclusive attention of an investigatory body for a long period of time. However, we were able to obtain from reluctant steamship companies, stevedoring companies, and other sources, some information as to the amount of pilferage that occurs in New York Harbor, and particularly in Hudson County. Our information is that most of the articles referred to in newspapers and magazines indicate that the amount of pilferage they have found to exist is far in excess of the reports we obtained. Nevertheless, even from our limited study and reports received, we found that pilferage results in great loss to the public. In furnishing this information, steamship and stevedoring companies usually advised that it was impossible for them to certify how much missing cargo should be classified as pilferage, shortage, or breakage. They stated that the losses sustained by them are due mostly to shortage and breakage, rather than to pilferage. We were also informed by the steamship and stevedoring company officials that it was difficult for them to determine whether or not the pilferage occurred in this country or in a foreign port. Here we find a flaw in the checking of cargo which makes it very difficult to ascertain whether pilferage actually occurred on the piers in this country or whether the cargo was never loaded on the ship. The steamship companies refuse to hire checkers to check cargo coming off a ship. Their argument to this Grand Jury was that it would cost more in salaries to pay these checkers than the amount they lose through pilferage. It should also be noted at this point that there are no checkers checking the cargo going from the pier and being loaded onto the ship in this Port.

In connection with pilferage, there is a lack of cooperation between officials of steamship and stevedoring companies with law-enforcing authorities. Because of the lack of personnel in checking cargo when being taken off a ship, it very often happens that police authorities are not informed of a loss until months have expired, making their job of detection and apprehension very difficult and very often impossible. The steamship and stevedoring company officials treat this problem very lightly. They are satisfied to pay higher rates of insurance and pass it on as an additional cost to the public.

9. PHYSICAL CONDITION OF PIERS

We made a personal inspection of the piers, docks, and warehouses located on the Hudson County waterfront. As a result of this inspection, we are convinced that the said piers, docks, and warehouses, with very few exceptions, are archaic and outmoded. These piers were built many years ago. They lack modern improvements and equipment necessitated by present conditions.

10. LOAN-SHARKING, GAMBLING, AND ILLICIT TRAFFIC IN NARCOTICS

There is no doubt that loan-sharking exists on the waterfront. This is a business where a racketeer lends a certain amount of money to an individual on the waterfront and is repaid at the end of the week, together with an excessive rate of interest. He is usually known as "the six-for-five man". He lends a person the sum of five dollars and at the end of the week receives six dollars for the loan. To secure the loan this racketeer obtains as collateral the longshoreman's identification paycheck or disc. Several arrests have been made in connection with loan-sharking and indictments returned, but the police authorities are unable to wipe out this racket because of the refusal to talk by persons making or giving the loan. The unwritten law of the waterfront that no one is to talk, about any racket or crime, is a glaring example in cases of this kind. We have had before this Grand Jury a number of persons who we know borrowed money on the basis aforementioned, yet when called as witnesses they testified that they gave their identification pay discs to someone to collect their pay simply as a matter of convenience and accommodation.

Since this investigation we have been advised by various officials that gambling has practically ceased on the waterfront, but in a few instances several persons engaged in gambling activities were apprehended, indicted, and processed for trial by the Hudson County Prosecutor.

We have had no reports of illicit traffic in narcotics, as that crime is primarily handled by the Federal authorities, and we received no reports from them pertaining to this particular illicit traffic.

11. ABUSES BY TAXICAB OPERATORS IN THE CITY OF HOBOKEN

Witnesses testified before this Grand Jury that they were obliged to pay exorbitant taxicab fares after alighting from a ship in the City of Hoboken. We called in the Commissioner of Public Safety and pointed out to him this abuse. He promised that an appropriate ordinance would be introduced and passed. That was done.

12. SALOONS, TAVERNS, AND CAFES ADJACENT TO THE WATERFRONT IN THE CITY OF HOBOKEN

The attention of this Grand Jury was called to the fact that persons of ill repute gathered in saloons, taverns, and cafes adjacent to the waterfront in the City of Hoboken, and that they used the said places as a rendevous to concoct their nefarious schemes. There was nothing this Grand Jury could do about eliminating the said saloons and taverns, but it did the next best thing: it requested the city officials of Hoboken to change the Sunday opening hour, which was at variance with that of the adjacent municipalities. After many requests by this Grand Jury, and with the assistance and cooperation of the clergy, and other public-spirited citizens of the City of Hoboken, that was done.

13. RELATIONSHIP BETWEEN POLITICIANS, PUBLIC OFFICE-HOLDERS AND INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AND NOTORIOUS WATERFRONT CHARACTERS

Testimony revealed that one, Morris Manna, a notorious waterfront character, was sentenced to and confined in the New Jersey State Prison at Trenton for a criminal offense which he had committed. A prominent politician in the County of Hudson strenuously endeavored to obtain his release. It is a fact that he never met Morris Manna and he gave no plausible reason for his interest in Manna's release. We look with disfavor upon activities of any politician who undertakes to aid and assist any hoodlum, gangster or racketeer whether connected with the waterfront or not.

Testimony further revealed that a public official of one of the municipalities of Hudson County, accompanied by a policeman of the same municipality, went to the President of the International Longshoremen's Association for the purpose of securing a charter for a new local. These individuals had nothing whatsoever to do with any of the activities of the longshoremen. They could not give a plausible reason for their interest in obtaining an additional charter in the County of Hudson. This Grand Jury looks with disfavor upon any public official who attempts to meddle in the affairs of International Longshoremen's Association activities.

RECOMMENDATIONS AND COMMENTS

We recommend that public loaders be abolished on the waterfront.

It was found in numerous instances that Public Loaders were none other than International Longshoremen's Association officials, and that their relatives are "cut in" for a share of the boss-loading business. Many persons with criminal records have an interest therein. One instance is Edward Florio, an organizer for the International Longshoremen's Association, whose duty it is to protect the interest of longshoremen and who is an employer of the very men he is obligated to represent and protect. We recommend that public boss loading be abolished, as was done in the Philadelphia port, and that the responsibility for the services rendered by the said loaders be assumed by the stevedoring or steamship companies themselves. The existence of the boss-loading racket tends to aid pilferage on the piers, and the exorbitant amounts made by racketeer boss-loaders, when eliminated, will save millions of dollars a year to consignors, consigneers, truckmen, and the public. Boss-loading, as practiced today, is root of most of the evils existing on the waterfront.

SHAPEUP SYSTEM

We recommend the abolishing of the shapeup system in the Port of New York.

We are of the firm opinion that the shapeup system is so obnoxious and so un-American that it should be abolished. It contributes to gang rule and is conducive to crime. There has been recommended to this Grand Jury several alternative methods of hiring help on the waterfront. Our attention was called to the method used on the west coast in which a combination of seniority and hiring hall system is used; also to the method used in England, which is the hiring hall system only. This Grand Jury is not prepared to recommend the best system to be adopted, but it does recommend that a comprehensive, thorough study, and survey be made of this problem by a competent board to be appointed by the Governor and/or Legislature of the State of New Jersey.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

The International Longshoremen's Association is not a labor union. We are in favor of Labor Unions in this country. We know that the history of honest labor organizations shows them to be productive of many benefits to the people who toil for their livelihood. They should be organized for a common purpose, and there should be no laws to hinder or destroy them. The International Longshoremen's Association, as revealed by testimony, does not and never did truly and honestly represent the rank and file of longshoremen. It is an association composed of many persons who pay initiation fees and dues, but get no benefits in return. There is no supervision of the finances of the Locals. There is no proper supervision of the enforcement of the Constitution and By-Laws adopted, but never complied with. Elections and meetings of the

Locals, if and when held, are a farce and are controlled by racketeers and ex-convicts. A grievance committee exists in theory only. The average longshoreman is fearful of expressing an opinion of conditions in his local for fear of reprisals. It is significant, but not strange, that many of the International Longshoremen's Association officials, as well as those who hold key positions on the waterfront, are ex-convicts. It has been argued before this Grand Jury by representatives of the International Longshoremen's Association that there was nothing wrong in having an ex-convict work on the waterfront, or be an official of the International Longshoremen's Association. It was argued that they perform a noble deed in attempting to rehabilitate persons who went afoul of the law but who paid their debt to society. This Grand Jury realizes and admits that to rehabilitate a person is a noble deed, but it refuses to accept that argument when it finds that these persons to be rehabilitated are not usually in the rank and file and hard-working individuals, but find that practically all of them are placed in key positions on the waterfront and in the locals of the International Longshoremen's Association.

We recommend that voting machines be used by International Longshoremen's Association Locals in electing its officers.

The finances of the International Longshoremen's Association Locals shall be supervised by a competent lawful authority.

We recommend that stricter supervision be exercised over the affairs of the International Longshoremen's Association by competent authority. We recommend that elections of the Locals of the International Longshoremen's Association be held when specified by the Constitution and By-Laws. Voting machines should be used by International Longshoremen's Association in electing their officers and when deciding or determining a major question.

We further recommend that the finances of the Locals of the International Longshoremen's Association should be accurately kept under the control or a competent lawful authority.

GOVERNMENTAL AUTHORITY TO SUPERVISE THE PORT OF NEW YORK

We recommend that a constituted authority be established by the States of New York and New Jersey to supervise the affairs of the Port of New York.

At the present time there is no constituted authority to supervise the affairs of the Port of New York. This Grand Jury recommends that an authority be established by the States of New York and New Jersey which shall have the supervision and control of the Port of New York insofar as it relates to the shipping industry, the functions of the stevedoring companies and International Longshoremen's Association activities. This authority shall have the right to promulgate rules and regulations pertaining to the above matters and shall have personnel to enforce the same.

CHECKERS

We recommend that checkers be bonded and fingerprinted.

We recommend that a committee be appointed to study and survey waterfront conditions.

This Grand Jury is of the firm opinion that while periodic investigations by Grand Juries and Crime Commissions result in some remedies, nevertheless for a long-range and durable cure we need much more than such investigations. The mere pin-pointing of evils and the apprehension and conviction of several individuals for specific crimes will not eliminate waterfront problems. The present practices of steamship and stevedoring companies, and the existence of hoodlums, gangsters, and ex-convicts on the waterfront, pose a challenge to law and order and to the welfare and security of our nation. In order to meet that challenge, we must first have a constant and vigilant body with the necessary authority to supervise and control the affairs of the port. We must have a study made of the physical condition of our piers by competent experts who will be in a position to recommend changes and improvements. A committee composed of representatives of engineers, economists, management, and labor personnel, and the public should be appointed to make a survey and study of the basic evils existing on the waterfront, so that it, in turn, can make proper recommendations to the Legislature for the necessary remedies. A Grand Jury investigation, at best, can only attempt to eliminate an effect but can very seldom cure the cause.

SECURITY PRECAUTIONS

We recommend that anyone working or having business on the waterfront be fingerprinted and properly screened.

Checkers working on the waterfront shall be men of good moral repute and shall qualify as to their honesty, sobriety, and integrity, for like tellers in a bank, they hold positions of responsibility. We recommend that they be required to furnish a bond and be fingerprinted.

LOAN-SHARKING

We recommend that each and every employee of a steamship or stevedoring company be supplied with an identification card bearing his photograph and signature, and that no one be paid his salary except on personal presentation of such card. In the event the employee is unable to appear in person, the stevedoring or steamship company shall be obliged to mail the salary to the employee's residence.

SHIP-JUMPING

We recommend that the Federal Immigration Laws be amended to provide stricter penalties for ship-jumpers.

When the ship-jumpers were apprehended, as hereinbefore mentioned, much to the surprise of this Grand Jury, it was discovered that a few days after their arrest they were permitted to furnish nominal bonds and return to their jobs on the waterfront. It was explained to this Body that there is a very fine distinction in the Federal Laws between a person who enters this country illegally and a person who enters legally but remains illegally. And so it seems that, according to the Federal statutes, ship-jumping is not a Federal crime. This Grand Jury recommends that the Federal Authorities revise the laws pertaining to ship-jumpers and other illegal aliens in this country, so that we will not have the spectacle of arresting an illegal alien one day and having him reappear on his job the next day. Because of world conditions and for the security of our nation, we recommend that no aliens be employed on the waterfront unless properly screened by a responsible governmental agency. We further recommend that no ex-convict or person of ill-repute hold office in any Local of the International Longshoremen's Association, nor shall he hold any key position on the waterfront, such as hiring boss, dock boss, or checker.

We recommend that the disbursement of expense accounts of officials of steamship companies, stevedoring companies, and Union Locals be itemized and explained to the Authority controlling the affairs of the Port, as heretofore mentioned.

We recommend to the shipping and stevedoring companies, and Locals of the International Longshoremen's Association that their expense accounts be more specifically kept and more accurately explained. We found that the shipping companies, stevedoring companies, and Locals of the International Longshoremen's Association have huge expense accounts. There is no itemization of how the disbursements were made, to whom the moneys were given, or the purpose for which paid. That leaves the door open for the payments of graft, bribes, etc. This kind of bookkeeping should and must be rectified.

A great deal of testimony has been heard by this Grand Jury. Much of it has been based upon hearsay, gossip, or rumor. Being bound by rules of evidence and performing our duties in accordance with the Charge of the Court, and under our system of American jurisprudence, we voted on and returned indictments only in such cases as the legal evidence warranted.

The Prosecutor of Hudson County has cooperated with the Federal authorities, the New York State Crime Commission, and any and all other agencies engaged in waterfront investigations. In one instance, police officers working under the supervision of the Prosecutor apprehended two individuals who had in their possession a large number of time cards being separate names of employees of the Claremont Terminal in Jersey City, apparently with the purpose of obtaining moneys by false representation from a company doing business on the waterfront. We had these two individuals before our Grand Jury. They gave no reasonable explanation for the possession of the time cards. The company and pier involved were engaged on a Federal project, and the Prosecutor informed us that it would be advisable to turn over the time cards to Federal authorities for investigation and prosecution. The Prosecutor referred the matter to the United States District Attorney and the Federal Bureau of Investigation. The

Prosecutor also informed us that on many occasions and upon request, information was given to the New York State Crime Commission.

Testimony reveals that many individuals and corporations doing business on the waterfront have apparently violated the Internal Revenue Laws and other laws of the United States. This Grand Jury recommends that the Federal Government institute a thorough investigation of these matters.

This Grand Jury wishes to express its appreciation to Prosecutor Horace K. Roberson and his staff for their many courtesies and assistances extended during its term.

The Jury greatly appreciates the very able, efficient and intelligent direction of Assistant Prosecutor Isidore Dworkin in this investigation, who has given unstintingly of his time and knowledge in the development of this long and tedious investigation. His unbiased procedure was evidenced at all times. He has successfully carried out his duties with the limited facilities made available to him.

The Jury also wishes to extend its thanks for the services rendered by Grand Jury Clerk Bernard A. Gannon, and his assistants Bernard Zymet, Harold R. Donovan, and George Hilliard in this investigation.

CHARLES F. DAVIS,
Foreman.
WILLARD F. WADT,
Deputy Foreman, Hudson County Grand Jury, Third Session—1950 Term.

Dated, December 5, 1952.
Attest: A True Copy.

BERNARD A. GANNON,
Clerk to Grand Juries, Hudson County, N. J.

Filed, Printed, and Distributed. By Order of
HONORABLE HAYDN PROCTOR,
Assignment Judge, Superior Court of New Jersey, Hudson County.

EXHIBIT B TO TESTIMONY OF HON. ALFRED E. DRISCOLL, GOVERNOR OF NEW JERSEY

SUPERIOR COURT OF NEW JERSEY, HUDSON COUNTY LAW DIVISION (CRIMINAL)

In the matter of the investigation of alleged criminal activities existing on the waterfront throughout the County of Hudson

PRESENTMENT

HUDSON COUNTY ADDITIONAL GRAND JURY, SECOND STATED SESSION, JANUARY 1953

To the Honorable Judges of the Superior Court of New Jersey. The Honorable Haydn Proctor, Assignment Judge, Presiding:

The Grant Inquest in and for the body of the County of Hudson, A. D. 1952 Term, Second Stated Session, respectfully makes the following PRESENTMENT:

On February 6, 1953, this Grand Jury was impanelled and was directed by this Court to investigate alleged criminal activities on the Hudson County waterfront. In accordance with the charge of this Court, our invetsigation was first directed to the March 2nd, 1951 bombing of Union Headquarters at No. 329 Grand Street, Jersey City. These premises were rented and occupied by Local No. 1247 of tbe International Longshoremen's Association. The 2-year Statute of Limitations was about to bar any effective action by this body with reference to such bombing. Realizing, therefore, that time was of the essence, this Grand Jury held extraordinary continuous sessions to hear the testimony of scores of witnesses relative to said bombing. True bills of indictment were returned against 5 persons charging them with violations of the Criminal Laws of this State in the bombing of such Union Headquarters.

During the course of this investigation, the uncontroverted evidence disclosed that on or about December 2nd, 1950, the officers of said Local No. 1247 of the International Longshoremen's Association were compelled to submit their resignations at the behest of known criminals who were about to take over the control and management of this organization. This fact was known to Louis J. Messano, the Director of Public Safety, and to several superior officers of the Jersey City Police Department, a report thereof being in the files of the said department.

Subsequently, and on or about January 15th, 1951, the automobile of one George Donohue, a member of the faction which had come into control of this Union organization as a result of the said resignations, was bombed by the explosion of a grenade which had evidently been planted in the mechanism of Donohue's automobile so that the same would explode when the car was about to be put in motion. This fact, too, was known to the said Director of Public Safety and to several superior officers of the Jersey City Police Department.

An election of officers of the said Union was scheduled to be held on March 3rd, 1951 in the City of Jersey City. The Director and several superior officers in the Police Department were aware that prior to such election the Union Headquarters would be used for the purpose of checking the records of the membership of the Union and would be frequented by the members thereof, and particularly by those who sought to retain the control which they had illegally obtained by virtue of the forced resignation aforementioned.

Police officials of Jersey City were also aware of the fact that the said Union election was to be strongly contested by opposing factions in the Union and they were, of course, cognizant of the fact that many members of this Union in these factions had criminal records. Despite this knowledge on the part of the Director of Public Safety and the said police officials, no action was taken whereby the Union Headquarters was placed under surveillance nor were any police officers assigned to these premises in order to prevent any lawlessness.

The evidence before us disclosed that at the time of the bombing of the Union Headquarters on March 2nd, 1951, a number of criminal characters were there congregated discussing the election which was to be held on the following day. These persons were not a part of the so-called "New York mob", but they were persons with criminal records and were known to the local police by reason thereof. Not only did the police officials fail to keep these premises under surveillance, but, on the contrary, the radio patrol car which was assigned to the First Police Precinct, in which the Union Headquarters is situated, was not at that time patrolling in this assigned area, but was being used for the purpose of delivering mail. This may have been merely a coincidence, but it indicates to us a lack of proper safeguards in an area in which police officials must have been aware that serious disturbances of the peace were likely to occur.

Immediately after the bombing, two police officers appeared on the scene and within a few minutes thereafter they reported to their superiors that they had received valuable information from an eye-witness to this crime. Although this eye-witness was subsequently interrogated by detectives, such interrogation did not take place in the presence of the police officers who had received the first-hand information from this witness, nor were these police officers ever consulted or interviewed by the Director of Public Safety or any superior officer of the Police Department as to the knowledge which they had obtained first-hand, immediately after the bombing. The evidence disclosed that the first time such officers were interrogated on the report which they had submitted on March 2nd, 1951, was by this Grand Jury on March 19th, 1953.

Although the Director of Public Safety, the Chief of Police, Inspectors, Captains and other officers of the Police Department visited the scene of the bombing, yet they failed to obtain the names and addresses of all witnesses who were present at or before the time of the bombing.

In the course of our investigation, witnesses who were present at the scene of the bombing were interrogated and valuable information was elicited from them.

Our investigation disclosed that the Police Department of Jersey City had obtained and indexed some 268 statements in connection with the bombing, yet only an infinitesimal number of such statements were of any value in the solution of the crime itself. Most of the said statements appeared to be a mere matter of routine with no relation whatever to the crime itself.

In December, 1952, the New York Crime Commission was conducting hearings in connection with its investigation of waterfront conditions. At that time, a written statement by one John Muller was produced before the said Commission. This statement had been taken by two detectives of the Jersey City Police Department on March 6th, 1951, and the evidence before us disclosed that there was no record whatever in the files of the Jersey City Police Department of the said statement, nor the circumstances under which it had been obtained, nor was there any evidence as to how this statement had come into the hands of the New York Crime Commission rather than being properly retained in the files of the Jersey City Police Department. As a matter of fact, as a result of the information which had been obtained from Mr. Muller, the home of one Joseph

Wyckoff was searched and dangerous weapons were there recovered. This subsequently resulted in the indictment and conviction of said Wyckoff, a notorious criminal, for the unlawful possession of such dangerous weapons.

When it was developed that the Muller statement had been produced before the New York Crime Commission, the Director of Public Safety, Louis P. Messano, proceeded to investigate as to how such statement had come into the hands of said Commission, but he utterly failed to conduct any departmental investigation or hearing as to the reason for the disappearance of the Muller statement from the records of the Jersey City Police Department; nor has he taken any disciplinary action because of this neglect. The Director of Public Safety had been apprised of the fact that the dangerous weapons which had been recovered from the home of the said Wyckoff on March 6th, 1951, as aforesaid, were obtained by the members of the Jersey City Police Department as a result of the interrogation of said Muller. The foregoing is verified by a photograph which was taken of the Director of Public Safety, in the company of the detectives involved, displaying the weapons so recovered from Wyckoff's home.

Further, in connection with the Muller statement, the evidence disclosed that Inspector Michael Cusick was on duty when this statement was obtained by the detectives, yet he was unable to throw any light upon the disappearance of the said statement; nor did he exercise proper judgment as a superior police official in the handling of the Muller statement and the information obtained from this witness.

Capt. Edward Noonan was in command of the First Police Precinct within the confines of which the bombing hereinbefore mentioned occurred. While Chief James McNamara had assigned the investigation of this matter to the late Deputy Chief Underwood, nevertheless, according to the testimony of Chief McNamara, it was the duty of Capt. Noonan to continue the said investigation. Despite his obligation so to do, Capt. Noonan merely turned over all of the records which he had obtained in connection with this bombing to the Record Bureau and Property Clerk of the Police Department, and he testified, that after May 10th, 1951 he did nothing further in the investigation of this crime. It appeared from the evidence before us that this police official was derelict in the performance of his duties in this matter and that he endeavored to shift the responsibility which was properly his to the shoulders of others. He failed to persistently follow through in an endeavor to locate the culprits who were responsible for the bombing, and apparently washed his hands of the entire matter in May of 1951. Not only did Capt. Noonan endeavor to shift his responsibility on others, but is apparent from the evidence that other superior officers of the Police Department likewise endeavored to shift the burden of the investigation of this matter on the shoulders of the late Deputy Chief Underwood who died in the fall of 1951. In our judgment, the laxity of the investigation of this bombing on the part of the Director of Public Safety, Louis J. Messano, as well as several of the superior officers of the Jersey City Police Department was due to a lack of cooperation and coordination between the said Director and the top echelon of the Police Department. If proper cooperation and coordination had existed, this dastardly crime could have been solved many, many months ago with a resultant saving of thousands of dollars of Jersey City taxpayers' money, as well as needless man-hours which were subsequently spent in the continuance of the investigation.

We believe that if the proper initiative expected of a Public Safety Director had been exerted, that the solution of this major crime would have been expedited.

RECOMMENDATIONS

We have heard the testimony of the Director of Public Safety, the Chief of Police, Inspectors, Captains, and other officers and personnel of the Police Department of the city of Jersey City. Such testimony related to the investigation of the bombing case and general operating procedures in the said Police Department. After reviewing and considering all of this testimony, this Grand Inquest has come to the inescapable conclusion that the city of Jersey City must review the methods and procedures of its Police Department and personnel if the said Police Department is to function efficiently. Such efficient operation can only be effected if the Director of Public Safety more effectively assumes the responsibility imposed upon him by law and entrusted to him by the citizens of the city; and, further, that the Director of Public Safety, in turn, assists and demands that his subordinates likewise recognize and perform their duties, obligations, and responsibilities in accordance with their oaths of office—without fear or favor.

The evidence before us indicated that in connection with the investigation of the Union Headquarters bombing, there was neglect amounting to non-feasance in the Department of Public Safety of Jersey City, but that, generally, such acts of non-feasance were not indictable by reason of the intervention of the 2-year Statute of Limitations.

We recommend to the New Jersey Legislature that legislation be enacted to extend the present Statute of Limitations, as applied to elected or appointed public officials, from the present 2-year period to a minimum of 5 years—or during the period of incumbency, plus a 2-year period thereafter.

POLITICAL ALLIANCES

The evidence before us disclosed that Union officials have been engaged in political activities in the city of Jersey City and from time to time have evidently made political alliances with public officials. This practice has undoubtedly resulted in many conflicts of authority and unlawful activities on the waterfront. Union officials should be primarily interested in the welfare of their members, rather than in the furtherance of any political activities or ambitions.

We strongly condemn such alliances and recommend that public officials keep clear of any such commitments.

SHAPE-UP SYSTEM

Much has been written, concerning the so-called "shape-up" system in the Port of New York. It has been condemned as un-American and the basis for control by the criminal element of Unions by the designation and use of a hiring boss on the piers.

From the evidence adduced before this body, it is clear that American citizens, who have a right to earn an honest and decent living, are denied that privilege and are subject to the whim and fancy of a hiring loss who designates the men to be employed and who, in turn, is under the control of Union officials, a majority of whom have criminal records. All of this is accomplished without regard to seniority or the ability to perform the work. This hiring boss, by a mere wave of his finger, and nothing else, indicates the persons whom he will put to work and thereby controls the economic welfare of the longshoremen.

We condemn this "shape-up" system with its attendant evils and we recommend that the evils which have been exposed be eliminated by proper legislation. While we are pleased with the recent developments to voluntarily abolish the "shape-up" system, we nevertheless are convinced that legislation is the most effective means for the permanent abolition of this evil and un-American practice.

THE MOB OR SYNDICATE

The evidence before this body strongly demonstrated the power and influence of known mobsters and criminals in connection with waterfront activities. These mobsters have united in a common cause to control all of the activities on the waterfront. They operate as a syndicate with definite, illegal purposes and goals. The "shape-up" system, which we have condemned, is one of the spearheads used by the mob to control the waterfront. By this means, they place their members in prominent positions or provide opportunity of payment to their members for "no-show" jobs. The mobsters, through this control. have cowed and exploited the honest waterfront workers. We condemn the practice of using notorious criminals as waterfront workers, and recommend that proper means be employed to eliminate this practice.

LONGSHOREMEN'S UNION LOCALS

If our conception of democracy and ideals in American life are to mean anything, then we must insist that some means be found to eliminate threats and strong-arm methods in Union activities. The present methods of control of the Longshoremen's Union constitute a threat to the economic well-being of the honest waterfront worker. He is subject to the orders of Union officials who have caused themselves to be placed in positions of power by means of strong-arm methods, threats of physical violence and enforcement of the unwritten waterfront code of "silence".

LOAN-SHARKING

This Grand Jury has presented true bills of indictments in connection with loans to waterfront workers. Because of the uncertainty and insecurity of their employment, longshoremen and other waterfront workers are easy prey for the loan-shark. He takes advantage of their financial plight by lending them money at a usurious rate of interest ranging from ten to twenty percent per week or part thereof. The loan-shark is assured repayment of his loan by obtaining from the longshoreman his metal work check, which entitles the loan-shark to collect the longshoreman's earned wages. We condemn the system and method of payment of wages and salaries to waterfront workers by means of such metal work check, which allows any holder thereof to present it and thereby collect the wages of another. Such wages should be paid directly to the man who earns them and not to a substitute.

UNEMPLOYMENT PAYMENTS OR BENEFITS

This Grand Jury was shocked to learn that a loan-shark was able, by divers unlawful means, to obtain from the Division of Employment Security of the Department of Labor and Industry of the State of New Jersey large sums of money under the guise of unemployment benefits allegedly due others. Fictitious employers, use of dead persons' names, and illegal use of the names of living persons, was the scheme used to defraud the State of New Jersey. The evidence which disclosed this appalling condition clearly demonstrated that the method of payment of unemployment benefits in the State of New Jersey must be revised to correct the abuses to which they are now subject.

We are continuing this investigation.

Respectfully submitted for the Hudson County Additional Grand Jury, A. D. 1952 Term, Second Stated Session, January 1953.

WILLIAM H. WITT,
Foreman.

Dated: May 5th, 1953.

Filed, Printed, and Distributed. By order of

HONORABLE HAYDN PROCTOR,
Assignment Judge, Superior Court of New Jersey, Hudson County.

EXHIBIT C TO TESTIMONY OF HON. ALFRED E. DRISCOLL, GOVERNOR OF NEW JERSEY

SUMMARY OF AN ACT TO ESTABLISH A WATERFRONT COMMISSION OF NEW YORK HARBOR AND AUTHORIZING A COMPACT BETWEEN THE STATE OF NEW JERSEY AND THE STATE OF NEW YORK FOR THE ESTABLISHMENT OF SUCH A COMMISSION

The act authorizes a compact between the States of New Jersey and New York to improve waterfront labor conditions in the port of New York district, establishes a bistate commission to administer the plan, and provides that in the interim, until Congress grants its consent to the compact, the two States may separately but cooperatively place the program in operation.

THE COMPACT

The proposed compact is set forth in the 16 articles which make up section 1 of the bill.

Legislative findings

Article I contains legislative declarations and findings which reflect the conclusions of the New Jersey Law Enforcement Council, Hudson County grand-jury presentments, our department of law and public safety, the report of the New York State Crime Commission on the port of New York waterfront, and the record of the public hearings held thereon by Gov. Thomas E. Dewey on June 8 and 9, 1953. In substance the findings are that the methods now used in the port of New York district for hiring waterfront labor and the conduct of the businesses of public loading and stevedoring are uneconomic, unjust, and degrading, insofar as the worker is concerned, foster waterfront crime and corruption, and adversely affect the economical and expeditious handling of port commerce. Accordingly it is declared that the present practices of public loaders must be eliminated and that the occupations of stevedores, pier superintendents, hiring agents, pier watchmen, and longshoremen must be regulated in the public interest.

Basic plan

The plan to improve waterfront labor conditions has five basic features:

1. Licensing of pier superintendents and hiring agents—only persons of good character (convicted criminals are barred for at least 5 years) will be licensed for these key positions. The license must be requested by the employer concerned, is good only for the duration of the employment, and may be revoked for specified cause.
2. Licensing of stevedores and port watchmen.
3. The abolition of public loading.
4. Registration of longshoremen—the right to register is absolute unless the person has been convicted of a crime (but this disqualification may be waived by the commission) or is engaged in subversive activity or unless his employment on the waterfront is clearly likely to endanger the public peace or safety. Longshoremen who are not attached to the waterfront labor market may be dropped from the register under specified conditions, thus providing more and steadier work for and increasing the earning capacity of those who depend on this work for their livelihood.
5. Operation by the commission of regionally located employment exchanges for registered longshoremen and licensed port watchmen, replacing the wasteful and inhuman shapeup method, providing information as to available employment and flexibility in obtaining such employment, but without interference with employer-employee freedom of selection or with provisions of collective-bargaining agreements.

The rights of licensees and registrants are carefully protected by procedural safeguards set forth in article XI, including hearings, court review, and other requirements for the protection of the individual.

The waterfront commission

Article III creates the Waterfront Commission of New York Harbor. The commission consists of 2 members, 1 from each State appointed by the Governor with the consent of the senate, to serve for a term of 3 years. It is contemplated that they may be compensated either on a full-time or per diem basis, dependent upon whether the office will be a policymaking one with administration delegated to an executive director or a full-time executive assignment.

Appropriate provision is made for the transfer of civil-service employees to service with the commission without loss of civil service or retirement privileges.

The general powers of the commission as set forth in article IV are to make rules and regulations to carry out the statutory plan, to administer oaths and issue subpenas, to have access to the waterfront in the performance of its duties, to investigate waterfront practices in the port district and to advise and consult with other public officers and with representatives of labor and industry on matters within its jurisdiction, including problems involved in rulemaking, in the granting and denial of registrations and licenses, and in the maintenance of the longshoremen's register. The commission is required to report annually to the governors and legislatures of both States and to make recommendations for the improvement of the conditions of waterfront labor within the port district.

In order to insure that public regulation of waterfront labor practices shall not unnecessarily continue once law and order has been restored to the waterfront, the commission is expressly required to include in its annual report findings as to whether the public necessity still exists for continued registration of longshoremen, licensing of the other waterfront occupations and public operation of the employment information centers.

Licensing of pier superintendents and hiring agents

Article V requires that on and after December 1, 1953, any person who wishes to act as a pier superintendent or hiring agent for a shipping company or stevedore at a pier or other waterfront terminal within the port district must be licensed. Because pier superintendents and hiring agents are, or should be, key supervisory representatives of the employer for whose acts the employer should be held responsible, the application for these licenses is to be made by the prospective employer. A person is disqualified for either of these licenses if he has been convicted of a felony or high misdemeanor or of the following violations of law which, while less serious in themselves, make him a bad risk for waterfront employment: Illegally using, carrying, or possessing a dangerous weapon; making or possessing burglar's instruments; buying or receiving stolen property; unlawful entry; aiding an escape from prison; unlawfully possessing or distributing narcotic drugs and previous violation of the compact. However,

if a person so disqualified submits satisfactory evidence of good conduct for at least 5 years, the commission may waive this statutory disability.

Additional grounds for disqualification for a license as a pier superintendent or hiring agent include subversive activities by the applicant or a finding that he is not a person of good character or integrity.

The term of a pier superintendent's or hiring agent's license is tied to his employment by the employer-applicant. However, it may be revoked or suspended or he may be reprimanded for the following specified causes: Violation of the compact; conviction of a crime or other cause which would have been disqualifying originally; consorting with criminals for an unlawful purpose; fraud in securing the license or while acting thereunder; addiction to or trafficking in narcotic drugs; violation of the compact; bribing public officers or anyone else to violate their duties under the compact; unwarranted giving of his license to someone else; impersonation of another licensee; accepting a bribe in connection with his work; coercion of longshoremen; lending money to or borrowing money from a longshoreman for a fee.

Pier superintendents and hiring agents are ineligible for membership in any union which represents longshoremen.

Stevedores

Article VI requires that on and after December 1, 1953, all stevedores in the port district must be licensed. The license application must fully disclose the real parties in interest. A license will be granted if the commission is satisfied as to the good character and integrity of the real parties in interest and if the applicant is a bona fide stevedore, that is to say that he has, or will, if licensed have a contract with a shipping company to load and unload the company's ships at a pier in this port.

Prior conviction of the same serious crimes which disqualify pier superintendents and hiring agents also disqualify a stevedore. The commission is authorized to waive this disqualification upon a showing of at least 5 years' good conduct. Additional grounds for disqualification in the case of stevedores are prescribed to accord with the Crime Commission's specific findings of abuses and evils now prevalent in this industry. These include payments made for an improper or unlawful purpose and are designed to reach the payment of bribes to a shipper to obtain a stevedoring contract or to a union representative to betray his trust.

Public loading

Article VII sets forth the States' policy against public loading and reviews the compelling policy reasons for abolition of the public-loader system. Under the bill loading service will be performed in the port of New York as it is in every other major American port—by water carriers; operators of piers and other waterfront terminals at their own facilities; railroads, truckers, and other carriers in connection with freight being carried by them; shippers or consignees in connection with their own freight; and licensed stevedores, in the regular course of business, and through their own employees.

Longshoremen

A longshoremen's register is to be established by the commission by December 1, 1953. Article VIII sets forth the provisions with respect to the registration of longshoremen.

There is no fee for registration and no special qualifications are prescribed. The applicant must provide his name, address, social-security number, and such further facts as may be needed to establish his identity and criminal record, if any.

Conviction of certain serious crimes or engaging in subversive activities is made basis for disqualification. The commission, however, may wave the disqualification in a proper case and it may register a longshoreman even though he has previously been convicted of a crime.

In the light of the Crime Commission's disclosures of the activities of known waterfront gangsters who have so far escaped being convicted of crime, provision has been inserted to permit the commission to deny registration as a longshoreman to a person "whose presence on the piers or other waterfront terminals in the port of New York district is found by the commission, on the basis of the facts and evidence before it, to constitute a danger to the public peace or safety."

A longshoreman may be removed or suspended from the register only for specified cause. In such case he is entitled to a hearing before the commission,

counsel, his own witnesses, and court review. The causes specified are similar to those specified for removal of hiring agents and willful acts involving physical injury to a person or damage to or misappropriation of property at a waterfront terminal.

Article IX contains the provisions designed to permit purging the longshoremen's register periodically of drifters and floaters who, although they are not bona fide longshoremen, have been permitted under the present system to take work away from longshoremen who depend on it for their livelihood.

For each 6-month period, and in advance, the commission will establish the minimum number of days a man must work or offer himself for work as a longshoreman in order to stay on the register. A person failing so to qualify will be dropped on 10 days' notice and cannot again be registered for 1 year unless he can show that his absence was occasioned by military service, sickness, or other good cause.

Port watchmen

Port watchmen will be licensed pursuant to article X. Applicants must not only possess qualifications similar to those prescribed for pier superintendents but must also meet reasonable standards of physical and mental fitness. Since these port watchmen are security officers, prior criminal conviction is an absolute bar to a license. Because of the nature of their duties, port watchmen are not permitted to belong to the same union as longshoremen or pier superintendents or hiring agents.

The term of the port watchmen's license is 3 years and is not tied to a particular employment. The grounds for revocation or suspension are basically the same as those for pier superintendents and hiring agents.

Hearings and court review

Article XI safeguards the rights of licensees and registrants by prescribing procedures for commission hearings and assuring court review of commission determinations. A registered longshoreman or any licensee must be given notice of any charges made against him and is entitled to a hearing at which he may have counsel and cross examine witnesses and the licensee or longshoreman can require the commission to subpena witnesses requested by him. At least 10 days' advance notice of such a hearing must be provided.

The refusal to register a longshoreman or issue a license cannot be effective until after opportunity has been afforded for such hearing and any commission determination affecting the right to work is subject to court review. The reviewing court is granted power to stay the commission's action for 30 days. No provision is incorporated in the bill which makes refusal to testify or refusal to answer questions, without other cause, grounds for refusing or rescinding a license or registration.

Employment information centers

Article XII authorizes the Commission to establish employment information centers throughout the port district to replace the "shape up."

All hiring of longshoremen and port watchmen will be through these publicly operated centers. The employer would have freedom of choice in the selection of employees at such centers, but there would be no interference with normal and proper hiring practices, including the gang or unit system, or procedures established under collective bargaining agreements not inconsistent with the requirements of the compact. The commission will establish a system of records and communication with employers and workers designed to provide the maximum possible information as to available employment for longshoremen. The commission is empowered to obtain any Federal assistance that may be available under the Wagner-Peyser Act for the operation of the employment centers.

Expenses of administration

Article XIII and other sections of the act adopt the principle of charging the cost of administration upon the basis of service received. The commission will prepare an annual budget of estimated expenses and assess the cost, over Federal or other contributions, against the employers of the registered and licensed waterfront employees in proportion to their gross annual payments to such employees. The rate of assessment may not be more than 2 percent of the payroll payments. Expenses of the commission, in excess of amounts produced by 2 percent payroll assessment will be met by the two States proportionately out of general revenues. Until the commission is jointly established by the two States, or July 1, 1954, whichever is earlier, the rate will be 1½ percent in each State.

The budget of the commission may be reduced or modified by the Governor of each State. In addition, the commission may establish procedures to enable employers to protest budget estimates and computations of the rate of assessment.

It is felt that the savings to employers and consignees which may be obtained through a reduction in pilferage, the elimination of "phantom" employees from the payroll, and other exactions and levies on commerce will greatly exceed the cost of administration of the waterfront commission program.

Violations

Article XIV concerns general violations of the compact and prosecutions and penalties therefor. Contempt is made punishable in accordance with normal judicial process. Willful, false statements under oath are constituted as perjury and other violations of the compact or attempts or conspiracies to violate it are made punishable as is interference with the orderly registration of longshoremen.

The statute also prohibits loitering on the waterfront without satisfactory explanation. The language for this section is taken from comparable provisions of law which presently exist in both States.

Section 8 prohibits the collection of funds for waterfront labor unions having officers or agents who are convicted felons unless they have been subsequently pardoned or have received a certificate of good conduct from a board of parole or similar authority.

Collective bargaining safeguarded

There is nothing in the statute which is designed or can reasonably be construed to interfere in any way with the right of the waterfront industry to select its own employees, or with the right of industry and labor to bargain collectively and agree on any method for the selection of longshoremen and port watchmen by way of seniority, experience, regular gangs or otherwise in conformity with the license, registration, and employment information center provisions of the statute. Because of apparent misunderstanding of this point within the shipping industry, an express declaration to this effect has been included as article XV in the compact.

Similarly, article XV includes an express statement that the statute is not designed and shall not be construed to limit labor's rights.

The interim agreement

Since there could be some delay in procuring congressional consent, the statute in each State provides for a single-State commission to perform within that State the functions of the bi-State commission until congressional approval of the compact is obtained. The bill is so drafted that a single commissioner will be able to function in each State from the time of enactment of the bill.

Section 3 authorizes the commissioners from each State to work in the closest possible cooperation with each other to effectuate the purposes of the act.

The bill also provides for a returnable cash advance by each State, to provide for expenses of administration pending the assessment of such expenses against employers in accordance with the compact.

The licensing, registration, and employment center provisions of the bill do not become operative until December 1, 1953.

Mr. KEATING. Senator Smith, we would be happy to hear from you.

STATEMENT OF HON. H. ALEXANDER SMITH, A UNITED STATES SENATOR FROM THE STATE OF NEW JERSEY

Senator SMITH. Mr. Chairman, I just stopped in for a moment to support this bill because I thought the House Members would be interested in the way we handled it in the Senate.

Mr. KEATING. We would. We compliment you on your expeditious handling of it.

Senator SMITH. What happened was this, if I may talk informally to the committee. Senator Hendrickson who is my colleague and who took the lead in this legislation is, I am sorry to say, engaged in the Armed Services Committee this morning or he would be here himself. Senator Hendrickson has been interested in the whole matter

for a long time. As senior senator, I asked him if he would not take the lead in this and see if we could not expedite it as soon as we got the green light from New York and New Jersey.

As you know, Governor Dewey was down for a few days discussing this matter with us and I was in touch with Governor Driscoll and with our Trenton office. We decided that the best way to deal with it was to introduce the legislation by the two Senators from each of the respective States.

So, Senator Hendrickson and I and Senators Ives and Lehman from New York joined in the legislation. We went over the legislation very carefully with our colleagues; certain suggestions were made. There was one thing in the original draft of the bill which was taken out because it was a little confusing to the Department of Labor. That is the old section 2 in the bill which has now been deleted. So the bill was amended by the Senate in order to clear up these questions. The bill as contained on the first page here—I think these bills are identical in the prints—says that the consent of Congress is hereby given to the compacts set forth below, to all of its terms and provisions and to the carrying out and effectuation of said compact and enactments in furtherance thereof.

Then the compact fills the rest of the document until we get to the very end where the second section of the Senate bill is what was referred to earlier. The right to alter, amend, or repeal this act is hereby expressly reserved.

Now, those two sections are the legislation of the Senate and I assume it would be of the House if you go along with us.

Mr. KEATING. May I ask you—do you mind an interruption at this point?

Senator SMITH. No; I do not mind. I wanted to make it clear to you because of some question about this amendment clause.

Mr. KEATING. Did you have a report from the Secretary of Labor in which he objected to your original section 2? Would you tell us how that came about?

Senator SMITH. He said that in order to have this accurate, this section 2, that it would have to be slightly changed and he suggested a change, but he said his preference would be to leave the section out because he felt that the Department of Labor had full authority to take care of the matters aimed to be covered by which he meant the question of the advancement of funds by the Treasury and so forth. He thought they had full authority to take care of that without specific legislation. So at the request of Secretary Durkin, I asked the group to take section 2 out when we presented it on the floor. We asked that section 2 be eliminated, so that the present section 2 is simply this small paragraph at the very end—the right to alter, amend, or repeal this act is hereby expressly reserved, which, as you, Mr. Chairman, pointed out so accurately, in case changes are made or we find by experience we do not like this, the Congress, your body and our body, can say, the whole thing is wiped out, or we may suggest alterations, and so forth.

That is the status, I think, on the amendment, and it seems to me it is adequate protection for us in the Congress in case there is anything that goes wrong with this compact and it is called to our attention. I may say with regard to keeping track of this that naturally Senator Hendrickson and I in New Jersey have been alerted right

straight along of this terrible condition of the waterfront. Everybody agrees it is not a political question; it is just a bipartisan question; New York has had the same experience and we have tried for years to find some way to deal with this evil. I want to pay the highest tribute to Governor Dewey and Governor Driscoll and their staffs for the wonderful job they have done in dealing with this matter, studying it during the last few years, and finally coming to a conclusion that it could be handled by the cooperation of these two great sovereign States with the approval of the Congress; so the Congress has a hand in it, but let the States carry on their own job, as Governor Driscoll has said, on the local level where we will get the best attention. So I simply want to pay tribute to my colleagues in the Senate who participated in working this thing out there, to Governor Dewey and Governor Driscoll and to Senator Tobey who appeared before you earlier. We asked Senator Tobey whether he could get prompt action and he said, "You give me the bill and I will let you know." We gave it to him on the 14th of July; on the 15th of July he had a special session of his committee. They reported it out. And the next day the bill was passed in the Senate.

It came in Monday and Thursday it was passed because we felt the urgency of what the governors had called to our attention. Governor Dewey said to me that if this is not passed in this session of Congress we will have to go back and have separate legislation dealing with this matter without the machinery set up here for cooperative action. So there was an urge on me, at least, and on my colleagues, Senator Hendrickson and Senators Ives and Lehman, to move as fast as we could in order to help these 2 distinguished governors carry out their responsibility and bring these 2 ports together.

Mr. KEATING. Was the action taken unanimously in the Senate?

Senator SMITH. Absolutely. It went through with a voice vote; not even a request for a rollcall. One or two questions which did not amount to anything. Went right through without a rollcall vote, and the Interstate and Foreign Commerce Committee, Senator Tobey may have reported to you, that they reported it out unanimously from their committee. They felt this was the constructive way to handle it. As we all know, Senator Tobey had been in charge of some of those crime investigations and he was thoroughly familiar with the evils we had to deal with; that is why he put his back right into it and moved right into it, his committee, and reported it out and joined us on the bill.

So I thank you for the opportunity to appear here and just add my word and for my colleague, Senator Hendrickson, to the importance we feel of this legislation.

Mr. KEATING. We appreciate your appearance, Senator.

If there are no questions, thank you very much.

Senator SMITH. Thank you for the opportunity to be here.

I may say that we are working overtime in the Senate. The Senate began this morning at 10 o'clock and I have to be back.

Mr. KEATING. We are doing the same on the House side in an effort to reach an early conclusion of this session.

Senator SMITH. Thank you very much, gentlemen, for the privilege of being with you.

Mr. KEATING. We appreciate your coming, Senator.

We will hear now from Congressman Celler.

STATEMENT OF HON. EMANUEL CELLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. CELLER. Mr. Chairman, members of the committee, I am very happy to note here this morning my dear friend, Judge Proskauer, eminent jurist, lawyer, publicist, humanitarian. I am happy to be associated with him in any cause.

I am very glad to see my good friend, Austin Tobin, most efficient director of the Port of New York Authority, who has rendered a masterful job in that capacity. He is really a veteran in public service.

I likewise wish to pay my respects and applaud the Governors of the States of New Jersey and New York in their endeavor to rid us of this waterfront cancer.

Now, the Senate in 3 days' time passed the Senate bill S. 2383, giving its approval to an interstate compact setting up a bistate agency to control certain pier and waterfront activities of the port of New York (bill S. 2383 was introduced on July 14, reported out on July 15, and passed on July 16). The New York State Legislature passed the compact in less time. It took only 2 days.

I am appearing here this morning to oppose any such hasty approval by this Congress of the compact. This is not to imply that I am and shall remain opposed to this measure. No one believes that crime and corrupt practices and the utter disregard for law and public authority should be permitted to exist.

The prevailing waterfront conditions are vile; in words of common parlance, they stink. Unfortunately, bad cases sometimes make harsh law.

In view of the numerous constitutional and policy questions involved, a measure of such paramount importance as this should have the benefit of most mature and careful study on the part of the members of this committee, on the part of the members of the full Judiciary Committee, on the part of the membership of the House. The provocation for speedy action may be strong, but the need for careful scrutiny of a compact of the magnitude and importance of the one before us is even stronger. We dare not be rushed off our feet. We should not act like nice little animals summoned to jump through a hoop at the crack of anyone's whip.

I share the desire to wipe out gangsterdom and goon squads on the New York waterfront but we must do this with reasoned care.

I may state at the beginning that there is no need for a speedy or hasty decision because both the New York and New Jersey plans as contemplated by this compact contain interim arrangements whereby the two States may separately but cooperatively place the program in operation until such time as congressional approval is obtained.

I read from a public release, apparently issued by the State of New Jersey or maybe it was by both States, called the Interim Agreement.

Since there could be some delay in procuring congressional consent, the statute in each State provides for a single State commission to perform within that State the functions of the bistate commission until congressional approval of the compact is obtained. The bill is so drafted that a single commissioner will be able to function in each State from the time of enactment of the bill.

Section 3 authorizes the commissioners from each State to work in the closest possible cooperation with each other to effectuate the purposes of the act.

The Senate report which accompanied the Senate bill, S. 2383, states that immediate consideration is necessary because separate interim administration is "costly" and would cause unnecessary duplication. No one points out how much more the interim setup would cost or where the unnecessary duplication would arise. It is just a broad, unsubstantiated statement; that is the statement in the senatorial report. The fact of the matter is that the program either under the compact or under separate State plans will not go into effective operation until December of this year in any event.

Mr. KEATING. But the point is that if we do not act before adjournment of this session of Congress, it will be necessary for the two States to set up separate bodies.

Mr. CELLER. Our second session starts in January and since the compact does not go into effect until December, I do not see what that loss of time will engender; at least, it will not engender too much difficulty. However, that may be argued.

If duplication and costly expenses are the big concern, why was not this whole matter placed under the jurisdiction of the Port of New York Authority? It already operates according to Mr. Tobin, the executive director of the port authority, in about 10 percent of the dock and waterfront facilities in the port, mostly in New York. That authority, a going agency, is ideally set up for this task. In fact, Governor Dewey seemed to prefer the Port of New York Authority to the proposed waterfront commission. See the hearings. I hope you gentlemen will read these hearings, this bound yellow-covered document [indicating]. See those hearings, page 15; see the hearings, pages 67 and 68. Neither the Department of Justice nor the Department of Labor have had an opportunity thus far to consider the merits of the issues involved in this bill. In that connection, read the senatorial report (S. Rept. No. 583, 83d Cong., 1st sess.). For that matter, no material has been available for the use and study of the members until a few days ago. My office found it necessary to obtain a copy of this 40-page compact with its many and complicated provisions from the office of the Speaker of the House. For several weeks I endeavored to get a copy of this compact through the secretary of state of New York. I have had no answers whatsoever; so that when Governor Driscoll says that Congress will be apprised, for example, of any changes or amendments that will be effectuated in the compact in the future, I question seriously whether Members of Congress will be suitably and properly and timely enough apprised and made cognizant of these changes.

Furthermore, it is contemplated, in carrying out the provisions of the pact, that there will be created 16 additional employment information centers, 10 in New York, 6 in New Jersey, calling for yearly outlays of Federal funds of from $750,000 to $800,000. The centers would be set up exclusively for waterfront needs. I believe a study should be made to see if present information centers, with a little expansion, could not adequately and for less money perform this function.

Senate Report 583, accompanying S. 2383, states that its "subcommittee heard testimony on the merits of the plan itself." This statement gives the incorrect impression that the subcommitee held hearings on that bill. It did not. It received evidence relating to crime, corrupt practices, and so forth, which exist in the port of New York area just as the New York Crime Commission held hearings. But this is a far cry from considering the question as to what is the

best method or procedure for combating these evil practices, that is, whether a bistate agency is best or whether parallel State agencies or whether State statutory legislation plus a city enforcement bureau is best.

Nor did the Senate subcommittee consider any of the constitutional and policy issues involved in this compact. For instance, it did not consider the delegation of discretionary power by the States of New York and New Jersey to a bistate agency without setting up guides or controls to govern it in the exercise of those powers under the compact. Article V, on page 12 of the compact, for example, disqualifies applicants for licenses as pier superintendents if ever convicted of any one of certain specified crimes. However, on a showing of 5 years' good behavior it permits the commission, in its discretion, to remove this disability. In other words, even after the submission of satisfactory evidence showing 5 years' of good behavior, the commission without any reason but purely in its discretion may continue the disqualification.

Only a year or so ago the New York Court of Appeals on this very constitutional issue held that such a broad delegation of power without guides, without controls, is unconstitutional. I cite the case of *Fink* v. *The Jockey Club* (302 N. Y. 216). In that case, the New York Legislature empowered the Jockey Club, a private corporation to grant or refuse licenses, "at their (the Jockey Club's) discretion" to jockeys, trainers, and racehorse owners. While holding that the State could not delegate its legislative powers to a private corporation, the court pointed out that the statute, in any event, would have to be stricken down for lack of guides and proper standards. I have the opinion of the court here before me, and I will read a descriptive paragraph (302 N. Y. 216, 225):

> Even if the legislature's power to license had been delegated to a governmental agency, the statute now challenged would have to be stricken down for lack of guides and proper standards.

The court of appeals cites as authority for this proposition *Packer Collegiate Institute* v. *University of the State of New York* (28 N. Y. 184, 191–2; 81 N. E. 2d 80, 82); *Matter of Small* v. *Moss* (279 N. Y. 288, 299, 18 N. E. 2d 281, 285).

In addition, the compact contains language in various places to the effect that no dock worker will be permitted to register (and therefore work) who, in the judgment of the commission, will be a danger to "public peace, safety, and welfare."

What does "public peace, safety, and welfare" mean? Who is to define these terms? An overdiligent or even hostile labor leader, for instance, might be the victim of such a finding by the commission.

What provision is there in the compact that will insure the fact that once the commission has set up certain standards it will not change or alter or modify those standards to meet a particular situation? In this connection it should be remembered that, under article II, the rules and regulations promulgated by the commission are automatically part of the compact.

Furthermore, article IV gives the commission general powers to make rules and regulations, issue subpenas, administer oaths, compel attendance of witnesses, to administer and enforce the provisions of the compact. Which police force is going to be employed and if it is a city force, who is to pay for the expenses of that force?

Under article IV, paragraph 13, the commission is to report and make recommendations annually to the Governors. Since it is dealing in interstate and foreign commerce problems, why not have it also report to the Interstate Commerce Commission or our Federal Departments of State and Commerce?

Article IV, paragraph 9, page 10, permits entry and inspection at all times to piers and other places and no person may interfere with this entry or inspection in any way. Are not constitutional safeguards being violated thereby? Must not entry and inspection be at reasonable times (and have the statutes so state) and must not warrants be issued by courts before search where there is reason to believe that crime is being committed?

Language of this paragraph, paragraph 9, page 10, is too indefinite and vague. Its legality is doubtful.

Then there is the grave constitutional question of laying duty on tonnage. The Federal Constitution, article I, section 10, clause 3), reads as follows:

> No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

Thus the Federal Constitution prohibits States from laying any duty of tonnage on ships (a monetary charge upon vessels according to tonnage for entering or leaving a port). Yet, by levying assessments and other charges on shipowners and the shipping industry (art. XIII, p. 40 of the compact) the proposed agency may well be accomplishing by indirection that which the Constitution directly forbids.

Mr. KEATING. That is based on tonnage? Is there a levy in this bill based on tonnage?

Mr. CELLER. I do not know, and just let me finish my statement.

Because of the shortness of time I have made only a passing study of this question; yet I pose the question, and I believe it should be looked into most carefully by this committee.

Another constitutional question involves property rights, the deprivation of one's property interests. It so happens that New York City, unless otherwise privately owned by individuals and corporations and so forth, owns all of the waterfront lands in the city area.

Mr. PROSKAUER. Oh, no.

Mr. CELLER. Pretty much so. If there are any exceptions you point them out, Judge.

The city has made tremendous investments and developments with relation to its dockage, wharfage, and ferriage. There is a serious question as to whether the State may deprive the city of New York of its control over its piers and waterfronts.

In addition, since the city in order to develop its waterfront issued bonds and as security pledged the waterfront property, the question not only involves the rights of the city itself but also the rights of individuals who hold these municipal securities.

Again, the time did not permit a mature research with regard to this question. I do not want to be dogmatic on it. I think the committee, through its staff, should carefully review the situation.

Article III of the compact; that article creates a commission consisting of two members appointed by the respective governors. Why not elect those officials and make them truly representative?

Mr. Austin J. Tobin, executive director of the Port of New York Authority, a man who would certainly be in a position to know, advocated at the hearing before Governor Dewey that the commissioners be elected officials. See the Governor's hearings, page 15.

Mr. KEATING. Is not all that a matter for the State legislatures to pass on?

Mr. CELLER. On the other hand, we are passing on this compact and therefore we have a right to comment on it and do whatever we may reasonably think proper in the premises.

Mr. KEATING. We have a right to comment but we certainly should not substitute our judgment for the findings of the State legislatures.

Mr. CELLER. I question the chairman on that. Suppose a State would offer a compact which would be palpably unconstitutional. We certainly have to exercise our judgment.

Mr. KEATING. I think we have our constitutional obligations. I agree with you on that. The point I make is that in your philosophy, which may be different from Governor Driscoll's or mine, from any point of view the Congress of the United States should not try to superimpose its will upon the States as to what should be in the compact.

Mr. CELLER. That raises the question as to why the Founding Fathers put a provision in the Constitution that no State can make a compact without the consent of Congress. That implies, in my humble opinion, a very careful study of the compact itself and if the compact violates certain canons of law or detrimentally affects the economic conditions of an area, or lessens the social gains acquired over the years or violates public decency or morals or whatever things that may be reprehensible, certainly Congress would never give its consent.

Mr. KEATING. I think that might be true. This is an effort to establish morals where none exist now.

Mr. CELLER. A very distinguished chairman of one of our standing committees, the Committee on Interstate and Foreign Commerce, had this to say in the Congressional Record on May 13, and I refer to the statement of our distinguished Representative from New Jersey, Representative Charles A. Wolverton, chairman of the House Committee on Interstate and Foreign Commerce:

> It can be also readily realized that bodies such as these—

meaning by "these" bi-State agencies—

> that are not directly responsible to the people because their board of directors or the commissioners who compose the governing body are not elected officials; that care must be exercised that such authorities do not become extravagant and wasteful of the funds that come into their possession or careless of the best interests of the people.

Mr. KEATING. You are not indicating that Congressman Wolverton is opposed to the improvement of this situation?

Mr. CELLER. I do not know, but I would suggest that the committee very carefully read Representative Wolverton's remarks in the appendix of the Record on May 13 on this entire question.

I am not married to the idea of elected officials. I simply make passing comment. While some may say that elective officials may become the objects of political influence, the same may also be said of appointed officials. Experience and history have shown, however, that the best method under our system of government is the elective one. In that regard see the opinions expressed at Governor Dewey's hearings on page 15.

Why not have a representative of labor or a representative of management on the Commission? See the hearings, p. 68. Mr. Frank Hogan, distinguished district attorney in New York, thinks that such a representation will keep the States' interfering with the bargaining rights of labor and management to a minimum. I do not necessarily agree with Mr. Hogan. I simply pose this question. New York is an international mart. Commercially it is the world's capital; more foreign tonnage passes through New York's waterfront than through any other port of the world. Why should not some official be appointed to the Commission who will be directly responsible to the President, the person in our Federal Government charged with the duty of controlling our foreign policy which is indissolubly tied up with our foreign commerce?

There are to be two members to this commission. Suppose they do not agree. Their action must, under the compact, be unanimous. I pose that question for your consideration.

What civil service provision does the compact contain for employees? There are no estimates of the personnel to be employed. What veterans' preference provisions are there?

In all branches of Federal-State-county and municipal government there are numerous laws extending job preferences to veterans. The commission apparently will not be subject to these civil service and veterans' preference requirements. And in building up its staff it may well be entirely free from all of the State legislative regulations designed to insure that the maintenance of the merit system will continue in public employment.

Again, I leave that for the reflection of the members of this distinguished committee.

Another article, article VII, page 24—and this is most important—abolishes the occupation of public loading. There may well be a substantial constitutional question involved here, for it is one thing to restrict or place qualifications upon a job and still another to wipe out completely a whole occupation. It could possibly be considered deprivation of one's livelihood. I believe Governor Dewey voiced that same fear and stated—see the hearings, page 99, the hearings pages 71, 72, and 73—that it was "a delicate question" indeed.

Let me read what my distinguished friend for whom I have a most affectionate regard and upon whom I am always happy to place an accolade of distinction said in that regard.

Mr. KEATING. Judge Proskauer?

Mr. CELLER. Judge Proskauer. [Reading:]

> that they should be abolished?—

meaning the public loaders—

> Our theory was that we know of no legal process by which a statute could be passed making public loaders illegal, and I don't know, if you will permit me to say so, how the legislature can pass a statute forbidding public loading. There is nothing essentially immoral or wrong about public loading.

Governor Dewey's hearings, pages 71–72.

It might be argued that the legislature could declare illegal, say, prostitution, but prostitution is inherently, basically immoral and the legislature would have that right. But it is questionable whether the legislature would have the right to declare an occupation like public loading illegal.

Judge Proskauer goes on to say as follows:

> The wrong and the immorality is in the abuses of extortion and the other things that you have very eloquently referred to. That is why we thought that we had gone very far to meet the evils of public loading, by requiring licenses which would see to it that these crooks were no longer allowed to exercise the functions of a public loader, but that by licensing process we would permit public loading by decent people who didn't have criminal records and who were not extortionists.

And on the next page of the hearings (p. 73) we find this language of the distinguished jurist, Judge Proskauer:

> I think that the recommendation would be unreasonable and I think it is utterly unreasonable. I think no court would ever say it was reasonable, arbitrarily to say that a public loader—much as I loath these particular public loaders—that a public loader is ipso facto contrary to public policy.
>
> And my second answer to you is that factually, that isn't so. The testimony of the shipping people is that at times they need honest public loaders.

Article VIII, page 26, relates to the qualifications and registration of longshoremen. Applicant must give certain facts about himself and "such further facts" as the commission may prescribe. (P. 26, lines 21–22.)

Can the commission ask the applicant for his racial or religious background? Remember this: New York and New Jersey have fair-employment-practices commissions. Is the commission to be subject to the provisions of the New York and New Jersey State FEPC's? There is no mention of these laws in the convention.

The commission also "may in its discretion deny" registration to applicants who have been convicted of crimes (P. 27, line 1.) This can be interpreted to mean that the commission can choose between criminals.

Article IX, page 29, permits the commission to purge the register of longshoremen periodically. That is, the commission sets up a minimum number of days a man must work in order to stay on the register. Any person failing to meet these requirements has his name stricken from the register and cannot reapply for 1 year. This leaves the longshoremen at the mercy of the shipping company who does the hiring. Soon you may have only "company men" as longshoremen. Thus a company has the power of not hiring a man often enough with the idea of having him summarily dropped from the register. This makes veritable slaves of the dockworker. He can only earn his living by catering to the whim and the caprice of the company.

You might ask why I stick my nose into these labor details. Remember, we are asked to approve this compact and all its labor provisions, some of which may well be contrary in principle to our Federal labor laws, notably the Taft-Hartley Act. Such approval may come back to plague us.

I have consulted with no one connected with any labor organization. I speak on my own. I want that distinctly understood when I speak of these labor provisions.

Article XI, page 34, relates to "hearings" and "court review" proceedings. These provisions may have undesirable aspects not found

in the Federal Administrative Procedure Act. Suppose the commission, for example, decides to deny an applicant a license. The applicant must come back before the same commission and try to make out a case. It may be that a provision similar to the separate and independent hearing examiner sections of our Administrative Procedure Act would better suit the needs involved here. At least the problem should be given thorough study. In the compact, the commissioner sits as judge, jury, and prosecutor.

I might also point out that the hearings and court-review provisions of this compact permits the applicant, where a license has been denied, revoked, or suspended, a judicial review. (P. 37, lines 3 to 17, inclusive.) In so doing, however, it only authorizes the courts to stay the commission's action for 30 days. Think of that. Only for 30 days has the court the right to stay action. Offhand, I see no reason why the court should be limited to 30 days. To say the least, that is most unusual.

Another important provision which I think deserves the close scrutiny of this committee is found in article XVI, page 44, line 20, and relates to amendments. I have referred to that before in my catechising of the Governor. It provides that the States of New York and New Jersey by their concurrent action may amend or supplement this compact without further congressional approval. This is, of course, a very broad grant of power and leaves the door open to many substantial changes to the compact without congressional knowledge. To my mind, it is just like buying a pig in a poke. In any event, the right of amendment should not be untrammeled. There has been a growing tendency during the past few years to create so-called port authorities for every conceivable matter which has a relationship to port or community enterprises. The time is ripe, it seems to me, for Congress before approving any more of these pacts to make a thorough examination into this fast-growing field of interstate compacts which has the effect of siphoning off power from the local communities and making municipalities impotent satellites. Interstate compacts should only be used when the evils or contingencies to be dealt with are beyond the limited powers of the States concerned.

Testimony at Governor Dewey's hearings indicated that other large ports, such as Baltimore and Philadelphia, are not crime laden. This fact indicates to me that the problem in New York is a local condition which may well be taken care of by State and local authorities and not by interstate compacts.

Of course, the remedy is to throw out the rascals who may be responsible and who are in governmental positions. The public must be aroused from their lethargy. The remedy is really the ballot. If the elected officials with their officers and their police officers are derelict, out they should go. It seems anomalous that those who have made loud cries against Federal centralization are now willing to drain off the powers from the cities in New York and New Jersey and centralize them into a superstate government.

Governor Dewey held 2 days of hearings seeking to determine the best feasible method for taking care of the problem of crime and corrupt practices along the waterfront and, with the exception of the district attorney of New York County, the distinguished gentleman, Mr. Hogan, not one witness specifically recommended the bistate compact. I should state in all fairness, however, that once the subject of

a bistate pact had been first suggested by Governor Dewey at the hearings there were many who agreed that it might be a good idea. His own State crime commission, presided over by the distinguished jurist, Judge Proskauer, after 19 months of investigation, made no such recommendation. It recommended instead a State agency.

Mr. KEATING. You mean the city administration in New York opposed the compact?

Mr. CELLER. The city administration? I do not know.

Mr. KEATING. Did they take the position, to your knowledge, that their powers were being interfered with?

Mr. CELLER. I do not know. I did not make inquiry of the city authorities.

Congressman Charles A. Wolverton, of New Jersey, the chairman of the House Interstate and Foreign Commerce Committee, only 2 months ago—and I again refer to that article, that speech of his in the Congressional Record, May 13, 1953—asked for a study and examination by the Congress into this rapidly growing field of interstate compacts. He believes that there is a serious question of whether bistate commissions created pursuant to compacts are staying within the scope of their authority as approved by the Congress.

In 1922, for example, there was created the present Port of New York Authority. This authority was to construct and operate terminal and transportation facilities and to plan and develop the port of New York. Let me tell you briefly, however, of one of the fields into which that authority has expanded. I do not want to be critical of the Port Authority of New York. It has done a splendid job. But nonetheless I think it has gone pretty far afield in some of its activities.

Mr. KEATING. We had a hearing on that—I think the gentleman now speaking presided at that hearing—where a bill was put in withdrawing the consent of Congress to the creation of the New York Port Authority.

Mr. CELLER. Of course, that was a most improvident proposal and I might say I squashed it.

Mr. KEATING. That is true. I was glad to join with the gentleman.

Mr. CELLER. I think you did a splendid job in cooperation.

Without being critical of the Port of New York Authority, it has now representatives in Brazil, the Scandinavian countries, in Chicago, and other cities soliciting shippers and seeking to divert commercial traffic away from other ports in the United States, such as New Orleans, Baltimore, Philadelphia, and other cities. See Governor Dewey's hearings, page 11.

Mr. KEATING. That includes Buffalo, I suppose?

Mr. CELLER. I presume it does. I wonder if the Congress, especially the Congressmen from those other large seaport cities contemplated this action by the Port of New York Authority when they consented to that compact.

In addition, the port authority recently opposed freight rates on the Mississippi River. This certainly appears to be beyond the framework of its compact. It has also opposed development of the St. Lawrence seaway. I do not know whether they still adhere to that opposition; I am not sure.

Mr. KEATING. Where do they stand on the Niagara River power bill?

Mr. CELLER. I do not know. Mr. Tobin is here; you might interrogate him.

Now, I singled out the New York Port Authority as an example only because this committee held hearings on the Port of New York Authority last year and the information to which I related was readily available to me. I used it only to point up the fact that I believe Congress should be cautious and slow in approving tremendous grants of power to bistate agencies.

I also think the committee should know and understand all of the provisions of these compacts as well as their ramifications upon the economic and other conditions of the communities in which they will be situated.

One last thing: All compacts should have one provision which this bill does not contain at the moment. It is a provision calling for a revision or termination date of the compact after a reasonable period. This will permit assessment of the work accomplished and the experience gained under the pact. The New York State commission and others, such as the district attorney of New York County, are of the opinion that none of the remedial legislation which they recommended should be permanent. See Governor Dewey's hearings, pages 6, 71, and 120. Therefore, I commend for your consideration whether or not you should put some terminus date here. I do not know whether you have the right to do that. That is, it might be deemed changing the compact. I do not know. But that should be a matter for your careful scrutiny.

Mr. KEATING. I suppose perhaps we would have the power, if we saw fit, to approve the compact for a period of 10 years or a specific period.

Mr. CELLER. I am inclined to agree with you on that. But, I say, you know and the members of the committee know our multifarious duties. We have been engaged in so many activities that it has been rather difficult to wrestle with this problem adequately, and I give you more or less offhand opinions this morning because I only tried to tackle this a day or two ago. I worked all last night on it—maybe my work is in vain. I hope not.

Mr. KEATING. The gentleman issued a press release last week in which he raised a lot of these points.

Mr. CELLER. That was correct, but that press release was on cursory examination of the compact, which I said before I was only able to get after very painstaking efforts.

I may in conclusion repeat and state that this statement of mine is not to imply that I am directly opposed to this measure. I am only against its immediate approval without a thorough and mature study of its provisions. It has not been my purpose to be captious or unduly critical. This compact has many rough edges that should have been smoothed over. Nor is there any need for hasty action here, I repeat, since the States' plans have interim arrangements whereby the two States may separately but cooperatively place the program into operation until such time as congressional approval is obtained. Separate bills were passed by each legislature to set up, be it remembered, a single State commission.

Thank you very much.

Mr. KEATING. Most of the questions that you have raised with reference to the details of the compact seem to me to have been re-

solved by the State legislatures. I can conceive of provisions in a compact so severe or so improper that they should lead to a refusal to approve the compact. I agree with you that any constitutional matters should be considered by the Congress. But, in general, it seems to me that this is a matter for the legislatures of the respective States to handle, which they have done in this case in most convincing and overwhelming fashion. It does not seem to me that the Congress of the United States should superimpose its judgment as to what should have gone in the compacts, even though if you and I were writing them anew we might write them in some different manner.

Mr. CELLER. Your conception is that Congress is a mere rubber stamp.

Mr. KEATING. That is your conclusion of my conception.

Mr. CELLER. I can conceive of no other conclusion, that we would have to accept everything the State hands us and then I think you would nullify the purpose of the Founding Fathers when they prescribed the need for us, as a condition precedent to the effectuation of State compacts, to give our approval. Why hold these hearings at all?

Mr. KEATING. Your conception of the Founding Fathers is that they thought the Congress should do everything. I think they recognized the existence of States and that matters within a State should be handled by the State.

Mr. CELLER. I have been on this committee a very long period of time. I have been on this committee almost two and a half decades.

Mr. KEATING. That is right.

Mr. CELLER. I have passed upon many State compacts. In every instance, we went into the very bowels of the State compacts. We did not merely touch the periphery. We examined the efficacy of every one of its provisions. It is true we have never had a compact which was of such magnitude or contained 40 pages before. They were usually short compacts that did not require too long and drawn-out hearings. But we did go into the factors and provisions of every one of those compacts.

Mr. KEATING. Have you ever had a compact where there were emergent conditions of evil commensurate with those in this case?

Mr. CELLER. That is all the more reason why we must be careful and not be rushed off our feet because we might get a bit emotional and endeavor to rip out those evils—and I want to rip them out as much as you do or as much as anybody does—we might have our mature judgments affected.

Mr. KEATING. I am sure the gentleman is as anxious as anyone else to eradicate these evil conditions. It strikes me that that is the first matter which should concern us. True, we should cooperate with these States in their endeavor to do that which, in my judgment, is commendable, bearing in mind, of course, the necessity that we approve nothing which is palpably unconstitutional or is palpably wrong—inherently wrong. But on the other hand, just because you or I, in writing a compact, would put in some other provision or change in place of an existing provision here, does not seem to me any ground for us to refuse to approve this compact. If we do not act now in this session of Congress, I can conceive of very serious administrative difficulties which both of these States will encounter if they have to

set up separate commissions, later dissolve those, and then have the work taken over by a combined body. It just does not make any sense to me.

Mr. CELLER. I do not agree with the gentleman. I respectfully differ with him. Those commissions would be set up and they would be practically the same as the bistate commission. They would simply fuse. However, you certainly are not going to approve this compact without carefully scrutinizing that provision.

For example, to give you only one of many, the provisions concerning public loaders which has merited the very firm and vigorous opposition of the eminent Judge Proskauer who says it is illegal and cannot be done——

Mr. KEATING. We are going to hear Judge Proskauer.

Mr. CELLER. That gives you, among many other reasons, why you have to examine into the context of this compact. If we willy nilly accept the compact we would be accepting what I think and Judge Proskauer thinks is illegal. You do not want to do that.

Mr. KEATING. We certainly will not. Nor will we contribute to existing illegal and criminal conditions on the waterfront.

Mr. FINE. I would like to ask you this: When you are dealing with this bi-State commission, do you take the position that the local legislators must apply the laws of the Federal Government in adopting legislation providing for the conduct of that commission?

Mr. CELLER. I do not know how to answer that. I am a little dubious about it. I hope your committee will go into that. I do not know.

Mr. FINE. Would the employees of the commission be employees of the Federal Government or would they be employees of the State of New York or the employees of the State of New Jersey?

Mr. CELLER. No, they would be employees of neither. They would be employees of the bi-State commission.

Mr. FINE. Subject to what laws?

Mr. CELLER. I do not know.

Mr. CRUMPACKER. Did I understand that part of your opposition to this was based on the feeling that the evil complained of is a matter which should be dealt with by the States and that this was an undue interference with the function of the States?

Mr. CELLER. I do not want to take that position. I will say this to my colleague: I would like to take the position that, I would prefer the position that the State commissions could handle this. If the State commissions are found not to be able to handle it and our only recourse is to a bi-State commission, well and good, have a bi-State commission, but only as a last resort. I do not think we should set up these commissions. We have set up too many of them. I think we should be watchful of them. I would rather let the State handle the situation. That is what the State Crime Commission of New York recommended. They certainly must have considered some sort of a superstate authority and they negated it. They said, "Let us do it; let the State do it." They went into the matter for months. How many months was it? Nineteen months.

Mr. PROSKAUER. Seemed like 29.

Mr. CELLER. There you have it.

Mr. CRUMPACKER. But it is not your contention or conception that we, that is, the Congress, are setting this up? It is the States that are setting it up; is it not?

Mr. CELLER. The States should set it up. Congress should not interfere in that regard.

Mr. CRUMPACKER. Since the States themselves are taking the initiative and taking this action, is it for us to determine whether it is appropriate for them to do so?

Mr. CELLER. I have great respect for the knowledge and experience and the ability of Governor Driscoll and Governor Dewey, but all wisdom does not reside in Governor Driscoll and Governor Dewey. We have something to say about it. They are not the last word; nor is the legislature the last word.

Mr. KEATING. They would not be here if they were the last word.

Governor DRISCOLL. Mr. Chairman, if you will indulge me for a moment, I should like to return to Trenton if you do not need me any further. However, I would like to add one statement to my testimony to the effect that the Port of New York Authority, particularly the staff of that great authority, were most helpful in drafting the legislation.

Mr. PROSKAUER. Yes.

Governor DRISCOLL. Without their help I doubt if we would be here today. They were, as always, informative, intelligent, and cooperative.

Secondly, I would like to leave with you this thought. It is true that while the legislatures—and, Congressman Celler, I insist that a good bit of the knowledge and wisdom does repose in the Legislature of the State of New Jersey—did provide for a separate agency, in my very considered judgment it will be almost impossible for the separate agencies to accomplish the declaration of policy established by the two States. It would be costly. Once an agency is established it will be difficult to merge it with the agency in the sister State. We will be immeasurably handicapped getting at the root of the evil if we must proceed on a piecemeal basis. I make that statement after a great many years engaged in the serious business of governmental reorganization. Sometimes to think you can do it on a piecemeal basis may seem to have advantages, but by and large we had better get at this action quickly on an interstate basis.

Then finally, in answer to a question by Congressman Fine, I think I misconstrued his question just a bit. It is not the purpose of the compact to take away any of the police power of the individual municipalities and cities that constitute the port district. We must continue to rely upon the police and other law-enforcement agencies in those agencies as heretofore. They constitute our first line of defense. But the testimony in New Jersey clearly demonstrated that those police authorities were anxious to have an agency establish rules and regulations including the right to register and so forth which would make it easier for us to clean out the rats on the waterfront, so they could go about their normal police activities in a normal way.

Mr. FINE. May I say to you, Governor, that by my questions I do not mean to indicate how I feel on this. I just want to get some information.

Can this commission sue and be sued? Where?

Governor DRISCOLL. The commission is an agency of the States of New York and New Jersey. In that respect it is not any different from any other governmental agency subject to the same restrictions and with the same opportunities that other governmental agencies have, just like the port authority.

Mr. FINE. But the employees of the port authority, for example, are considered employees within the State of New York rather than employees of——

Governor DRISCOLL. The employees in the case of the Port of New York Authority are employees of an agency of the two States. They work for the Port of New York Authority. Provision has been made in the laws of the two States with respect to various matters including civil-service status or tenure and so forth. I might say, Congressman Fine, and particularly to my friend, Congressman Celler, that we can be reasonably assured that an agency of the 2 States that have 2 of the best civil-service systems in the country, with similar provision for civil service in both States in the constitutions, that that agency will take adequate care of its employees and that the policies of the 2 States, including FEPC, will be the policy of their agency.

Mr. CELLER. May I ask one question there?

Governor DRISCOLL. Surely.

Mr. CELLER. Is there anything in the compact that requires that?

Governor DRISCOLL. The compact obviously does not try to cover all the details of administration. We found that policies frequently carry greater weight than laws; but one of the reasons why provision was made for amendment was to cover just such contingencies as you have indicated. Now I must relinquish my place to Judge Proskauer who is an expert on the law and I am sure can cover all these points much better than I can.

Mr. KEATING. Just a moment. Are there any questions?

Mr. FINE. I just wanted to get one thing clear. Take the employees of the port authority. Are they appointed from civil-service lists now?

Do you employ them from the civil-service list or the municipal-service list promulgated by the municipal-service commission in New York and from a similar list in the State of New Jersey? I would like to get that clear.

Governor DRISCOLL. Mr. Tobin of the Port of New York Authority is here and can answer that question much better than I can, but they are appointed from a list established by the port authority and our own civil service commission would prefer it that way.

Mr. FINE. Jurisdiction for conducting examinations and promulgating lists lies with the authority?

Governor DRISCOLL. They conduct their own examinations, establish their own policies with respect to employment. We believe that is as it should be, and we have had no complaint from our own civil-service employees.

Mr. KEATING. We have with us our distinguished colleague, Representative Edward J. Hart. Do you care to be heard at this time?

Mr. HART. I had intended to but in view of the presence of Judge Proskauer and other gentlemen who said they would like to testify I am willing to relinquish my time, the time I might have wished to take.

Mr. KEATING. Are there any other Members of Congress who desire to be heard?

Judge Proskauer, we are grateful to you for being here and we are cognizant of the distinguished service which you have rendered as chairman of the New York State Crime Commission. I am very anxious to hear your views regarding this legislation.

STATEMENT OF JUDGE JOSEPH M. PROSKAUER, CHAIRMAN, NEW YORK STATE CRIME COMMISSION

Judge PROSKAUER. Mr. Chairman, perhaps you will permit me a personal word of deep appreciation to the members of this committee, Senator Tobey, to my dear friend Mr. Manny Celler, and to all others who have spoken so kindly of me and my associates.

One of my deepest regrets is that the vice chairman of my commission, Ignatius Wilkinson, the dean of the Fordham Law School, was taken away by death a few weeks ago. His presence here would be a tremendous aid to this committee. When I speak, I am sure I speak with his voice as well as my own.

There is an old saying: Old men for counsel and young men for action. I am worried about Manny Celler. I always thought of him as a young man until today; and today I see him joining the ranks of those do-gooders who, seeking a counsel of perfection, stand as obstacles to the accomplishment of great public goods. I feel an obligation to take up in some detail this mass of peccadillos—and I use the word advisedly—that he has raised.

The attempts has been made here to paint a picture of young men like me rushing everybody off their feet. We studied this thing for 19 months. We took 6,000 pages of testimony in private hearing. We conducted public hearings that lasted some 20 days. We took 4,000 pages of testimony, 619 exhibits, and had 81 audits by skilled accountants of the books of steamship companies, stevedoring companies, and labor unions. I do not wish to pile Pelion on Ossa, but I do not want to leave unsaid that this talk—and I am quoting my dear friend, Celler—about the waterfront being a "stink" and a "stench in the nostrils of decent men" is no longer mere newspaper phrasing. This testimony is summarized in this fourth report of ours, which will be presented to you, and I should like to have the report received in evidence, with your permission, Mr. Chairman——

Mr. KEATING. It will be received as a part of our record.

(The Fourth Report of the New York Crime Commission (port of New York waterfront) to the Governor, the attorney general, and the Legislature of the State of New York, dated May 20, 1953, is printed in full in the appendix, pp. 165 to 204, infra.)

Judge PROSKAUER. While we are about it, may we also have marked the 2-day hearing on the report which was held by Governor Dewey on June 8 and 9, 1953.

Mr. KEATING. They are received also.

(Printed copies of the Record of the Public Hearings Held by Governor Thomas E. Dewey on the Recommendations of the New York State Crime Commission for Remedying Conditions on the Waterfront of the Port of New York, June 8 and 9, 1953, are in the files of the Committee on the Judiciary.)

Judge PROSKAUER. For the first time in the 50 years that murder and extortion and enslavement of longshoremen and corruption and every form of vice that could prey upon the public and upon the longshoremen whose cause was as dear to us as anything else in the picture, for the first time by legal evidence that picture has been developed.

Hurry?

We did not hurry over those long days and weeks and months. We investigated patiently and we took to our hearts as counselors many like Father Corridan who has given his life to the cause of these longshoremen, and he is here to plead for your favorable action. And men like Austin Tobin, of the Port of New York Authority, and his associate, Walter Hedden, who was their waterfront authority; we called for the advice and suggestions of every public body: the chamber of commerce, the Commerce and Industry Association, the Shipping Association, and out of that came what?

We do not have to go to the presentment of the Jersey grand jury to which Governor Driscoll so eloquently referred. You take that record of the testimony that was sufficient to eradicate all partisanship in the States of New York and New Jersey and caused the New York Legislature by unanimous vote to approve this bill and this compact and a New Jersey Legislature by an almost unanimous vote—I think there was one dissent, if I mistake not—to do likewise. Democrats and Republicans, prolabor and antilabor, and men of every walk of life lined themselves up behind this bill.

Mr. FINE. Judge, I wanted to ask you: there were attempts, of course, in the State legislature in New York to amend the bill. While it was passed unanimously, there were amendments offered which were defeated, is that not so?

Judge PROSKAUER. That is right; but the men who offered the amendments voted for the bill.

Mr. FINE. Finally.

Judge PROSKAUER. Certainly.

Mr. FINE. When their amendments failed of passage.

Judge PROSKAUER. They voted for the bill. Let me be perfectly blunt. This is not a product of any one man's mind. When my friend does me the honor to say that he is relying on me to say that I would have preferred a somewhat different phraseology with respect to certain phases of this bill, this was the kind of thing that yielded to patriotic unanimity. I will give you an example in point.

He [pointing to Mr. Celler] talks about the city of New York. He was mistaken when he said the city of New York owned all the waterfront. The city of New York owns the waterfront practically entirely on the Hudson River in New York City. It owns only a very small number of piers, if any—I do not know whether there are any in Brooklyn——

Mr. TOBIN. A couple, Judge.

Judge PROSKAUER. But generally speaking, the whole Brooklyn waterfront is privately owned.

Mr. CELLER. I did not say it owned all. I said there were exceptions of private ownership.

Judge PROSKAUER. Very good. I misunderstood you. Peccavi—I have sinned.

But he says we were going to interfere with the property of the city of New York. There is nothing in this bill which deals with

property rights. We sedulously stayed apart from that. This is a regulating and policing bill; and to illustrate the fortuity of that kind of 11th-hour criticism, I will take the testimony of Commissioner Cavanaugh, the commissioner of marine and transportation of the city of New York.

* * * since when you get started you must get started right with a bistate agency, and then it's going to take time—I wonder—in fact, I go beyond that—I recommend it.

So the city of New York whose cause melts the heart of my old, old, aged friend, Celler, comes in and says, thank you, Congressman.

Mr. CELLER. I said I knew nothing about the attitude of the city of New York.

Judge PROSKAUER. Of course you don't; you don't know about a great many things, if you will permit me to say so.

Mr. CELLER. I think that that is mutual.

Judge PROSKAUER. That may be; but at least I have studied it. I have not come up here and made statements that I cannot substantiate and I substantiate my statement that the city of New York at these public hearings through its commissioner approved this bistate agency.

That leads me to take up some of these things that are troubling my dear friend, Celler.

There is no counsel of perfection. We cannot ask you to regard this as perfection. That is why in the compact we reserve the right of amendment by mutual action of the legislatures, and why? To give Congress a check to be sure that those amendments would not transgress Federal policy. The bill which you are asked to approve reserves the right to alter, repeal, or amend; and on this hot day I do not think I should seriously take your time to argue on the omission from this bill that the reports are to be sent to the Congress. If any amendment to this compact is made, it has got to be made by joint legislative actions of the legislatures of two great States and I do not attribute to Congress or its Members such a complete loathing of all newspaper reports as to believe that they would not be fully informed if the legislatures of two great States were to pass an amendment to this compact.

Mr. KEATING. We appreciate that tribute to the Congress.

Judge PROSKAUER. It was only a modified tribute and not nearly such a glowing one as I could pay if you egged me on to it, Mr. Chairman.

Let me take up some of these other things.

He is deeply troubled by the fact that the legislature delegates a power of licensing to a bistate agency or to a State agency—an official agency, mind you.

We license plumbers; we license barbers; we license private detectives; all through is the delegation of a power of licensing to some agency. And what does he come up with? He throws the book at me. This case in which our court of appeals said that the legislature had no right to delegate that power to the Jockey Club, which was not a State agency but a private organization. I have law business with Celler. He is a better lawyer than that; and his defense is that he did not have time to study this. But why bring up a silly thing like that, if you don't mind my talking as if we were lunching together? "Waterfront cancer" was the phrase he used and he wants to pour rose

water on that cancer. Then he comes and says, "Why do you need another agency? You have got the port authority." That is a great precedent for you to act quickly here. You approved the compacts which approved the port authority, and it has done a marvelous job and is here backing us up to the limit as it backed us up to the limit at every stage of our work. My original idea was just as foolish as that. It was to give this power to the port authority, until Mr. Hedden and Mr. Tobin pointed out to me that they were an agency that owned and operated piers; that they were a party in interest, and that the power of police regulation should not be given to them any more than it should be given to any other pier owner. There was a conflict and he convinced—Tobin, he is a very convincing man—he convinced me and he convinced the Governor that that suggestion which Congressman Celler makes should be thrown out.

We come to his appraisal of changes. That is another aspect of this power of amendment. We struggled, may it please the committee, as no dedicated group of public servants ever struggled before, to find some way out of this morass that did not call for any kind of governmental interference. And it is our hope and our prayer that after a few years of this Government regulation we can clean out the Ryans—the head of this so-called union, who mulcted over $200,000 in the space of a few years and used its funds to pay his golf bills and his own personal expenses—and Florio and this gang of organizers that he put in; and these hiring bosses—I think the figures show 27 of them—convicted criminals; and these public loaders who, in defiance of the agreement that every pier operator was to pick his own public loader, used, according to the evidence, the device of the quickie strike, so that the testimony shows that with 1 or 2 rare exceptions every so-called public loader was imposed on the pier operated by this so-called union gag.

Is it any wonder that when George Meany, the head of the American Federation of Labor, came to testify at the Governor's public hearing he said, "I hold no brief for the union in this case. I cannot find anything here resembling legitimate trade-union activities."

And are we to dawdle and linger and delay and wait while this gang is still in power? While it operates and when two State legislatures with substantial unanimity and unanimous vote of the United States Senate set a precedent for you to liberate the people of New York and New Jersey in the port of New York, and, yes, this Government—because the record, Senator Tobey can tell you, is not barren of interference by these scoundrels with the operations of the Army—we are to dawdle and delay because the seeker for perfection thinks he could do a better job if he would wait. We have been waiting for 50 years for this day of freedom.

Disqualification of a crook, the right to remove his disqualification after 5 years. Well, really, gentlemen, what is the matter with that? We do not say that a man who has paid his penalty to society should not work. We do say that there is a presumption that he should not be a hiring boss, a murderer, a rapist, an extortioner. That is the character of crime these men have been guilty of. A hiring boss put there by the concerted action of this gang. To do what? To hold in his hand the livelihood of every longshoreman in the port of New York.

And my friend Celler's heart bleeds for the poor longshoreman because of another clause which he criticizes and that is a clause in the compact which provides that if a man does not work a certain number of days in the year he may be stricken from the list of qualified longshoremen. There is a very simple explanation of that. I am going to ask Mr. Tobin to give you the number of men who work as longshoremen. As I remember it, and he will correct me if I am wrong in detail, there are well over twice as many men working as longshoremen as are required.

Mr. TOBIN. About twice as many. There are 14,000 men who worked less than 100 hours in 1951, 100 hours a year. There are, as I recall the figures, something like only one-third of the longshoremen who earned as much as $3,000 a year, only one-half of them earned as much as $1,500 a year.

Judge PROSKAUER. That is sufficient to indicate what our problem was. Father Corridan knows about this and that is the terrible fate of the so-called casuals.

Mr. KEATING. The what?

Judge PROSKAUER. The men who really are not regular longshoremen but come in and interfere with the livelihood of those longshoremen who are giving their lives to their work; and the purpose of that clause was to give this commission some power of regulation over the number of longshoremen in the port, so that a decent livelihood could be earned by those men who were really longshoremen. That is all there was to that.

Now, I am going to come to his most serious charge against me. That relates to the public loader. The fact that I preferred a strict licensing system for public loadings, and when I say "I," I mean I personally, does not mitigate one bit against the complete consensus of all the interested parties practically except myself, that the loading system was vicious in itself—malum in se, as we lawyers say.

I had a legal doubt. Suppose my legal doubt, which the Congressman expressed, is right And after I got back from the hearing and read the Nebbia case in which the Supreme Court says the Constitution does not guarantee the unrestricted privilege to engage in a business or to conduct it as one pleases—certain kinds of business may be prohibited—I thought I saw the error of my ways and I am young enough despite my gray hairs to have my day of penitence. Here is a system by which there is extorted from shippers and from the people of the State of New York hundreds of thousands of dollars a year by so-called public loaders and the residue of decent and honest ones is almost negligible, I assure you that the testimony shows that most of them do not do any work and force themselves into the position by their power as ILA officials. Think of it, as ILA officials. They force the pier operators to let them go on as public loaders, and as you read that report you will find cases where labor-union officials were paid into the tens of thousands of dollars every year for the privilege of being free from quickie strikes; because, when a quickie strike comes, it costs the steamship company many thousands of dollars a day and results in the kind of extortion that we show here where $70,000 was extorted by these men as the price of unloading some furs and another sum of thousands of dollars—I have forgotten the amount—as the price of unloading some perishable cargo, lemons.

As this hearing developed, men like Frank Hogan, I think—I am not sure of that, but my recollection is that he was for the abolition of this—but certainly the great consensus was that this loading which exists in practically no other port—the loader is the man who after the longshoreman puts the cargo on the docks lifts it from the dock and puts it on the truck—should be abolished. Think of it. The truckman cannot lift it. If the trucker sends down a helper who wants to lift a bale of feathers from the floor of the dock to the tail of the truck, that truck would be at the end of the line for 48 hours. I am telling you these things not to stir your emotions or your indignation, but to give you the legal basis on which the two legislatures determined that this unique loading practice which we have in the port of New York was a vicious evil in itself. I think now they were right.

If I was originally right and I am now wrong, that clause of the compact will be stricken down by the courts and the rest of it will be left and that is all there is to that.

Gentlemen, I do not wish to tire you or to exhaust the patience you have shown here.

It is said that we did not recommend an interstate compact. That was not our function. We were a New York State agency and we made a recommendation to our Governor and similar recommendations were made to the Governor of New Jersey and in their wisdom they worked out this complement, supplement to the interstate agency of the port authority which has done so much for the port of New York and for this country. We never recommend against it, surely, and everything, the unanimity, the action of the Senate, the acclaim that it has had from everybody, even the city of New York as I have showed you, excepting a few seekers for perfection, and representatives, some representatives of these crooks, showed that it is the ideal solution.

Delay?

If you act as I am sure you will not, as the barrier to our reaching this day of freedom that we have been seeking in New York and New Jersey for 50 years, you will hearten every crook on the waterfront. You will delay the inevitable creation of this interstate body which can alone function in conjunction with the other interstate body, the Port of New York Authority. You will impose huge charges needlessly on these two States. You will require a system of constant rapprochement between 2 independent State agencies that ought to be acting as 1; and when these crooks come into court to attack this legislation—and the newspapers carried the story that they are assessing their members $5 apiece for a fund to fight it—they will take courage and strength from the fact that the House of Representatives of the Congress of the United States would not go along.

If you will permit me to close on a personal note, I am 76 years old, or will be in 2 weeks. I came to this duty an old-time Democrat, having managed two of Al Smith's campaigns for the governorship of the State of New York when I really was young. I came at the call of a Republican Governor as an old fire horses raises his head when he hears the clang of the bell. I have dedicated more than 2 years of my life to the work of this crime commission and, if I speak with some feeling in my prayer to you not to thwart what I regard as the crowning achievement of my life, you will understand that I speak from a full heart, from an abiding conviction that this thing is right, and that no cavilling and no petty fault-finding shall operate to stop the wheels of decency and of progress.

Mr. KEATING. Thank you very much.

Mr. FINE. Judge, may I ask you a question?

Mr. KEATING. Just one moment.

Mr. FINE. Certainly these conditions in New York should be corrected. There is no question about that. Now, the bill—the compact seems to direct its attention only to the longshoreman and to correct that abuse, but certainly the condition itself arose from actions taken by the employers themselves.

Judge PROSKAUER. I beg your pardon. The compact goes much further than that.

Mr. FINE. That is what I want to know about.

Judge PROSKAUER. The stevedoring company is the employer. Most steamship companies do not do their own unloading. They employ a stevedoring company like the Jarka Corp., and you are right when you say that a large part of the responsibility for this disgraceful condition rests on the stevedoring companies, and that is why this bill and this compact require the licensing of stevedore companies, and the record is replete, as I say, with evidence of corruption by them. It shows that they bribe upstream steamship-company officials to give them the contract; that they bribe downstream. Why, one of them testified that they paid Joe Ryan a steady income of $1,500 a year just from 1 steamship company to the head of the ILA.

Mr. KEATING. Judge Proskauer, may I interrupt you? The bells have rung and it is necessary for us to go over to respond to a quorum call. If it is convenient for you, the committee would appreciate it very much if you could be here this afternoon for a continuance of the hearing.

At this time it is necessary for us to adjourn until 2 o'clock.

Judge PROSKAUER. Would you be good enough to give me a schedule? I want to get an 8:40 train out of New York. I want to leave here by 3 o'clock, if I can.

Mr. KEATING. Our counsel, Mr. Mecartney, will assist you, I am sure, during the recess to find out about that.

At this time it is necessary for the committee to recess until 2 o'clock.

Mr. CELLER. Just one point and very brief. I want to get the record clear.

In the Jockey Club case, which I cited, and which earned the comment of the judge, the court of appeals, while voting that the jockey club was not a governmental organization, it nevertheless went on to state that even if it were a Government agency, the uncontrolled discretionary power delegated to it would still be invalid, and then the court went on to cite other cases for this very proposition.

Mr. PROSKAUER. Nothing uncontrolled about this discretion.

Mr. KEATING. We will hear you on that point at the adjourned hour of 2 o'clock.

(Whereupon, at 12:30 p. m., the committee recessed until 2 p. m.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m.)

Mr. KEATING. The committee will be in order.

Judge Proskauer, did you have anything which you would like to add to the record?

Judge PROSKAUER. I think not, your honor. I think I have covered this fully.

With reference to that case, he says he has got some dictum in it. It is dictum which I do not think goes as far as he thinks it does, and in any event the severability of the thing makes it clear that that is not a vital objection to this cause.

Mr. KEATING. Are there any questions?

Mr. CRUMPACKER. Judge, would you have any objection to an amendment to be added at the end of the bill which would provide that any changes made in the compact by the legislatures of the two States would have to have congressional approval before they could go into effect?

Judge PROSKAUER. My only objection to that is not the substance but the practical effect of it. It would have to go back to the Senate for repassage, and at this late stage it is very bad, and I think it is unnecessary for this reason—that if the compact is amended, and you have to assume that the two legislatures are not going to amend it in all probability in violation of the congressional attitude, Congress could immediately vacate the whole thing.

Mr. CRUMPACKER. Things are not that immediate in the operations of Congress, particularly if we do not happen to be in session. We are sometimes out of session.

Judge PROSKAUER. There is another good thing about it. I am now talking practically and without regard to what I describe as the counsel of perfection. These little details in which this thing is practically going to be amended is something that would never engage the attention of the Congress. What you are raising is a most remote and improbable contingency, I think. I believe that very profoundly, Congressman. If we were afraid we were going off berserk—but we are not—very frankly this compact is never going to be amended in any substantial respect. It would be in these little details we heard about today. That is the best I can give you on that, Congressman.

Mr. CRUMPACKER. You have no objection from a substantive viewpoint to such a provision?

Judge PROSKAUER. Well, I cannot speak for the State of New York and the State of New Jersey; I can speak personally.

Mr. CRUMPACKER. Personally, then.

Judge PROSKAUER. I would not see any great objection to it excepting that I think practically it wrecks this situation, because you have to go back to the Senate.

Mr. CRUMPACKER. In view of the expeditious manner in which the Senate handled the bill originally, do you not think that they could consider it——

Judge PROSKAUER. I think at this stage it is very dangerous, and believe me, Congressman, if I thought there was substance to this, I would be sharing your point of view. I do not think there is any real substance to it. I profoundly believe that.

Mr. CRUMPACKER. You will admit, though, that technically speaking, as it is written here, the States could, if they saw fit, completely repeal the whole thing and enact something entirely different and then——

Judge PROSKAUER. I might say, and I am not conceding that technically there might be a possibility of that; I am saying that

practically it is unthinkable because they would know that it could only last a very short time, that the Congress could, if it objected, come in and repeal the whole thing.

Mr. TAYLOR. You have to have some confidence in the legislatures of the States.

Mr. CRUMPACKER. You do not think that it also raises a possible constitutional objection in permitting——

Judge PROSKAUER. No.

Mr. CRUMPACKER. In permitting the States in effect to go ahead with changes in the compact and put them into effect when they have not received congressional approval?

Judge PROSKAUER. I think it raises no constitutional question because, as was pointed out by the Governor of New Jersey, there is ample precedent.

Mr. CRUMPACKER. I mean this particular clause. I am not speaking of the general substance.

Judge PROSKAUER. That particular clause has the sanction of historic precedent. It has been in almost all these compact cases.

Mr. CRUMPACKER. Has it ever received a test in the courts?

Judge PROSKAUER. In the courts?

Mr. CRUMPACKER. Yes.

Judge PROSKAUER. Nobody has raised the question, and the reason nobody has raised it in the courts, so far as I know, is that it is so remote that it never will be raised, Congressman. I am appealing to you to take some slight chance on this thing. In view of the full knowledge that you have, that you remain the masters of the situation. Take the slight chance of some amendment that would be out of the ordinary. It is almost unthinkable but if it should happen you are the masters, and do not imperil this thing by raising this ultimate question of what you say is a technical thing.

That is the best I can give you, Congressman. It comes from the heart.

Mr. KEATING. And by the same token, I take it, Judge Proskauer, you would recommend that the House, in the bill which it reports, conform to the action taken by the Senate in striking out section 2 of the Senate bill as introduced?

Judge PROSKAUER. Yes. What I want is the result of the House concurring in the unanimous action of the Senate.

Mr. KEATING. I think at this stage of the legislative session there is some merit to what you say in that we must be practical. I appreciate the considerable force in the point raised by my colleague here but if we have to go back to the Senate, it might——

Judge PROSKAUER. Imperil the whole programing, for after all what is a technical thing.

Mr. KEATING. I would not think it would necessarily mean the death of it. They might agree, of course, to such a change, but it is something for us to think about and we can, at least, consider it.

We appreciate your youthful outlook on this matter and your desire to see action.

Judge PROSKAUER. Thank you very much, Mr. Chairman.

Mr. KEATING. And let me add that I was informed of the considerable inconvenience to which you went personally in coming down here I want to express on behalf of the committee our very deep appreciation for not only that but also the outstanding job which you did in this particular matter.

Judge PROSKAUER. Thank you very much. I hope you will reward me with success.

Mr. KEATING. The next witness is Mr. Richard J. Congleton, chairman of the New Jersey Law Enforcement Council.

STATEMENT OF RICHARD J. CONGLETON, CHAIRMAN, NEW JERSEY LAW ENFORCEMENT COUNCIL

Mr. CONGLETON. Mr. Chairman and members of the committee, I think it would be most presumptious on my part, occupying a position as acting chairman of the New Jersey Law Enforcement Council, which in a sense is the counterpart of the New York State Crime Commission, to attempt to take up your time in trying to amplify the marvelous remarks of Judge Proskauer. Judge Proskauer has covered the factual situation and there is only one point that I would like to call to your attention which I feel has perhaps not been made clear by some of the previous speakers.

The chairman raised the question earlier in the day as to the reason for the urgency in the action by Congress and what effect it would have upon this interim arrangement that the States have set up for separate agencies.

During that discussion, as I understood it, the date of December 1, 1953, was referred to as though it were the effective date of the act. That is not so. The act, as far as New York and New Jersey are concerned, is effective now; that is, the ad interim parts. But the date of December 1953 becomes very important because it is on that date that it is unlawful to carry on public loading, that no one can employ longshoremen who are not registered; that stevedores cannot do business in the port of New York unless they are licensed and hiring agents must be licensed, all by that date. So that before December 1, 1953, this tremendous machinery of registration and licensing must be set up, the appointments must be made. The employees must be hired. These information centers must be rented and set up so that these various steps can take place prior to this date of December 1, 1953.

Now, why would not the ad interim arrangement work and work well? Well, I think we all know that it is very difficult even with the grandest cooperation for two agencies of sister States to function as one without little petty disagreements or problems, and so on and so forth.

It is true that geography makes the center line between the two States, the center of the Hudson River. This is not a New York problem. This is not a New Jersey problem. This is a problem of that area which encompasses portions of both New York and New Jersey and therefore it becomes highly desirable, highly important, that this bistate agency be set up immediately to handle this as you would want to handle any business proposition, with one executive head and not two separate departments.

Now, if I may, Mr. Chairman, I would like to have in the record of my statement, a copy of the report of June 19, 1953, of the New Jersey Law Enforcement Council when, having had the benefit of the report of the New York State Crime Commission, having had the benefit

of our own private hearings and investigation, and having had the benefit of the public hearings held by Governor Dewey in New York, the New Jersey Law Enforcement Council recommended to the Governor and to the State Legislature of New Jersey in this report that a bistate agency be adopted, and this report was the basis of the legislation that took place in New Jersey.

Mr. KEATING. We will be happy to receive that as part of the record.

Mr. CONGLETON. The report is as follows:

This report of the New Jersey Law Enforcement Council (hereinafter referred to as the New Jersey council) is confined to recommendations respecting the waterfront in the port of New York district. At the time of the organization of the New Jersey council, Governor Driscoll requested that the New Jersey council join the investigation of the waterfront which was being conducted pursuant to an agreement between the Governors of the States of New Jersey and New York.

Immediately after the organization of the New Jersey council in July 1952, representatives of the New Jersey council conferred concerning the waterfront investigation with representatives of the New York State Crime Commission (hereinafter referred to as the "New York commission"). The New York commission had been created and appointed in November 1951, and had already examined hundreds of witnesses in private hearings as a result of its investigation.

In September of 1952 at a meeting of the New Jersey council, Mr. Theodore Keindl, special counsel to the New York commission and Mr. Ben A. Matthews, chief counsel for the New York commission, met and discussed with members of the New Jersey council the then status of the waterfront investigation and future plans for the same. It was agreed by those present that in view of the fact that the investigation which the New York commission had been conducting for upwards of a year with the assistance of a large staff and a substantial appropriation had encompassed waterfront conditions in both New York and New Jersey, that therefore a similar investigation by the New Jersey council would be a duplication of effort and an unnecessary expense. Accordingly, it was decided that the New Jersey council cooperate with the New York commission in its investigation and not hold any public hearings or conduct a separate investigation until the completion of the public hearings in New York, at which time the New Jersey council would carry on such investigation in New Jersey as it then believed necessary.

Thereafter extensive public hearings consuming 20 days were held by the New York commission, all of which were attended by members and staff of the New Jersey council and transcripts of the testimony taken were promptly made available to it.

Upon the completion of the public hearings in New York, the New York commission advised the New Jersey council that it had completed its public hearings with reference to the New Jersey side of the river and accordingly those investigators who were available to the New Jersey council proceeded to investigate certain phases of the New Jersey waterfront, with particular reference to certain sections of Hudson County, Port Newark in Essex County, and Leonardo in Monmouth County. During this investigation over 250 persons were interviewed and a series of private hearings were held at which 35 witnesses were examined.

During the course of the public hearings held by the New York commission a New Jersey resident, a public official, although invited to appear and testify in New York, refused to do so. Accordingly, the New Jersey resident, John V. Kenny, mayor of Jersey City, was subpenaed and questioned before the New Jersey council. The public hearing in New Jersey was attended by representatives of the New York commission and the material concerning which the New York commission desired to question Mayor Kenny was covered.

On May 20, 1953, the New York commission released its report on the port of New York waterfront, which report is known as the fourth report of the New York commission. Prior to its release, conferences were held between representatives of the New York commission and the New Jersey council, at which the draft of the New York report was considered.

The New Jersey Law Enforcement Council agrees with and joins in the findings of the New York commission with reference to the conditions and evils existing on the waterfront in the port of New York and is satisfied from its own investigation, from the evidence produced at its private hearings, and the testimony produced at the public hearings in New York and New Jersey that the same pattern of evils and abuses exists in the New Jersey portion of the port as those set forth in the fourth report of the New York commission, a copy of which is made a part hereof.

On June 8 and 9, 1953, public hearings were held by the Governor of New York on the recommendations made by the New York commission in its fourth report, at which representatives of the New Jersey council attended by invitation. The New Jersey council has had the benefit of the criticisms and suggestions which were made at those hearings. During the course of the hearings Governor Dewey, speaking for New York, said:

"We intend to cooperate with the State of New Jersey, with its elected officials to the limit of our capacity. * * * It is my earnest hope that whatever is done will be done on a parallel basis and I for one shall not recommend anything to the legislature until there have been extensive conferences between the representatives of the two States to ascertain whether we cannot work out some method of joint action if no better solution comes."

On June 10, following simultaneous statements by the Governors of New York and New Jersey, a representative of the New Jersey council was invited to join in a joint effort of both States to draft appropriate legislation.

It is the conclusion of the New Jersey council that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, that there are corrupt hiring practices and that persons conducting such hirings are frequently criminals and are notoriously lacking in moral character and integrity, and the New Jersey council further finds that the declarations and findings contained in the proposed legislation which has been prepared by the joint efforts of the representatives of both States, are fully supported by the evidence developed in the investigations conducted by the New York commission and the New Jersey council. There is also made a part hereof a copy of the record of the public hearings held by the Governor of New York on June 8 and 9, 1953.

Accordingly, the New Jersey Law Enforcement Council recommends that legislation be adopted at the earliest possible date permitting New Jersey to enter into a compact with the State of New York for the reduction of criminal and corrupt practices in the handling of waterborne freight within the port of New York district and the regularization of the employment of waterfront labor, to provide for assessment of the expenses thereof against certain employers and in the absence of such compact to accomplish such objectives within the New Jersey portion of the port of New York district, and making an appropriation therefor.

Mr. CONGLETON. The report was respectfully submitted by the following members of the New Jersey Law Enforcement Council, Katherine K. Neuberger, Gene R. Mariano, and myself.

Mr. KEATING. Thank you, sir.

Mr. CONGLETON. I do not want, as I said, to take any more of your time because Judge Proskauer made a marvelous presentation. I would like to ask leave to reserve a short time in case some of the people raise points that I did not anticipate.

Mr. KEATING. If you will remain, we will be glad to afford you that opportunity.

Mr. CRUMPACKER. When was the compact entered into?

Mr. CONGLETON. The compact has not been entered into.

Mr. CRUMPACKER. It has not been agreed upon?

Mr. CONGLETON. Yes, the legislation was passed in New Jersey in June; I cannot tell you whether it was June or the first part of this month. Governor Dewey called a special session in New York. That was on June 26.

Mr. CRUMPACKER. Thank you.

Mr. KEATING. Thank you, Mr. Congleton.

Mr. CONGLETON. May I just add one thing, sir? Your asking me the question reminded me of the previous question that you asked Judge Proskauer, about this question of amendment. That bothers me a great deal because, as Governor Driscoll so forcefully pointed out this morn-

ing, there is no pattern for this legislation, nothing like this has ever been done as far as anyone can find out, because the evil, as far as we know, has existed only in the port of New York. And as Governor Driscoll told you, we must proceed somewhat by trial and error.

Now, I would like to point out to you, sir, that if you amended the compact as it was passed by the Senate to provide that neither State could enter into concurrent legislation and amend this compact in any way——

Mr. CRUMPACKER. Don't misunderstand me. That is not what I was proposing, sir. I was not proposing to amend the compact. I was proposing to add an amendment at the end of the bill here.

Mr. CONGLETON. Yes.

Mr. CRUMPACKER. Providing that any changes entered into in accordance with the terms of the compact would have to have congressional approval before becoming effective.

Mr. CONGLETON. That is what I understood and perhaps I misspoke. May I just point out some of the things that may happen? There is no power of condemnation given to this commission because we see no reason for it now, but suppose we are unable to obtain information centers at the proper locations and we had to do it in a hurry and we wanted to give them the power of condemnation by a concurrent act of the legislatures? Procedural things that might be held up for a year or a year and a half.

Mr. CRUMPACKER. And suppose you did make such a provision and went into court to try and exercise it and people in opposition raised the point that the attempt was unconstitutional because the authority had not been approved by Congress in accordance with the Constitution and the court declared the whole thing invalid; then where would you be?

Mr. CONGLETON. This is a very carefully drawn document. There is a separability clause in here so that if any section of this compact were declared unconstitutional by the court, it does not affect the rest of the compact and there will be a number of things that might come up. The compact at the present time provides for one commissioner from each State.

Suppose experience shows that it would be better to have 2 from each State. Certainly Congress would not be interested in whether we had 1 or 2 from each State, and things like that might hold up the operation of this for a long, long time on points that we cannot anticipate at the present time. And as just pointed out by Judge Proskauer, there is very little practical chance of anything substantial being amended by the States, but there might be any number of little things turn up: Definitions might be wrong in some regard or they might want to make a change in certain procedures that might hold up the effectiveness for some time if they had to come to Congress every time a little change was made. Thank you, sir.

Mr. FINE. Suppose you had a provision that might empower this commission to charge the city of New York and the State of New York or the State of New Jersey with some large expense?

Mr. CONGLETON. Well, if the State legislatures of the two States pass separate bills or concurrent bills having nothing to do with this compact, making a charge on a municipality for some reason, I do not think Congress would have anything to do with it anyway. Is not the right to raise money entirely a State function?

Mr. TAYLOR. As all of the investigations have been completed by the State crime commission in the State of New York, and by your particular commission, and there is nothing further to be investigated, nothing further to be done, don't you agree with me that we are now in a better position than we would be in January to complete this and determine whether or not we are going to pass a bill out of this committee?

Mr. CONGLETON. No question about it.

Mr. TAYLOR. We would not have more witnesses or any more problems of law than we have at the present time; and the whole situation is completed insofar as the crime commission and these various witnesses and their testimony is concerned?

Mr. CONGLETON. I do not think that there is anything that could be developed between now and January that would assist you in any way.

Just one thing I would like to point out. The pattern of what is wrong in the port of New York has been clearly and definitely established. You can go on investigating; you could go on getting more witnesses showing that the cancer has gone further than it has already been shown, but I question that you would ever show by that testimony a change in the pattern that has been developed and which is trying to be corrected by this legislation.

Mr. TAYLOR. Thank you.

Mr. KEATING. Thank you, Mr. Congleton.

STATEMENT OF AUSTIN J. TOBIN, EXECUTIVE DIRECTOR, THE PORT OF NEW YORK AUTHORITY

Mr. KEATING. Mr. Austin J. Tobin. The last time you were before a committee here, they were trying to do away with you. That was an abolition movement. Now this time we are trying to create something. We are happy to have you here to assist us.

Mr. TOBIN. Thank you, I am very happy to be here and very happy that the Port of New York Authority, despite the hearings last year, is still alive and kicking and able to participate in this greatest reform that we think that we have ever seen in 32 years of the work of the port authority to promote and develop the port of New York.

If the committee please, the Port of New York Authority is charged under the port compact of 1921 with the duty of making recommendations from time to time to the Congress of the United States for the better conduct of commerce in the port of New York district. It is in discharge of this duty that the commissioners of the port authority have requested me to recommend respectfully to your honorable body that you support prompt passage of the bill, H. R. 6286, granting the consent of Congress to the waterfront commission compact between the States of New Jersey and New York.

I have, if the committee please, a written statement, but like Mr. Congleton, I feel, following Judge Proskauer, that he has said and said so well and so truly and forcefully everything that the States of New York and New Jersey—and, I may say, the city of New York, which supported this bill at the Governor's hearing—could say that

I would like to file that statement for the record and perhaps discuss as best I can from the notes I made as Congressman Celler went along, some of the particular points of objection that he raised.

Mr. KEATING. Without objection the statement which you have prepared will be made a part of the record at this point as though read. We will be glad to hear you further with reference to the points raised by Mr. Celler or any questions that the members may have.

(The statement referred to is as follows:)

STATEMENT OF AUSTIN J. TOBIN, EXECUTIVE DIRECTOR, THE PORT OF NEW YORK AUTHORITY, BEFORE SUBCOMMITTEE NO. 3 OF THE COMMITTEE ON THE JUDICIARY IN SUPPORT OF H. R. 6286

Mr. Chairman and members of this subcommittee, the Port of New York Authority is charged under the port compact of 1921 with in the duty of making recommendations from time to time to the Congress of the United States for the better conduct of commerce in the port of New York district. It is in discharge of this duty that the commissioners of the port authority have requested me to recommend respectfully to your honorable body that you support prompt passage of the bill, H. R. 6286, granting the consent of Congress to the waterfront commission compact between the States of New Jersey and New York.

The port authority, which as you know was the first authority, the first major agency of continuing interstate cooperation established in this country, makes this recommendation with a background of over 30 years of experience in the promotion of our port's commerce. We firmly believe that the waterfront commission compact for the elimination of criminal and corrupt practices in the handling of waterborne freight within the port of New York district, the encouragement of decent and democratic trade unionism on the waterfront and the regularization of the employment of waterfront labor will make available to our two States the legal machinery we so urgently need to solve our rightful problem, and to solve it cooperatively.

The problem is well and briefly stated at the outset of the compact:

"The States of New York and New Jersey hereby find and declare that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, resulting from the lack of any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity and neither responsive or responsible to the employers nor to the uncoerced will of the majority of the members of the labor organizations of the employees; that as a result waterfront laborers suffer from irregularity of employment, fear and insecurity, inadequate earnings, an unduly high accident rate, subjection to borrowing at usurious rates of interest, exploitation, and extortion as the price of securing employment and a loss of respect for the law; that not only does there result a destruction of the dignity of an important segment of American labor, but a direct encouragement of crime which imposes a levy of greatly increased costs on food, fuel and other necessaries handled in and through the port of New York district."

Mr. Chairman, the entire future of the port of New York depends in a very real sense on prompt and resolute action to eliminate these evils which have existed all too long in the world's greatest port. The port authority is in entire agreement with the finding, set forth in companion reports of the New York State Crime Commission and the New Jersey Law Enforcement Council, that the port of New York has been losing cargo, and losing it heavily, and that it is the criminals who control the ILA, who have been driving trade and employment from the port of New York. We are in entire agreement with the findings of the Crime Commission and the Enforcement Council that a continued decline in the port's trade would be a crushing blow to the prosperity and future welfare of the whole metropolitan district and of the two States whose boundary line bisects the port.

As the instrumentality for the cooperation of the two States in the development of the terminal, transportation, and other facilities of commerce of the bistate port district, the port authority has reason to know all too well these unpleasant truths. In discharge of its duty to promote the flow of commerce through the port of New York, the port authority maintains four trade promotion

offices, in Chicago, in Cleveland, here in Washington, and in Rio de Janeiro. Our port authority traffic solicitors are finding that shippers are well aware that lawless elements have gained control of our waterfront.

The New York State Crime Commission's report found that: "The most important factor threatening the welfare of the port is the entrenched existence of deplorable conditions involving unscrupulous practices which are criminal and quasi-criminal in nature." This emphasizes the futility of trying to reform and rehabilitate the waterfront within the existing machinery of law enforcement alone. The best of district attorneys have simply been unable to penetrate the barriers built up over the past 20 years against law and order. The evil combination of corrupt labor leaders, corrupt businessmen, and the gangsters who both support and control them have been impervious to the avaliable machinery of the law.

For several years past, therefore, the port authority has been studying this critical and fundamental problem of our port and its future, searching for a system that would bring our hiring practices on the waterfront out into the open within the surveillance of the public and of the officers of law enforcement. Throughout the past year we have cooperated closely in the work of the New York State Crime Commission and the New Jersey Law Enforcement Council. Last February we submitted to these two bodies a specific statutory plan to improve labor conditions and to combat crime on the waterfront. The Waterfront Commission compact adopts some of our basic suggestions together with many additional recommendations and improvements submitted to the legislatures by the Crime Commission in New York and the Enforcement Council in New Jersey. The compact before your committee reflects also additional suggestions of public officials and the civic groups, who were so widely represented at the public hearings held by Governor Dewey in New York City on June 8 and 9.

The commissioners of the port authority are opposed to government regulation wherever it can be avoided. They reached the conclusion, however, that the criminal mess on our waterfront had reached a state where, unfortunately, the return to law and order depends on active, constant, and uniform regulation in the public interest. We believe, however, that local port problems common to our two States can and should be solved jointly by the States themselves in cooperation with each other.

We are satisfied that the Waterfront Commission compact goes no further than is absolutely necessary to uproot the intolerable conditions which, in the words of Governor Dewey's message to the legislature, are "robbing the port of New York of its natural advantages as a center of trade, causing the diversion of shipping to other ports, terrorizing honest workmen, and subjecting a multi-billion-dollar industry to organized piracy by gangsters and extortionists."

It is noteworthy that the public hearings held by Governor Dewey in June, at which opportunity was given to every interested person to present any better solution, produced no feasible alternatives to the basic features of this compact plan for the improvement of waterfront labor conditions. Speaker after speaker, including representatives of the district attorneys' offices, the shipping industry, every major civic and trade association, the representative of the Mayor of the city of New York, a member of its city council, and the Honorable Jacob K. Javits, a member of the New York delegation to your own honorable body—all testified in the light of their own special experience or knowledge on the urgent need for and the soundness of the plan of waterfront reform now incorporated in the Waterfront Commission compact here before you.

Even more significant are the facts that the compact legislation was adopted unanimously by the legislature of the State of New York and with only one dissenting vote by the legislature of the State of New Jersey and that it has already been approved without a single dissent by the Senate of the United States. And all this has happened within a matter of weeks—highly gratifying evidence of the effectiveness of the aroused forces of law, order, and public decency.

The only substantial opposition to this effort of men of good will to improve waterfront labor conditions in the port of New York comes from the very same individuals who are responsible for the exploitation and betrayal of the rank-and-file waterfront workers. The rulers of the ILA and the criminals who control so many of its waterfront locals purport still to speak for the unfortunate men who have heretofore been dependent for their daily bread upon the favors of these gangsters and hoodlums. They dare to do so despite the fact that the president of the American Federation of Labor has publicly stated that the

individual dockworker in the port of New York is "the victim, No. 1 of his union officials who fail to protect him".

Despite this, once again the leaders of the ILA protest at this late date that if they are only given another chance they are now ready to clean their own house. They would have us believe that if the States will only stand by and wait or if Congress will just withhold its stamp of approval, then hiring practices on the waterfront will be reformed within the scope of a collective-bargaining agreement between the shipping association and the ILA.

According to yesterday's press the shipping association, to its credit, has just rejected a proposal of the ILA patently designed to circumvent the waterfront reform plan, by setting up ILA hiring halls. The shipping association properly insists that hiring shall be done in the waterfront employment information centers to be established, maintained, and operated by the two States under the compact.

It should surprise no one that the racketeers who run the ILA are still opposed to waterfront reform. As the president of the American Federation of Labor said at the hearings before Governor Dewey, "I do not hesitate to say that (reading the report of the Crime Commission), I cannot find anything resembling legitimate trade-union activity on the part of this union (the ILA)," and Mr. Meany's testimony includes this important colloquy:

"Mr. KIENDL. So it is fair to say, Mr. Meany, that you have no differences with the State crime commission on the proposition that the present situation and the situation that has long existed in the port of New York has been intolerable from the standpoint of trade unionism, from the standpoint of the public, from the standpoint of the dockworkers?

"Mr. MEANY. I do not think there is any question that you have an intolerable situation, that any New Yorker who is a real New Yorker as I am would be ashamed of. As a trade unionist, I am ashamed of the situation down there. I have no quarrel with the effort to change those intolerable conditions. However, I do make the point in these remarks that in curing these conditions we certainly should not take away the rights of the individual worker."

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Heartening as is the manifest determination of the American Federation of Labor to exert the full extent of its power to stamp out the abuses which have fastened themselves on the International Longshoremen's Association, the success of the A. F. of L.'s reform program can only be helped, and cannot possibly be hurt, by effectuation of the Waterfront Commission compact. All the two States seek to do under the compact is to uproot the entrenched criminal element on our waterfront and restore a decent climate in which real labor leaders may serve the legitimate social and economic needs of their members in a manner consistent with true and wholesome trade union principles. As article XV of the compact explicitly states, the rights of collective bargaining are to be fully safeguarded.

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> Mr. KIENDL. So is it fair to say, Mr. Meany, that you have no differences with the State crime commission on the proposition that the present situation and the situation that has long existed in the port of New York has been intolerable from the standpoint of trade unionism, from the standpoint of the public, from the standpoint of the dock workers?"
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Mr. Chairman, may I say that I am sorry that my good friend, and I am a Brooklynite as is Congressman Celler, cannot be here at the moment, but I see that the assistant from his office is here and I will be speaking only from the quick pencil notes I made and I may cite some of the arguments that the Congressman advanced improperly and I would welcome any interruption or correction that you would like to make as to what I understood his argument to be.

Congressman Celler spoke of a problem in law that he had affecting the constitutional right of privacy of property, with the provision of the bill that provided that the members and the representatives of the members of the commission might enter and inspect piers and other waterfront property in the course of their enforcement and administration of this law. I may only say that that provision was taken from the labor law of the State of New York using the exact language, as I recall, of the labor law. It has been upheld, I believe, although I have not the citations with me in our State supreme court. As a part of that law, the court has found that those provisions for ordinary inspection in the ordinary administration of some of our factory acts or other such acts do not violate any constitutional provisions with respect to search and so forth.

The Congressman also raised the point that there might be a violation here of the provision of the Constitution which prohibits any State to levy a duty on tonnage without the consent of Congress. As to that, I can only note that the provision in this bill is very distinctly not a tonnage tax but the assessment of a fee for the cost of administration and it is expressly provided in the compact as levied in lieu of a license fee, there being no provision in the bill for license fees to longshoremen or stevedores or port watchmen or the other port operatives involved in the bill. At any rate, if there were any such question of tonnage duties which I think it quite clear on the face of the bill that there is not—the consent would clearly have been given in accordance with the constitutional provision if, as we hope, the House moves with the Senate to approve the bills.

Judge Proskauer has covered the point which Congressman Celler made that there could be here any impingement upon the rights of the city of New York. The bill does not affect in any way any property rights, either of the port authority or of the city of New York itself as a pier operator and terminal operator in the port district. And, as I said, the mayor's personal representative at Governor Dewey's hearings said that the city was in favor of doing this job by interstate compact and supported the recommendations which the crime commission placed before the Governor and which were then subsequently placed before the legislature.

Mr. KEATING. Do you know of any municipality in either New York or New Jersey which opposed, as a municipality, the bi-State compact? If so, tell us about that.

Mr. TOBIN. Mr. Chairman, there was not only no objection but every single member of the assembly from the city of New York voted for the bill and every single member of the assembly from Hudson and Essex Counties in New Jersey, with one exception, voted to support the bill and there was no objection that I have any knowledge of—and I was rather close to this thing—that was submitted to the New Jersey Legislature either by Jersey City or Weehawken or Hoboken or any of the other municipalities along the New Jersey waterfront where there are piers and waterfront operations. So that this comes before the Congress with the full support of the city of New York on one side of the harbor and no objection before the New Jersey State Legislature on the other, and with the complete support in New York of the city senators and assemblymen and with the complete support in New Jersey of the New Jersey State senators and assemblymen, with one exception. That one exception is one individual assemblyman among the rather large delegation from Jersey City.

Now, Congressman Celler suggested—and I suppose this is rather academic at this time, and after all not a matter that the Congress would be too much interested in—that this job was a job that he thought should be done by the port authority. I am very happy that the Congressman, whose respect we value, feels that we could have done a good job in this instance. As he said, and as was made public at the hearings, Governor Dewey also had initial inclination that way, but he became completely persuaded as Governor Driscoll was, and as Judge Proskauer said he was here this morning, that this was not the type of function that the State should call upon the port authority to perform.

The port authority is completely the States' agent. It is their agent set up for specific purposes of financing and developing and planning and operating public terminal and transportation facilities in the area. It works in the States and as alter ego of the States as a development agency and as a proprietary agency and we think that it would break from the character of the port authority if it were asked to administer a law that was very definitely in its whole purpose and character a law of regulation and licensing and which had to do with the regulation and licensing of the individuals in our great and fundamental industry in the port of New York with some twenty or forty thousand longshoremen—20 that there should be, 40 that there are—and with all of the various other port operatives. In order to do properly in its proper sphere its proprietary type of work the Port of New York Authority is one step insulated from the elective process.

It reports, rather, directly to two Governors and has its actions subject at any time to a veto by the two Governors. But we think that in this instance the administration of a licensing and regulation so close to the daily lives of the people should be placed in an agency not removed purposely one step from the elective process but directly responsible and appointed and operating under the elective Governors of the two States.

Mr. KEATING. When you use those figures, 20,000 employees that there should be but 40,000 that there are, you are referring to what has been mentioned as an abuse in the line of casuals? In this 40,000 are included the so-called casuals?

Mr. TOBIN. That figure includes the casuals; it includes the 14,000 men by count and record who worked as longshoremen less than 100 hours in 1951 and so, as Judge Proskauer pointed out, just took the cream off the bottle away from the fellow who was trying to earn his daily bread as a longshoreman and working 5 days a week. This Army of 14,000 policemen, other public officials, people employed in other capacities, come to the waterfront and through connivance and bribery and fixing and whatnot are designated by these pier loaders, these hiring bosses to that overtime, Saturday, and Sunday and nightwork.

Mr. KEATING. Lest there be any undue implications about the police force, you did mention them, you did not mean to imply that these were all policemen?

Mr. TOBIN. Oh, gracious no.

Mr. KEATING. There are other people in other walks of life?

Mr. TOBIN. In all walks of life. It so happens that there are a great many New York City public employees who do that as the records indicate; and it is a commonplace that firemen and policemen are among those. But it is a large group of men who take that work away from the regular longshore payroll.

Mr. KEATING. How many of those people are there?

Mr. TOBIN. About 14,000.

Mr. KEATING. Who take less than 100 hours of work a year?

Mr. TOBIN. 14,000 of them.

Mr. KEATING. What number of those 14,000, if you know, are public employees?

Mr. TOBIN. I do not think anybody has any such figure, Mr. Chairman.

Mr. KEATING. You spoke of this group taking the cream of the work. Does that mean overtime?

Mr. TOBIN. Overtime, Saturday and Sunday, nightwork.

Mr. KEATING. Thereby, the men who have earned their livelihood as longshoremen over a period of years are deprived of that extra time?

Mr. TOBIN. That is correct.

Mr. KEATING. And there is not more than enough work for 20,000 fully employed longshoremen in the harbor?

Mr. TOBIN. That is correct. That is why you have only one-third of all of the longshoremen who earn as much as $3,000 a year; and why one-half of them—of all of the 40,000 people in the port who hold ILA cards—make no more than $1,500 a year.

The argument was made by Congressman Celler that there were powers in here given without Federal guides or controls. Actually, I submit that there are no real powers given to the States by the approval of the compact. The States are exercising powers that they inherently have and actually, if the Congress does not approve of the compact, the States, as Mr. Congleton just pointed out, will go on as best we can, without the blessing of the House, doing what will not be as good a job because it will be one bi-State agency. There are provisions in the standby statutes under which the two separate commissions, one in New Jersey and a separate commission in New York, will attempt to cooperate and coordinate as best they can but that

never will be as good as the one agency. That situation, as Mr. Congleton pointed out, is now in existence although appointments have not been made, pending your action, by the two Governors. In law, the two waterfront commissions exist today and are charged by the two States with putting all of these regulatory provisions into effect, which is a very tremendous task, by December 1; and somehow, stumbling and handicapped, the two States will have to go forward separately and do the job as best they can, if you cannot help us. But of course we are confident that the Congress will help us. Fundamentally, however, the point is that the powers that the States are exercising, we believe, are powers that are powers of the States themselves, that they inherently have, and it could be done in New York just as to the New York part of the waterfront by the State of New York itself without congressional approval or the same powers could be exercised similarly in New Jersey.

As to the discussion of the Jockey Club case, I could add very little more to what Judge Proskauer said in his answer. I should similarly note that that case had to do with the delegation of powers to the private Jockey Club. Judge Proskauer made the distinction that this waterfront compact was a delegation of powers of administration and standards of judgments to a State agency. We have innumerable, I will call it hundreds or thousands of, delegations of power in New York by the legislature to the various State agencies in applying standards of conduct and actually the various delegations that we have in the statutes were, I know, taken from existing New York statutes, particularly such as the alcoholic-beverage control statute and that type of statute in the State. So really there is nothing new about those delegations of power. We copied them from other New York and New Jersey statutes and they have stood the test of judicial interpretation.

Mr. FINE. May I ask you this question: I am a bit concerned about these employees. I have been reading the sections during this recess that we have had. I am interested in the pier superintendents and the hiring agents and the stevedores and you have set up in the bill a provision that unless the criminals who have been convicted of a crime have 5 years of exemplary conduct, such an ex-criminal cannot get a license. There is an absolute bar. There is no discretion in the commission any more, is that not right?

Mr. TOBIN. That is right as to stevedores and as to hiring bosses but not as to longshoremen.

Mr. FINE. Where do you find that? That is what I want to know. Incidentally, before you show me that, I can understand the hiring bosses but what does the stevedore do?

Mr. TOBIN. It is usually a company, though it could be an individual, who is a contractor with a steamship line to do all of the work of loading the line's vessels.

Mr. FINE. You do not mean a stevedore is in an employer category, do you?

Mr. TOBIN. The stevedore is an employer; he has a contract with the steamship company.

Mr. FINE. The stevedore being a company, assuming it is not an individual, hires employees, does it not?

Mr. TOBIN. That is correct.

Mr. FINE. Would the provisions in article VI cover the employees or just the bosses with respect to the stevedores? What definition did you go by?

Mr. TOBIN. That would only cover the bosses and it would not cover the longshoremen employees of the stevedoring company. Is that your question?

Mr. FINE. Where do you show that?

Mr. TOBIN. Longshoreman is defined on page 6, I believe it is, as a natural person, other than a hiring agent, who is employed for work at a pier or other waterfront terminal, either by a carrier of freight by water or by a stevedore. Then, when you get over into the longshoreman's section following page 26——

Mr. KEATING. On page 7 there is a definition of stevedore as meaning a contractor not including an employee. That is on page 7. I think that is perhaps what the gentleman was interested in.

Mr. FINE. Yes, that is right; on page 26.

Mr. TOBIN. I think it is in the section following there, top of page 27, I believe:

> The commission may in its discretion deny application for inclusion in the longshoremen's register by a person who has been convicted by a court of the United States or any State or Territory thereof, without subsequent pardon, of treason, murder, manslaughter or of any felony or high misdemeanor or of any of the misdemeanors or offenses described in subdivision (b) of section 3 of article V or of attempt or conspiracy to commit any of such crimes.

That is left discretionary with the commission.

Mr. FINE. I can understand that but I was concerned about——

Mr. TOBIN. As to the hiring bosses and stevedores, it has no power to grant them licenses. That is, until 5 years after their conviction of a crime.

Mr. FINE. What was the purpose of the 5-year provision?

Mr. TOBIN. Well, the purpose was that a convicted felon should not be given the powers of public abuse that were demonstrated by the crime commission to exist in the operations of a stevedore and that throughout all of the crime commission's report——

Mr. FINE. That is true also of the longshoremen. But the point is, why was it not left to the discretion of the commission? Why did they put this limitation on the power of the commission? Let me just point out what I have in mind. In ordinary practice, the criminal who is in jail, in order to get a parole, must show that he can be gainfully employed in a legitimate industry, is that not so?

Mr. TOBIN. That is right.

Mr. FINE. You are barring this fellow from being gainfully employed unless he has shown through his conduct that there is some job that he can hold.

Mr. TOBIN. There is a great deal of misunderstanding about that. Since 1950, our parole board has never permitted a parolee anywhere near the waterfront; that is one place he cannot go and the parole board will protect him from, since 1950.

Mr. FINE. Let us forget the parole case. Let us take the case of a man who comes out of jail and he wants to be employed gainfully somewhere else.

Mr. TOBIN. The thinking of the States is the same, that there is one place that he should go only if public authorities are assured it is safe for him to go and that place is the waterfront; that they feel in the face of the record and what has been shown here that the most dangerous place for recidivism in the State is on the waterfront and above every place the waterfront is no place for a criminal.

Mr. FINE. With respect to longshoremen you left it absolutely to the discretion of the commission?

Mr. TOBIN. Yes; feeling that that is just manual labor; that they had no controls; he did not hire people; there was no possibility of abuse, of kickbacks and things like that.

Mr. FINE. Mr. Tobin, I know you too well. You must have a better answer than the one you have just given me because it is the commission that is going to decide whether the man is being put in a position of some responsibility, a man who should not be there.

Now, when you place the 5-year limitation, apparently somebody thought, the drafters thought, that even the commission should not be given that much power.

Mr. TOBIN. Actually, Congressman, in the discussions on the bill, the general discussion was as to whether they should ever be allowed to work at all in positions as hiring boss or take a contract as a stevedore, whether an ex-criminal should ever be allowed to take those responsibilities.

Mr. KEATING. We are talking about only those contractors, hiring bosses or contracting stevedores. A longshoreman who comes out of jail with the approval of the commission——

Mr. TOBIN. Could go to work immediately.

Mr. KEATING. Could go to work immediately.

Mr. FINE. But the stevedore or contracting parties or employer that you talk about, he cannot even go to work with the consent of the commission?

Mr. TOBIN. That is right.

Mr. FINE. That is what I am asking about and that is what I am objecting to. I say that you are not playing fair because you might have in your discretion, assuming you were one of the commissioners, Mr. Tobin—and you really are doing a splendid job in the port authority and I hope they do give you one of these jobs——

Mr. TOBIN. Thank you. I shall have to go on in the port authority.

Mr. FINE. But why should you not, or whoever is in that position, have the discretion to decide whether or not some person who has paid his debt to society is not now able to do this work and do it well and efficiently and honestly?

Mr. TOBIN. Because on the extensive record before the crime commission and law enforcement council, on all the facts before the legislatures, it was the conclusion of the legislatures that an ex-criminal, at least for a period of 5 years should not be permitted to take a stevedoring contract or should not be permitted to be put in the spot of control over longshoremen of a hiring boss, and I have, Congressman, no better answer than that.

I may say——

Mr. FINE. No, no; I did not mean to quarrel with you about whether or not you did or did not have a better answer. It just seems to me that we cannot change it actually sitting here in the Congress and that was something that the legislators could have done themselves and certainly we understand, as I understand, the State, whether we approved or did not approve, could have set up its own setup and

put all of these powers in there, conditions and everything else with it, and we could not have said anything about it. It just does not seem fair to me by way of a statement to you to bar a man that even the commission might within its discretion grant a license, and here by statute you are barring him for 5 years and you are saying that he must go out and get a job elsewhere in order to show that he has regained his status in the community. That is the difficulty.

While I understand—I have read part of the reports and you know that I live in the city, and I have read a lot about the situation on the waterfront—you still may get situations where some poor soul may be barred from employment and may not even be able to get it elsewhere.

Mr. TOBIN. Congressman, if you lived these facts, if you lived through this investigation as we all did, you would know that one of the terible evils of this thing is that people were practically solicited in Sing Sing to come down on the waterfront; that if you read the figures of the number, the proportion and number of these hiring bosses who are ex-convicts and the frightful abuses of that whole system, the granting of charters——

Mr. FINE. Not to belabor it too long; all I am saying is that the drafters of the legislation did not even trust or did not place much confidence in the discretion of the 2 commissioners who were to be appointed by the 2 Governors of 2 great States.

Mr. TOBIN. They were stating a policy to them, sir.

Mr. FINE. That is just what I am objecting to.

Mr. KEATING. They were meeting a very unusual situation. The remarks of the gentleman might well be applicable to the situation where we all want to try to rehabilitate those who have paid their debt to society. But they were apparently measuring against that the danger to society of letting these ex-convicts come right out of prison down to the waterfront to become hiring bosses or stevedoring contractors.

Mr. TOBIN. I think that is also so in other businesses that we consider affected with a serious and critical public interest; in some of the State alcoholic beverage control laws you will find similar provision that a person until such and such a period cannot even qualify for a license for that type of thing.

Mr. FINE. I have much more confidence in the discretion of the commissioners than the drafters. I think they would have done it. They would have done just as well without the statement of policy and I think they should have been given the power. Had I been in the State legislature I would have offered the amendment.

Mr. KEATING. I think there was an amendment offered along those lines which was defeated.

Mr. FINE. I do not doubt that.

Thank you. I am sorry to have delayed the hearing.

Mr. TOBIN. I think Judge Proskauer also covered the general prohibition of public loading and Congressman Celler's question as to whether or not that might be unconstitutional. He made reference to the Nebbia case and the flat statement in the Nebbia case by the Supreme Court that there are certain businesses which in their discretion the State legislatures could outlaw entirely. I think that the Supreme Court of the United States—I have some figures in mind—gave as examples 9 or 11 such businesses, which they itemized in the

Nebbia case, so there would seem to be good constitutional grounds in support of that position.

The question was raised as to what questions could be addressed to longshoremen, whether or not questions could be asked that involved their racial backgrounds. The only provision in the compact as to longshoremen in that respect is that they should ask them such questions as will identify them. Naturally, those questions can be questions that have to do with their criminal records. But what they may ask a longshoreman is far more restricted than what they may ask an applicant for a stevedore's license or hiring boss' license; and I would hazard the offhand opinion, though it was never suggested throughout any of the legislative discussions of the matter or the drafting of the bills, that certainly the FEPC laws would be considered in formulating the questions that would be asked by the waterfront commission, and that they would act in accordance with those laws in our State.

Question was also before you as to this matter of purging the registers of the longshoremen. Congressman Celler discussed that at some length. He said that in effect it made them the slaves of the shipowners.

Now, that goes back to that point, Mr. Chairman, that you raised with me before as to the number of men, casuals, who, as I quoted it, numbered 14,000 of the 40,000 longshoremen who worked less than 100 hours a year; that, of course, is the reason for that provision in the bill that the commissioners may every so often set a minimum amount of hours of work that must be done over a period of 9 months, I think the time is. But there is one other vitally important phase in there that was not discussed this morning and that is that under the compact he need not actually work for any of that time. If he goes to the State employment centers provided in this compact and only applies for work for that number of times he qualifies. If he never works a day because there is not any work, he cannot lose his license. Of course, that is a critical provision of the bill and if the bill did not provide that I think it would be justly subject to the criticism that Congressman Celler leveled at it but very carefully it provides that even if he does not do a day's work as longshoreman but he goes and applies for the minimum number of days' work he is covered by any of those rules and provisions that the commission makes.

Of course, their social objective, as I have outlined it, is trying to regularize longshore employment and give a decent amount of work and a decent family income to the men who want to work on the docks; that is the objective that we were all striving for in this provision.

I may say that we have very carefully researched, ourselves, the governors' staffs of both States, any questions of where in any way this could trespass upon the provisions of the Taft-Hartley Act or any other Federal labor acts, and to the best of our ability it has been drawn so as not in any way to be inconsistent with or in conflict with those acts.

The question has been raised here—Mr. Congleton has dealt with it—Mr. Crumpacker, it was your question—as to whether or not a provision could be put in that every amendment that the States made to the compact should be reviewed by the Congress. I might say,

sir, that I really think that would be wholly unworkable. Of all of the interstate compacts that the Congress has approved through the years, I know of no compact that has that provision in it.

Mr. CRUMPACKER. Do they all have the same provision permitting revision by the States?

Mr. TOBIN. Do they all have?

Mr. CRUMPACKER. Yes.

Mr. TOBIN. Many of them, sir; I would not want to answer that categorically as to whether they all do; but many of them do. I think that the recent compacts that you had before you of the St. Louis-Illinois Regional Development Commission and of the Camden-Philadelphia one had similar provisions in them.

I may say that in the case of the Port of New York Authority compact, which you approved some 32 years ago, there is a provision that the States may amend or modify it themselves. We have now some 600 pages of statutory amendments to that compact and it has never been back here and we would see no necessity of it.

Now, what you do as we envision it in a compact procedure is approve a principle, approve an objective of the two States. You check to see, as the Supreme Court has so often pointed out, that there has been no political, in the broad sense of the word, no political impairment of the powers of the Federal Government in the State compact and the Supreme Court has emphasized time and time again that that is the principal reason for the provision of the Constitution requiring consent for interstate compacts.

The Supreme Court has also pointed out that some types of interstate compacts deal with subjects which do not or could not conceivably involve any impairment of the general political powers of the Federal Government; there is no need for any consent at all. So that we submit that what you should do when you approve a compact, as the Court has interpreted the law, is to deal primarily with the question of any political transgressions on our institutions that might be involved in the agreement of the two States. But beyond that, as we see it, you approve a basic policy of that compact and you leave all of the details and all of the administration and all of the working out of that compact to the two States.

I would say unhesitatingly, sir, that if two States amended the compact, of course you have without any limitation this general provision, the general power of repealer as the chairman has pointed out. But if to any compact, aside from that, the States adopted an amendment that was inconsistent with the policies as the Congress saw them under which you had approved the compact, I would think that that would be beyond the power of the States and I would think, of course, you could take such action by repealer or otherwise as the situation required. But I know, Congressman, that there will be, starting perhaps in January, like in any other good legislation, be it the workman's compensation or social security or anything, that there will be amendments and improvements to this law. And I assume that there will be some amendments and improvements in practically every session of our State legislatures. There certainly has been for the last 30 years of the port authority compact. But they deal with details.

Typically, in the St. Louis compact that you had before you about 2 years ago, between Missouri and Illinois, provision was made for

the construction of various types of terminal structures by that new St. Louis Authority including, just to take any one of them, a motortruck terminal. Now, the approval of that compact was in no sense an agreement of any member of this committee or of the Congress that they thought that that authority was right or wrong in the construction of motortruck terminals. They approved the general idea of a public agency of the two States of Missouri and Illinois to advance the general public terminal and transportation facilities of the two States in the St. Louis metropolitan area on a self-supporting basis, and within that framework as to whether they should build a bus terminal or a pier here or whether they should not, that was entirely a matter for the States. I would assume that along those lines of details, major though they be, you would assume that the States could amend it from time to time even if they had not expressly reserved the right in the compact.

I have been associated with an interstate compact for some 30 years. I do not know how we could really operate, or maybe that is too strong a statement—it would certainly throw a terrible road block in the operations if the 600 pages of the amendments of the port treaty that the States of New York and New Jersey have enacted over the past 30 years had had to come back and be examined by this committee and the Congress in addition to the two State legislatures.

Mr. KEATING. Did the act of Congress approving the Port of New York Authority have a provision in it similar to the one in these bills reserving the right to alter, amend, or repeal the act?

(Discussion off the record.)

Mr. TOBIN. Mr. Chairman, our compact has in it the provision that the two States may modify, amend, or alter the port authority's powers and duties. And Mr. Goldberg, our assistant general counsel, tells me that our congressional consent does have the same language in it as that to which you referred.

Mr. KEATING. But if you amended the compact in any way, it does not require you to get approval of Congress on each and every change.

Mr. TOBIN. Since 1922, the States have never made any change that we felt needed congressional approval.

Mr. KEATING. That is, if the change were fundamental enough in character, you would feel that it was desirable to come to Congress for approval, fearing that if you did not do so, Congress might step in with its repealer.

Mr. TOBIN. It might affect our whole financing.

Mr. KEATING. You might take more seriously than we did at that other hearing the effort to do away with you fellows entirely.

Mr. TOBIN. That is right. If you imagine some major change in the whole purpose and functions of the port authority, then certainly the next question would have been, How are you going to finance it and where are you going to sell the bonds? So the next question we would hit down in Wall Street is, "Are you sure that you do not have to have congressional approval of this amendment?" and we would be here for it.

Mr. KEATING. Of course, there is not any such protection as that in this legislation because I assume that there would be no issuance of securities by this body. So they would not get into that phase of it.

Mr. TOBIN. Nevertheless, any toes upon which they trod would soon and properly bring their complaints to this committee under this power to repeal to look it over as we were brought before this tribunal last year.

Mr. KEATING. Do you share Congressman Celler's fear that Congress won't know what is going on in the world?

Mr. TOBIN. No, no.

Mr. FINE. In fairness to Congressman Celler, I remember that a month ago he told me that he was trying to get a copy of the compact, and my relationship with him is very close because we are on this committee together, and he said he was trying to get a copy of the compact and he could not get it. Certainly, somebody is to blame up in the executive chambers in Albany and in Trenton. Why a letter from a Congressman should not have produced the compact very quickly is something I cannot understand even today, and I notice that Governor Driscoll did not deny that a request came to him and I do know that Joe Martin, the Speaker of the House, gave it to the Congressman only after much pleading. Certainly, what we read in the newspapers——

Mr. KEATING. I think we ought to know before we castigate the executive officers of the two States whether these compacts are available and for how long they have been available. I never saw one until a few days ago.

Mr. FINE. Neither did I, but——

Mr. MILLER. As a point of information, the Governor's office in New Jersey never received a request from Mr. Celler for a copy. We would be very delighted to furnish him copies of New Jersey bills which contain the act, and immediately upon the signature of the compact it was officially transmitted to both Houses of Congress here, both to the clerks and to the presiding officers.

Mr. KEATING. When was that done?

Mr. MILLER. Around the 1st of July. I think on the 2d of July it was received here in the Congress. Certainly it was sent in time to be received then.

Mr. FINE. I am advised that the Congressman wrote to the secretaries of state of each of the two States.

Mr. MILLER. I cannot speak for the secretary of state, sir. I am sorry I cannot speak for the secretary of state but I do know that we have received requests and we have provided either copies of bills for those who wanted them or perhaps copies of the session laws.

Mr. FINE. I think it might be well, Mr. Tobin, for the commission to authorize its secretary when it is finally set up to forward copies of amendments to the Judiciary Committee so we will know of any changes and will not run into this difficulty of having some Congressman say he wrote and did not get it.

Mr. TOBIN. Very well, sir.

I may say also along the general line of amendment if, as suggested, that this waterfront work was to be administered by the port authority, and the two States provided that by way of amendment to our 1921 treaty, there is no question that such an amendment to our original treaty would have had to be consented to by Congress to give us this type of licensing power which we do not have now. That is an illustration—I was searching for one—of the type of amendment which the States couldn't make without Congress' consent.

Mr. KEATING. In other words, if you had taken on this job, you would certainly have come to Congress for any such change in your basic setup.

Mr. TOBIN. That would be a basic change in the whole port authority setup and we would be here, I believe.

Mr. KEATING. Mr. Miller, do we have a complete identification of you in the record?

Mr. MILLER. Mr. Chairman, I regret to have interrupted. I am William Miller, legislative consultant to Governor Driscoll.

If I may add, Mr. Chairman, I have a letter from the Secretary of the Senate dated July 2, acknowledging receipt of formal transmission of the compact statute from Governor Driscoll and stating that this is to advise you that a duplicate copy which was sent to the Vice President of the United States has been laid before the Senate and printed in the Congressional Record.

Mr. KEATING. Let me ask you this: Was not this compact set forth in full in the session laws of New Jersey and New York? Was it not a matter of record in the legislative bodies of those respective States?

Mr. MILLER. The rules require they be printed before they are voted on and they were printed as bills. The session laws, however, are not printed quite so promptly. But the bills were available as were the authenticated copies as printed in the Congressional Record of the Congress.

Mr. TOBIN. That covers about all the notes I had on Congressman Celler's remarks and I apologize again for reviewing them in his absence and in what I am sure is without full justice to the way he stated them.

Mr. Chairman, that, with my formal statement which I have submitted, expresses the views of the port authority. That is all the time of the committee I wish to take, and I simply wish to say in conclusion that we in the port authority live in close touch with the problems of the port, spending close to $1 million a year in its promotion and development alone, to say nothing of the physical facilities, the terminals, airports, bridges, and tunnels; but with that large expenditure of public funds for just matters of promotion of the commerce of the port of New York, I say sincerely to this committee that this is the most constructive bit of legislation, the most hopeful thing that has happened in the port of New York in our experience and we earnestly, all of our commissioners earnestly urge that the House join with the Legislatures of New York and New Jersey and the Senate of the United States in giving us the full blessing that a great, decent piece of legislation like this should have and that no imprimatur of this great House should be withheld from the matter at this time.

Thank you.

Mr. KEATING. Thank you very much, sir.

The next witness is Father Corridan of the Xavier Institute of Industrial Relations. Father, we are familiar with the fine work you have done on the New York waterfront and we are honored to have you here to appear before this committee.

STATEMENT OF FATHER JOHN M. CORRIDAN, S. J., REPRESENTING THE XAVIER INSTITUTE OF INDUSTRIAL RELATIONS

Father CORRIDAN. I wish to thank the committee for their invitation to appear before them for the purpose of offering any suggestions I may have on the New York-New Jersey Waterfront Commission compact.

I would like to make a brief statement for the record on the capacity in which I appear; the authority with which I speak on the practical aspects of the New York-New Jersey longshore problem; and a summation of my general views on the New York-New Jersey Waterfront Commission compact.

I appear before the committee as a Roman Catholic priest assigned by my order to educational work in labor-management relations at the Xavier Institute of Industrial Relations, 30 West 16th Street, New York, N. Y. My basic concern is the moral aspects of the problem under consideration insofar as they affect the spiritual well-being of the longshoremen, the industry, and the community at large.

From time to time since 1946 men from every interest in the harbor have consulted me on particular and general harbor problems. I want to stress "from every interest in the harbor" not just longshoremen, stevedoring firms, or officials, but presidents of steamship companies, high police officials of both States, and the different municipalities and Federal law people have consulted me, and it is an index to this problem that in practically all cases they would come, so to speak like Nicodemus, at night.

In the course of that time I have arrived at definite opinions on what remedial steps should be taken to correct the social injustices that threaten both the material prosperity and the spiritual well-being of all concerned. Any such opinions insofar as they are definitive applications of moral principles to concrete situations that may permit of other sound resolutions, are purely my own, and only as solid as the facts and reasoning that support them.

In general I support unreservedly the New York-New Jersey Waterfront Commission compact for this reason. The provisions of the law are essentially the same as the recommendations I submitted to the New York State Crime Commission at their request on January 12, 1953.

I support the compact as to cause: On the principle that for too long a period the private parties involved have proved unable or unwilling to live up to their proper responsibilities with consequent grave harm to the public at large as well as to many of the individual participants.

I support the compact as to procedure: Such necessary Government intervention as is contained in the New York-New Jersey Waterfront Commission compact has and is being arrived at under orderly constitutional processes conducted by the elected representatives of the people both of the executive and legislative branches of Government, subject to review by the judiciary on appeal. The compact is Government intervention at the local level yet commensurate with the bistate nature of the port of New York and with the bistate workings of organized crime in the port. In intent that Government intervention is to be temporary and is so specified in the law in article IV, section 13.

I support the compact as to substance: The basic problem on the waterfront is not crime but how to get a decent labor-management setup free of the control of racketeers; the problem is not law enforcement but how to make the waterfront law enforceable by stripping the racketeers of their false union coloration; the basic problem is not the shapeup but the racketeer control of hiring no matter what method of hiring is used because—I will say this from my own personal experience—it makes no difference whether a man makes $2,000 or $5,000 a year, both men are equal in these very important respects that neither man has a voice in his union and both men are subject to the dictates of racketeers and in order to earn their living they have to violate not only civil law but the law of God. The basic problem in its final analysis is how to break the control of the racketeers over the ILA in the New York Harbor at the points where they exercise control, namely, at the points of public loading and hiring.

I would like to point out, if I may, that insofar as the New York-New Jersey waterfront compact has met these two issues head on, that when the law speaks of outlawing public loading, I understand it to mean that you are outlawing those who control loading, not those who do the work of loading, the men who actually do the physical work of taking goods from a dock and putting it on the tailboard of a truck, and are paid approximately the longshore rate, those men can continue to work on the waterfront, can continue to work as loaders for a responsible carrier, steamship company, trucking concern, or licensed stevedoring concern.

Secondly, apart from the loading racket, I would like to point out that, historically speaking, it is at that point in front of a pier where loading takes place that these racketeers moved in and took over the union. And that is, to me, much more important than even the exorbitant charges that may be put on goods that are ultimately passed on to the consumer because I know how the individual workman, the individual longshoreman who has had to suffer under that regime——

Mr. FINE. They have done it without the implicit approval of the shipowners?

Father CORRIDAN. No, sir, they could not have done it without the implicit approval, at least sometime in the past. After you have allowed a thing to continue for a certain length of time and you have new officials coming into a company, you are faced with perhaps a fait accompli.

In that bill, as was pointed out, as far as licensing goes, the severest provision with regard to licensing comes down on the employers, the stevedoring firms, and that provision is very sound because the source of corruption had to be in the first instance the employer and the constant supervision—that is, their books are always to be available—is to stop that bribery that has been going on in the port among your key dock personnel in a managerial capacity.

If I may say so, Congressman, it has been my unfortunate experience in dealing with men who come out of prison and in trying to help them, that when an ex-convict tries to go straight on the waterfront, and if he does not play ball with the boys, he does not continue to work on the waterfront, he is told to get off the pier. When those who drew up this legislation took out from the discretion of the commission the power to give an ex-convict a boss's job who didn't have 5 years of good conduct, that the legislatures were sparing the com-

mission the pressures that could be brought to bear by different interested parties around the city to get this particular man a boss's job. It does not stop him from working on the waterfront. He can work as a longshoreman, checker, timekeeper.

Mr. FINE. That is probably the best answer.

Father CORRIDAN. Just reporting to you from off the waterfront—a joke among longshoremen when they pick up the paper in the morning and see where some man has killed three men, they say if he can beat that rap he has a good job down here, a boss's job.

Mr. FINE. Incidentally, I do not want you to keep looking at me all the time, only because I do not want the impression to go out that I am against this compact. I am merely trying to discover by inquiry certain facts so that I can be more familiar with it. Every day is an experience in the Congress. We want to take advantage of the opportunity.

Mr. KEATING. I want to say that Judge Fine has been very cooperative throughout and I assure you what he says is true. He is trying to get all the enlightenment he can on this problem.

Mr. FINE. I used to watch you on television during the periods that these investigations were taking place and I always turned around to my wife and said, "Please tell him not to look at me. I have not done anything wrong."

Father CORRIDAN. The bill outlaws the shapeup and substitutes State supplementary employment centers. May I answer one of Congressman Celler's difficulties by pointing out that if you are an extra, and as an extra a legitimate longshoreman, there are no more than 18,000 longshoremen, legitimate, in the port of New York. The ILA receives per capita tax from 31 longshore locals, on about 12,000; so let us assume that locals hold out about 50 percent on the international. That would give you about 18,000. Mr. Tobin pointed out that there were in 1951 some 14,000 men that earned $3,000 or so. Well, let's take an extra 4,000. You get, roughly, 18,000. So those who work in regular gangs on the same pier, they will not use these State supplementary hiring centers but the extra, and those working in traveling gangs, they will use the centers and they will get a much better break under that system than they will under the present system because it is provided in the law that registered longshoremen are to have absolute priority in employment over nonregistered men. Extras put it to me: Father, I can go to the hall and I will be sent down to pier 45 or 51 or 84 and the hiring boss will have to take me whereas previously I could only stand in front of one pier and he was free to take me or leave me out as he saw fit.

So, in that provision of the law, what it is aimed at in waterfront language is to eliminate part-time connection men. The 14,000 men that Mr. Tobin referred to as getting less than 100 hours a year.

When you register a longshoreman—and this is not licensing him—the union and shipping association should have done it a long time ago if they had any regard for the men because wherever longshoreman work has been regulated in the world longshoremen have been registered. It is unfortunate that it has to be done by the State, but if the two private parties will not do something decent for the men and it is hurting the public at large, then the Government has an obligation to protect the public and to protect the men. It will give the longshoreman in terms of the men the equivalent of a closed shop,

and I hope that is not a violation of the Taft-Hartley law. It will give it to them on a portwide basis. It will also make it possible to set up a seniority system on the waterfront. There is no seniority on the waterfront. It is limited to a pier, and that is a joke. I know men who have worked at Cunard since 1910, on piers 54 and 56. When those piers closed down, they were the same as the new mickies on the waterfront. They were out of work and at the age of 55 on the waterfront unless you know somebody it is pretty tough getting a decent week's work and a decent week's pay.

You make it possible for the men, insofar as this bill will break the hiring power of the hiring boss, you make it possible for them to start building a union. They do not have a union now. That union is a racket. Let me point out the history of that union. It was founded in 1892, speaking now of the international. It has had a contract in the port of New York since 1916. It does not own one piece of property. It has never paid benefits to its members and it is virtually bankrupt.

Let me take that same union and put it in New York Harbor where it is. I said before that no more than 18,000 legitimate longshoremen are in the port. They have 31 longshore locals. There are more than 100 paid officials connected with those 31 locals. That is 1 paid official for every 180 men. The men pay $36 dues a year; $36 times 180 gives us $6,500, just about enough money to pay the salaries and expenses of a superfluous body of officials. That is why there are very few locals in the harbor of New York that have a cent in the treasury.

Now, insofar as you or the States attack the problem of public loading and take the control out of the hands of the racketeers who have it now, and you take away hiring power from the hiring boss, you are taking away the source of the profits for organized crime in the harbor, because it is at those two points, at the hiring and at the loading where, once you control jobs and get control of the local and get your men in as officials, that you can set up your stealing operation, organized stealing I am talking about now; and you can set up your petty rackets like kickbacks, loan sharking, gambling and numbers, and some specialize in the handling of narcotics.

I say this to Congressman Celler: The trouble with the New York waterfront is that we have had too much stuff piecemeal all the way through the years and we should get the totality now to do the job and to do it as quickly as possible, and I would urge these three reasons for so doing.

Economically speaking, we have full employment or we can have full employment on the New York waterfront for the legitimate longshoremen, the 18,000 men I am talking about. We can have it at this time, but how long this time is to continue, I do not know; nobody knows. But at this time we can have it because at least 20 percent of the cargo going out of the harbor is going out under Government contract to fulfill our obligations abroad. Therefore, you can reorganize the work system without hardship to the men. That is, to the individual, legitimate longshoremen. In fact, you will benefit him immensely.

I would urge it for national security, because in order to have expeditious and racket-free handling of cargo out of the world's greatest port, I do not believe that this country should be kept in the position that it found itself in in World War II when Congress and the Army

brass interceded for the prison release of one of West Side's most notorious killers, Johnny "Cockeye" Dunn, and the Army gave as the reason that he was important to the war effort, and only a short time before he had pulled a strike to get rid of a New York hiring boss when the materials were vitally needed in Britain at that time.

I say this country should not be kept in that position.

I happen to be a priest. I am also an American citizen. When I found out from the longshoremen of Hoboken that there were more than 300 aliens working on those docks, that any one of them could have been a subversive, that any one could have been a saboteur, I came down here to Washington to see the officials in Washington to get those docks raided because the union and the companies used them in short gangs and kicked the native men of Hoboken out in the street, the men who would not go along with that kind of a system.

The last reason that I would give—I get a tremendous amount of mail, receive a tremendous amount of periodicals from all over the world. I want to tell you that this New York dock situation is an international story, and for our own prestige we are in an awfully embarrassing position as the leader of the world's free forces to be put in a position where we have to stomach the rule of totalitarians on the New York waterfront, because that is what the rule is. The quicker we wipe this moral blight off the face of the earth the better it will be for all concerned.

I would like, if you have no objection, to establish the case against this union in no uncertain terms. Let us take the collective-bargaining relations between the union and the shipping associations in New York Harbor in terms of the president of that union who has been in office since 1927. When he assumed office, the longshoremen made 85 cents an hour. Their best condition of work was to get 2 hours at any 1 hiring if weather conditions permitted. From 1927 to 1945 longshoremen advanced from 85 cents an hour to $1.25 an hour. Their best condition of work was, in 1945, 2 hours of work at any 1 hiring if weather conditions permitted.

Since 1945 to the present date, and principally through wildcat strikes which are a rebellion against their leaderships before it becomes a strike against the companies, these men have gone from $1.25 to $2.27; that is in straight time.

They have three benefits: Vacation pay, welfare, and pensions. Vacation pay and the welfare came through wildcat strikes.

May I point out in terms of those longshoremen, their social and economic status, that a longshoreman cannot borrow from any bank or any personal finance company; and he cannot qualify for any low-cost housing, private or public, and that a welfare fund insofar as it applies insurance principles to certain ordinary contingencies that can come to any family such as sickness or accidents or births, was a godsend; yet those men had to go out on a wildcat strike to get it.

It has been my pleasure to have known as many longshoremen as I have and to respect them for great men. But I do not care, as I have had to do on occasion, to go down as a priest to the New York waterfront to stop a killing; nor do I care to take a private vow that if one man in our area—I say this for the benefit of the counsel of the ILA—Scanlon, killed another man, I would personally go to see Joe Ryan, but I would call the police and the newspapers about it before I went.

Scanlon is now serving time in Sing Sing for beating a man almost to death with a baseball bat over the head. Yet, that union, and the employers, promoted that man almost to the point where he became business agent of one of the finest locals in the port, the Chelsea Local 791.

I am glad to say that with regard to the $5 assessment, that the only local in the port so far where they had a secret ballot not at a union meeting in a small hall that will hold only 50 but one held from 8 o'clock in the morning to 3 o'clock in the afternoon, the men of 791 turned down that assessment 185 to 115, and would to God we had more men like them around the port, and we will if this compact goes through, please God, quickly.

Thank you.

Mr. KEATING. Father Corridan, we are very grateful to you for your presentation which is certainly very convincing to me. We know of your unselfish devotion to the work you are engaged in and commend you heartily for it.

If there are no questions, thank you very much, Father.

STATEMENT OF GEORGE B. DE LUCA, DISTRICT ATTORNEY, BRONX COUNTY, N. Y., AND PRESIDENT, NEW YORK STATE ASSOCIATION OF DISTRICT ATTORNEYS

Mr. KEATING. Our next scheduled witness is Mr. George B. De Luca, district attorney, Bronx County, N. Y., and president of the New York State Association of District Attorneys.

We are glad to have you here, sir.

Mr. FINE. Mr. Chairman, Mr. De Luca comes from my county and he is an example of the fine, public-spirited citizen we have in Bronx County.

Mr. KEATING. We have two of them here today in our midst.

Mr. DE LUCA. Manny Celler happens to have been a classmate of mine at law school so I am well represented on this committee.

I am thankful for the opportunity to say a few words and I hope to be able to reciprocate by making them very few and very short and snappy because I feel that the whole subject has been fully covered by Father Corridan and by Judge Proskauer and by Mr. Tobin, by Manny Celler and the members of the committee who have shown their interest in this problem by asking various questions.

It was thought in New York that somebody should be here representing the five district attorneys of New York City. It was originally planned to have Mr. Frank Hogan here and I am just pinch hitting for him because he is indisposed. He reached me Monday out of town and I interrupted a short vacation to be down here in Washington to say a few words in behalf of the district attorneys in New York City.

Mr. KEATING. We appreciate that.

Mr. DE LUCA. Thank you very much. I suppose Frank Hogan came to me because I happen to be president of the New York State District Attorneys Association. He thought I should have something to say in presenting the ideas of the five district attorneys of New York City. I am happy to perform that function in behalf of those five men, including myself. That is my function here, to carry our message to you, as briefly as possible.

It just so happens that Bronx County has no waterfront problem. Queens, likewise, has no waterfront problem. That problem is confined to the other three counties, primarily in New York County where I think it is in greatest degree, and secondly, in Brooklyn, I would say, and thirdly in the county of Richmond.

So, while I am here, I will touch upon something that has not been adverted to and I think perhaps it is my duty as a district attorney to say something about it. I wanted to make it plain for the record that it is my conviction that such conditions as do exist on the waterfront, and they are bad, indeed, are not the result of lack of law enforcement by the district attorneys in the city of New York who have the waterfront as their problem. In New York County we have had for the last 12 years—I think this is the 12th year—Frank Hogan in office as district attorney of New York County. We have had his able, honest and courageous services.

Likewise, in Brooklyn, for quite a few years, we have had the able services of Mr. Miles McDonald. More recently there was elected a newcomer in the field of district attorneys in Richmond County in the person of Mr. Simonson.

I am quite sure—in fact, I am positive of it—that those three gentlemen have during all their incumbency exerted their best efforts to do what they could with conditions regarding crime on the waterfront. They have done everything that it was humanly possible to do. But I do not conceive of this as a problem for district attorneys, and I was glad to hear Father Corridan say that it was not a matter of law enforcement. There have been convictions from time to time down through the years. There have been many convictions in petty pilferings. Persons have been sent to jail. Some have been executed for murders on the waterfront. Yet, with nothing but that, with merely the district attorneys operating in their sphere of law enforcement, conditions have been going on year after year in the same way for a generation, and the conditions have been increasing for the worse in intensity down through those years. We recognize that the matter is principally a matter for the legislature, and the district attorneys of New York City are grateful for the work that was done by the New York State Crime Commission—the results they have achieved, the legislation which was passed at their behest, the impetus that was given all that by Governor Dewey. And while I do not know as much about what happened in New Jersey, I think I can say the same for the comparable officials in that State who contributed to the result which has come before you in the pending bill which we are all asking approval for.

Mr. Hogan made an admirable statement before Governor Dewey when the public hearings were had before him. They appear in this yellow book, copies of which have been filed here this morning. When you come to read the fourth report of the New York State Crime Commission and this report of the public hearings held by Governor Dewey, I am quite sure that you will be convinced as we all have been of the terrible conditions which have existed on the New York City waterfront for so many years, and many questions which you have asked here will be cleared up in your minds.

I am not going to belabor the very, very many facts and figures and ideas which have been presented here today. From that yellow book which contains the record of the public hearings I think you will be

impressed as I was by the forthright and courageous statements made by George Meany, president of the American Federation of Labor. He calls the proposals by the crime commission for the most part salutary. He acknowledges that the commission has made a remarkable contribution to a problem that sorely needs some remedy and frankly admitted that he had no solution.

President Ryan, of the ILA, said in his testimony before the Governor that something had to be done on the waterfront, but that he, too, had no plan.

Mr. Meany's principal objection to the proposals of the crime commission was that they tended to emasculate, if not abrogate entirely, this matter of collective bargaining between employer and employee. I am rather surprised that in this hearing today, with all these speakers here, nobody spoke at any great length about collective bargaining and whether this feature of our present fundamental law in the Taft-Hartley Act and perhaps other provisions of law is to be maintained. I myself would like to be clear on that point, but I will say this: That if you look at the record of the public hearings, you will see where counsel for the New York State Crime Commission time and time again in questioning witnesses adverted to the fact that nothing was embodied in the proposals affecting the right of collective bargaining. So I am of the opinion, without having studied it too carefully, because, as I say, we have no waterfront problem in the Bronx, but, nevertheless, I try to keep up with these things, it was the intention of the New York Crime Commission to keep the matter of collective bargaining in status quo.

It is my opinion that employers and employees are still at liberty to bargain and that they may even bargain as to these lists of employees at the information centers regarding the method by which they are to be chosen by the employers.

In other words, if under the law the employers are given the right to choose them, I think the employees in an organized manner can bargain with the employers for some variation of that program.

I think that is a very important point because the matter of collective bargaining seemed to be the chief criticism Mr. George Meany had against the proposals of the crime commission. He did not object to registration per se; he merely said that he did not like the idea that anyone who wanted to register would have to answer a lot of questions concerning his pedigree and past record and so forth. He thought that feature was bad; but his main objection was to this emasculation of the collective-bargaining feature of our laws. If I am correct in my view, his position on that score is somewhat weakened.

At the public hearings it was stressed that the legislation proposed by the New York State Crime Commission was emergency legislation and that the operation of the information centers was to be only a temporary function. I hope that aspect has been reflected in the law and in the compact which has been made between the two States, New York and New Jersey.

I think, too, you must now be convinced that a bistate agency is the only feasible agency to carry out the purposes of the laws passed by both States. We, the district attorneys of New York City, stand solidly behind what was done by the New York State Crime Commission, by the comparable commission in the State of New Jersey, by

the laws passed by those States; by the compact which was made and also behind the bill which is pending before you for approval, which approval is most needed to give force and effect to the bistate agency.

Thank you very much.

Mr. KEATING. Thank you, sir.

The next witness is Mrs. Elinore M. Herrick, who will appear on behalf of the Commerce and Industry Association.

STATEMENT OF MRS. ELINORE M. HERRICK, REPRESENTING COMMERCE AND INDUSTRY ASSOCIATION OF NEW YORK, INC.

Mrs. HERRICK. Commerce and Industry Association of New York, Inc., represents over 3,500 business firms in New York City, among them companies engaged in the entire range of business activities—manufacturing, retailing, wholesaling, shipping, insurance, transportation, banking, real estate, foreign trade, and other fields. Small, medium-sized, and large business organizations are represented in our membership.

Our association has a vital stake in the health of the New York waterfront. The unwholesome conditions on the piers directly or indirectly affect the life of the entire city in material and tangible ways. The unsavory picture of racketeering, bribery, union malpractice, petty thievery, and major crime disclosed in the crime commission hearings is a matter of the most serious concern to the whole metropolitan community. Organized pier crime has extracted untold millions of dollars from waterfront employers and from shippers. The high cost of doing business under present waterfront conditions inevitably is shared by the general consuming public in the form of higher prices for the goods and services they buy. In this way all segments of the community bear the burden of the shameful exploitation which has for so long gone unchecked.

We have been immensely heartened by the recent actions of New York and New Jersey in adopting a forceful, far-reaching bistate program which holds rich promise of at last wiping out waterfront evils and restoring the port to its just stature. The governers, the legislators, and other officials of the two States deserve to be commended for their forthright action. Special recognition is due the New York State Crime Commission for the invaluable public service it performed in ferreting out and documenting for all to see the shocking evils and abuses rampant on the waterfront.

The bistate program now awaits only the approval of the Congress to be put in effect. The program has been characterized as drastic, and concededly it is. It provides a strong dose of public regulation. We would have preferred that an effective remedy be achieved through other means. We concluded, however, that a realistic appraisal of the nature of the problem, and of the possible avenues which waterfront reform might take, pointed inescapably to the need for direct and forceful State intervention. Many years' study and observation of the waterfront problem has convinced us no lesser program can succeed.

To put the problem in its proper perspective, we first want to point up an aspect of the situation which deserves the utmost emphasis. The shapeup system of hiring, the public-loader racket, and the obvious complete inadequacy of law enforcement along the docks com-

monly are named both as the root causes and as the outer manifestations of most of the waterfront evils. Our association agrees that these are central facets of the problem which must be dealt with if a lasting cleanup is to be achieved. We are convinced, however, that there is a root cause which lies deeper than any of these factors. It is the International Longshoremen's Association itself. Our careful first-hand study of present waterfront conditions over several months has shown conclusively that there is hardly a foul practice pointed to in the report of the New York State Crime Commission which cannot be traced to the direct influence of the corrupt, undemocratic, and irresponsible labor organization which, unfortunately, still holds the port in its evil grip.

Many of the matters to which the two States have addressed themselves are of the type properly left to the operation of free collective bargaining under normal circumstances. I was interested in that subject, having been director of the National Labor Relations Board for New Jersey, New York, and Connecticut. I am interested in collective bargaining. I would not want to see any law passed which in any way prevented the operation of sound, constructive, productive collective bargaining. I think it is the most wholesome thing that has happened to this country that we have gone so far along the road of achieving a maturity in the collective-bargaining relationship.

Were our New York longshoremen represented by a labor organization of high principle honestly devoted to the welfare of its members, the problems we face would resolve themselves without State intervention; indeed they would not have arisen in the first place. If the present ILA leadership is allowed to retain its hold on the men on whose work the functioning of the port depends, there is no hope for a remedy through free collective bargaining. Collective bargaining is a two-sided affair in which honest efforts and good intentions of management and labor are required to achieve a sound relationship. In this case, the union is in a position to do more than bargain. It can and does dictate the way many important things are done. It is easy to condemn the shipping employers and lament their seeming inability to resist more effectively the machinations of the criminal group with which they must deal. A careful look at the dollars-and-cents workings of a typical wildcat strike—or waterfront holdup such as the employers meet almost uniformly when they attempt to assert their management prerogatives in ways which might thwart the purposes of the hoodlum element in the union—will demonstrate that the poor showing of the shipping and stevedoring concerns is due to more than complacency. The practical requirements of staying in business in the face of a union demand for some illicit or uneconomic concession often dictates capitulation. One such concession breeds others, and much of what is wrong on the waterfront is explained by the very real inability of the employers to hold out against indefensible demands which are supported by the union's ability to inflict staggering financial losses on those who do not readily go along.

It is clear from these harsh facts that unless the compact which is before your committee is made operative, there can be no lasting or thoroughgoing improvement in waterfront conditions. Until the ILA is replaced by a responsible labor organization or its present leadership by responsible new leaders, public intervention of the type provided in the compact is the only remedy available. Over and beyond

this necessary public intervention, all efforts of the American Federation of Labor to clean up the union are to be commended and supported. At the waterfront hearing recently conducted in New York City by Governor Dewey, the president of the American Federation of Labor made it amply clear he was determined to see real and lasting reforms effected, and he was frank to acknowledge that the longshore workers had for too long been victimized by their union leaders.

We come now to our appraisal of the specific provisions of the bi-state compact.

Replacement of the shapeup by a method of hiring keyed to the establishment of a number of employment information centers is a central feature of the new program. We support this plan. Transferring the hiring of longshoremen from pier site to systematically organized employment centers offers the twofold advantage of placing the hiring process in a goldfish bowl, and of facilitating the bringing together of available workers and employers in need of men.

Under the legislation all dockworkers will be required to register at the employment information centers, and the employers will be required to hire only through those centers. We believe the restriction of hiring in this way to the information centers is essential to the success of any plan for abolishing the shapeup and fostering greater regularity of employment. It must be noted that the terms of the compact specifically allow for the employment of longshoremen in regular gangs, and the program should operate to improve earnings and stabilize the employment of workers regularly attached to the industry.

It has been claimed that the new hiring plan will infringe upon the right of longshoremen to engage in their chosen calling. Careful examination of the statute will show that every care is taken to respect and protect the rights of all those interested in legitimate waterfront employment. There is provision for limiting the number of men on the longshore register so that the total number will bear a sensible relationship to the needs of the industry. Sound provisions are set forth for the registration of workers who can show a reasonable degree of identity with the industry on the basis of a certain number of days' employment or availability for employment in a given period. We do not see any infringement of basic rights here. The net effect of the new plan should be to provide a greater measure of job security and to make a man's employment no longer depend upon his ability to curry the favor of a hiring boss through kickbacks or other devices.

Aside from the basic pattern of organization of the employment information centers, there is the question of who should run them. Early in the consideration of the waterfront program which culminated in the bistate compact considerable thought was given to the possibility of having the private parties involved operate such a hiring program. When the full impact of the Crime Commission revelations was weighed, however, it became abundantly clear that only a public agency vested with strong authority could cope effectively with the needs of the situation. If the licensing provisions of the compact are administered by the bistate commission, as they should be, it is appropriate and desirable that the same agency operate the employment centers so that the entire program can be handled in an integrated fashion by one administrative unit.

It must be noted that the establishment of the employment information centers for the longshore industry does not constitute a radical departure from the present functions and policies of the two States, since they presently operate public-employment services. In New York City, for example, there are some 15 State employment offices, each specializing in a particular industry or occupation such as the needle trades, the hotel industry, domestic employment, and the clerical field.

The maintenance of some form of loading service at New York piers is essential to the efficient operation of the port. It is normally uneconomic for truckmen hauling goods from piers to send helpers along with each truck to handle the loading of the freight from the pier. The present public loader system, however, is operated as a monstrous multi-million-dollar racket feeding on all shippers who use the port, and indeed on us all. Strong measures are called for to dislodge the loaders from their entrenched position. And may I say that the Commerce and Industry Association have spoken forth as protagonists for the complete abolition of public loaders because we followed what they do, how they operated, how largely they were responsible for the crime that was rampant.

Under the terms of the bi-State program, the public loaders, as they now operate, will be replaced by licensed stevedoring concerns or by employees of the steamship lines, pier operators, shippers, railroads, or trucking concerns. Our association urged that the State go further in order to get at the root of the evil. We would have preferred to see loading restricted to those acting on behalf of the pier operators, in most cases the steamship lines. While this view was not adopted, we nonetheless feel that the new statute does provide the means for markedly improving handling of the loading work. The licensing provisions for stevedores will afford a much-needed measure of protection as to the character of those who engage in the loading business.

Though we regret that it is ever necessary to license any person before he can pursue his chosen occupation, public interest often requires that this be done. Taxi drivers, motion-picture projectionists, and skilled technicians of many kinds must be licensed by a properly constituted public body before they can offer their services to the public. The waterfront picture presents another case in which the licensing technique must be applied to afford needed protection to the public. We believe those sections of the compact which require the licensing of stevedoring companies, pier watchmen, and hiring bosses are necessary and helpful. The degree to which these areas of port operation have been infested by hardened criminals and generally undesirable persons requires that this measure be taken to provide a means of ridding the waterfront of at least the worst offenders. Intelligently applied by the new commission, the licensing plan can serve a valid purpose without infringing on the legitimate rights of honest individuals engaged in any line of waterfront pursuit. There has been some criticism of the new statute to the effect that it will operate to prevent men with criminal records from becoming rehabilitated through honest employment on the docks. The compact in fact does not contain a blanket bar against the employment of persons with criminal records. Where the commission is satisfied as to a man's good character and conduct despite a past conviction, he may be licensed. Article XI of the compact contains detailed provisions guaranteeing

the opportunity for hearings on commission determinations denying licenses to applicants or denying places on the longshore register to men seeking longshore work. Further, all such actions of the commission are subject to judicial review under the regular procedures provided by State law covering acts of administrative agencies.

There has been some comment about any possible conflicts with any other legislation. Actually, this statute provides that no pier superintendent or foreman may be a member of a labor organization in any way connected with the union which represents the dockworkers. The testimony taken by the Crime Commission contains evidence amply supporting the need for such prohibition. This provision, incidentally, is in accord with the terms of the Taft-Hartley Act, which recognizes the inappropriateness of supervisors belonging to rank and file unions. The new program also protects management's right to the free selection of such supervisory personnel, a central requirement in the successful operation of any business endeavor. In the past they have not been able to. I watched the union in this case and it would require that a union man be your hiring boss, your pier superintendent—not the choice of the employer at all. The employer had to accept that pretty much at a point of a gun, an economic gun, perhaps, not a physical gun, and the authorities charged with administering the new law must be vigilant to suppress any future attempts by the union to force the selection of their own men for these key jobs.

For reasons similar to those applying to other key categories of pier personnel, watchmen also must be licensed. A bona fide and complete separation must be maintained, under the terms of the statute, between the labor organization representing the watchmen and that representing the other dockworkers. Here again, this provision is in keeping with the Taft-Hartley Act which recognizes the same necessity.

With regard to union controls, the compact prohibits the solicitation or collection of dues from waterfront employees by a union having officers or agents which have been convicted of felonies, except where such officers or agents have been pardoned or received a certificate of good conduct from their parole boards. We understand the International Longshoremen's Association has taken strong exception to this provision. We feel the union objections unwarranted. We have outlined our reasons for supporting the institution of licensing and certain other safeguards applying to some categories of waterfront personnel. The reform program would not be complete without similar measures with respect to the union itself, which is where the trouble really lies. We do not believe the new law, as drawn, will hamper legitimate interests of the union or deny a union position to any man whose conduct merits it.

In recent months as the waterfront reform program has taken shape, spokesmen for the ILA have hurled a series of completely unfounded charges at the entire plan. They have called the program " a blueprint for industrial chaos for the destruction of this great port * * *" and have characterized it as an "elaborate program for raping a labor union. * * *" In view of one prominent ILA spokesman, the reform plan "would amount to the establishment in this port of a slave-labor camp with all the ugly implications of a totalitarian tyranny. * * *"

Our careful study of the bistate compact convinces us that nothing in it warrants such intemperate charges. It is difficult for us to see

the validity of a union attack on the State licensing and hiring plan, which in a sense does regulate the opportunity for employment on the waterfront, when unions themselves so commonly close their books on nonmember workmen and deny them completely the opportunity to pursue their chosen occupations.

The citizens of New York and New Jersey have become justifiably aroused by the revelation of the extent to which the criminal underworld has preyed upon workers, employers, and the consuming public in the port of New York. The labor organization which now opposes the measures contained in the bi-State compact is itself principally responsible for the conditions which make such controls necessary. Such is the hold of this organization on the port, that we say again there is no chance for a lasting cleanup short of such measures as those contained in the new law now before you.

It should be noted that article XV of the compact is designed to safeguard free collective bargaining during the period of State controls. The compact provides, for example, that within the framework of its terms waterfront unions and employers may bargain and agree upon "any method for the selection of * * * employees by way of seniority, experience, regular gangs, or otherwise. * * *" We look forward to the time when the emergence of an honest, responsible, labor organization sincerely devoted to the welfare of the waterfront workers makes possible the termination of these controls and the return of the entire union-management relationship to the realm of free collective bargaining.

If you will come back for a minute to the immediate practical problem—we have contracts between the employers of the union expiring in September. Just the other day the union wanted to get the employer association to agree to a new way of handling employment. The association, mindful of the fact that this bi-State compact had been passed, said, "Well, that is going to supersede. We are going to have the information centers for employment." They would not agree to it.

If we really want to preserve collective bargaining as the statute points out and devote all of article XV to a provision for safeguarding perfect collective bargaining during the period of State controls, we ought not to lose a minute here in Washington in approving of this bistate compact. As a practical collective bargainer, I know that if you have something that is up in the air, you think it is going to be the law, you are not quite sure and you are up against a deadline of getting an agreement and reaching it and signing it and getting your management or your membership whichever side is involved to approve it, it is a terribly dangerous situation to be in where you don't know exactly how far you can go in reaching a specific term of agreement. And so at this present minute, the faster we can have approval on this bi-State compact, the better is the chance that by September those things which are within the realm of the collective bargaining that is now going on can be brought to a conclusion, the better is the chance for a peaceful productive period in the port of New York and that, gentlemen, is something that the Commerce and Industry Association wants very much. No one has any idea—because there are no available statistics that are accurate—as to how much has been the actual loss of money, of business, of future ship-

ping to the port of New York from quickie strikes, from the tactics of the racketeers and gangsters that have been running the situation and from the instability within the union itself, rank and filers knowing darn well that they can't trust their union leaders.

I thank you very much.

Mr. KEATING. Thank you, Mrs. Herrick.

STATEMENT OF STANLEY KREUTZER, REPRESENTING THE WATERFRONT COMMITTEE OF THE CITIZENS UNION AND VARIOUS OTHER NEW YORK CIVIC ORGANIZATIONS

Mr. KEATING. We appreciate your appearance, Mr. Kreutzer.

Mr. KREUTZER. May I state for the record I am appearing for the Chamber of Commerce of the State of New York, the New York Board of Trade, the West Side Association of Commerce, the Staten Island Chamber of Commerce, the City Club of the City of New York, the Queensboro Chamber of Commerce, the City Affairs Committee of the City of New York, and the Bronx Chamber of Commerce, in addition to the Citizens Union of the City of New York of whose waterfront committee I have been chairman for a number of years.

I hope I have not misled the committee because a number of these groups said that they were sending telegrams to the chairman.

Mr. KEATING. I have a number of telegrams that I am planning to insert in the record at the appropriate point.

Mr. KREUTZER. I sincerely hope that I have not gone beyond my authority because a number of these groups told Mr. Heddon of the port authority they would like me to speak in their behalf.

Practically every well-known civic organization in our part of the country is wholeheartedly in favor of the proposed legislation now before your committee. I know of no exception to this strong support of the bi-State compact by any civic group and I appear to emphatically urge its quick and overwhelming approval speedily and without delay.

The collective-bargaining contracts in the shipping industry expire on September 30, as Mrs. Herrick just said. That is one of the very important reasons for quick action.

Now, in almost every case, the union, the steamship operator, or the stevedoring company, lay the blame on someone else's doorstep and said, "We have done our best."

Some of this testimony in opposition is incredible. I sat throughout the entire hearings before you and it is like something Lincoln Steffans wrote in his The Shame of the Cities. It comes back again and again and again. He said, that when it comes to corruption and venality the blame is always being placed on someone else. Some men like to say that it really is the fault of Adam. Others like to blame it on Eve. There are still others who say it is the fault of the serpent. Lincoln Steffans then said: "The point I am trying to make however, is, that it is the fault of the apple all the time."

But whatever the cause, there has been no question on anybody's part about the criminal conditions and everyone has agreed as to the urgency of action.

This investigation of the State crime commission in New York and in New Jersey was one that did not end on high platitudes—because they not only exposed relentlessly and faithfully—bribery, murder,

violence, graft, and indifference—but they offered a mighty good plan for correcting these conditions. And this, it seems to me, was good investigating and good government.

At the Governor's hearings we had the highest executive, administrative and legislative officials of our State present. And I would like to give the picture of that hearing, if I may. I do not believe that the record before you has given you the picture of the proceedings before Governor Dewey.

The Governor was on the dais. The Governor's counsel, the attorney general of the State of New York, the Lieutenant Governor of the State of New York, the State comptroller of our State—the four highest elected officials in our State and the counsel who is an appointee of the Governor—flanked the Governor on the dais. Seated at the Governor's left were the highest officials of our legislature—the head of the senate, majority and minority leaders of the senate, the speaker of the house and the majority and minority leaders of our house. In addition, we had present many of the legislative representatives who came in, some for temporary periods of time and some to stay throughout most of the hearings, including many chairmen of legislative committees.

In addition to those persons, we had present the members of the New York State Crime Commission and all their staff and a good part of the port authority officials who have been interested in this problem for a long time.

Long before this matter came up for hearing, the report of the State crime commission was publicized. It was distributed. It was discussed and debated publicly, privately, and almost universally, by everyone interested in the subject. I might add that I have never in my many years of interest in civic work—I am not a paid civic worker and never have been—I have never, in all the years I can remember, seen a group of people more representative of the various groups in the city and State of New York, present, interested, and participating in this vital waterfront problem.

In addition to that, if you please, sir, there were about 50 representatives—I have forgotten whether it was 46 or 50, but, roughly, 40 to 50—of every segment of this industry, civic groups, and public officials, all of whom came to express their views on this subject, and, in addition, representatives of labor, of the ILA, various locals, independent groups, and George Meany, president of the American Federation of Labor.

Mr. KEATING. May I ask you this: Are there several different unions on the waterfront? They are not all members of the ILA?

Mr. KREUTZER. Basically, the ILA locals control all of the labor at the waterfront. There are various locals, however, that are not in harmony—I hope I am using the right word, but generally it is the idea I would like to convey—that are not in harmony with Mr. Ryan's leadership; and if you were to look at today's New York Times, on the front page, you will find therein the precise happenings of a disturbed and violent industry, due to greed for power and precipitated because there has been some delay in getting this legislation completed. There are two interesting stories that appear in the newspaper. One is the fact that Anastasia is now moving to take over all the locals in Brooklyn. There is an interesting story as to how that came about and why. I shall not recite this story for the committee, since it is in the news-

papers, and I would not want to give my comment on the subject unless requested. My opinion will be biased, of course.

In addition to that, the story sets forth that Anastasia is getting ready to battle ILA and take over the Brooklyn locals, while, at the same time, negotiations between the employers and the unions have been stymied.

Now, those are rather eloquent happenings in an industry that needs real correction.

Mr. KEATING. Is Anastasia a member of the ILA?

Mr. KREUTZER. I meant to say this and forgot. The Anastasia I am referring to is Tony Anastasia, referred to as "Tony," and a brother of Anthony Anastasia, of Murder, Inc. There are two Anastasia brothers. In justice to Mr. Anastasia, the "Tony" Anastasia, the New York Times says that his reputation along the waterfront is a rather good one, and I think that explains the full story.

Mr. KEATING. Is he a member of the ILA? Is he trying to take over from Ryan?

Mr. KREUTZER. He is head of one of the ILA locals, and now he is moving to take over all the locals in Brooklyn, with Ryan's help, or in spite of Ryan's resistance.

At the hearings before the Governor everybody was shocked and appalled by the horrible story told by unions and employers alike of murder, racketeering, pilferage, extortion, and worse, which has not only visited this industry but has moved in and been with it like a leech. That testimony was the Voice of Experience, and we, the decent people and officials in our city and State, did not like it one bit. But side by side with that story was the testimony before the State crime commission—an unbelievable and horrible tale. That is why we respectfully request that you discard the pleas for self-reform of the ILA and the employers and listen to the civic groups as the voice of common decency in this instance, striving to do something about this situation, on a subject and at a time when they have no material ax to grind.

These racketeers live on the lifeblood of good and decent people, in and out of their union, in and out of their industry, in and out of their domain. The decent people of New York think it is time we called a halt to this abominable situation. No longer should we stand idly by and permit the vitality of the greatest port in the world to be destroyed, either by indifference or ruthlessness.

There is a deepening anger at these revelations of corruption and racketeering. In an industry which has been racket ridden for years, where gangsters and thugs have held important positions, where pilferage and murder have been in partnership, people have a right to ask "What is going to be done about it?"

Law and arbitrary power are in eternal conflict. And never was it more clearly manifested than on the waterfront. This problem does not belong to one part of our State nor is it confined to one part of our Nation. It spills over from State to State. Wherever power and money are, there you will find the racketeer and every successful racketeer who constantly looks around for more ports to conquer. Soon, if he continues to meet with indifference, no area will be free from his grasp.

Wherever there is a port, serious problems have kicked up. These problems erupt in one form in New York and another in California.

But when that eruption takes the form of venality and corruption, it is time for Government to act.

To paraphrase our Declaration of Independence:

> Prudence indeed dictates that changes shall not be made for light and transient causes; experience has shown that mankind are more disposed to suffer while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute despotism, it is their right, it is their duty * * * to provide new guards for their future security.

People have a right to ask, as they have been asking for years, "What is the industry doing about this?" And in default of an answer they now look to Government and ask, "What are you going to do about it?" The answer has rung out through the ages and on one occasion our great Civil War President said that the legitimate object of government is "to do for the people what needs to be done, but which they cannot, by individual effort, do at all or do so well by themselves." On another occasion President Theodore Roosevelt said, "I acted for the common well-being of all our people, whenever and in whatever manner was necessary, unless prevented by direct constitutional or legislative prohibition." And this principle has been stated and restated by every great President, regardless of party.

It is in precisely this spirit that we ask you to approve this bi-State compact. Government is instituted for check and balance. Present conditions are intolerable. By hesitancy or indifference we may entrench corruption. When union leaders, including such powerful officials as Joe Ryan, "Gene" Sampson, Anastasia, and "Mickey" Bowers disclaim responsibility for the New York demonstration against Governor Dewey and the highest legislative and executive heads of our State, then we know full well that anarchy and irresponsibility have become the order of their day.

Governor Dewey has been criticized by "anonymous" sources, because of his "motives" and the fact that he had already made up his mind before the hearings.

I am no clairvoyant who can divine motives or determine what is or was in the minds of the Governor and the 10 legislative leaders, Democratic and Republican, who were present. But I do know what I say—that the Governor and the legislative leaders took time and trouble to observe, inquire, and listen firsthand, on this subject, so vitally related to the public welfare of our people. It makes one feel good to be an American. Believe me, it does. Because at this hearing we were enabled to manifest the greatest right of an American—the right to "beef," to sound off, and be heard. While this demonstration of Americanism was taking place inside, it is regrettable that another kind of demonstration was taking place outside, where thousands of men, according to Gene Sampson, by "unanimous" consent and "democratic means" by a "democratic union," had decided to picket the hearings. But when Mr. Sampson and the other leaders representing these men were asked for their views of the proposed legislation, their silent and apologetic statements inside the hearing room bore little resemblance to the loud shouts of their men on the outside. Except for the fact that the SRO sign went up in this area for the first time since the days of the Hippodrome, no constructive or helpful suggestions resulted from this picketing.

In view of the urgency, we must think only of the alternatives that are presented. The waterfront situation is one case where criticism of existing recommendations is not enough, unless accompanied by constructive measures as well, because faultfinding by itself leads only to confusion at this critical stage.

Immediately after the Governor's hearings, rumors and anonymous remarks were reported in the New York Times and circulated to the effect that the Governor had "doublecrossed" industry by holding public hearings, because "he had obviously decided to collaborate with New Jersey." The real issue is not whether the Governor's mind was made up. Fundamentally we must decide whether the views of the Governor, the legislative leaders, and the State crime commission are in accord with the requirements of this serious situation or whether there is a better solution. To take the position that the Governor had made up his mind beforehand, without meeting the issue directly, is an approach to confusion rather than clarity. Crime and problems of the waterfront have bedeviled this city and its various agencies in one form or another for a great many years. Our committees have given it careful and detailed study and our decision to support the recommendations of the State leaders was arrived at neither hastily nor carelessly.

Mr. Waldman in the hearings before Governor Dewey voiced "personal disapproval" of much that has happened in this industry in his 12 years of association with it. And when District Attorney McDonald prosecuted and convicted a so-called labor leader for larceny and extortion, Mr. Joe Ryan said he was helpless to prevent the convict's brother-in-law from taking over the union because the local would not stand for it. I "tried to revoke the charter of this Brooklyn local but the membership * * * wouldn't stand for it," said Joe Ryan. We have made an effort in the industry to "remedy waterfront evils," he said, and "we have done the best we could." This, coming from one of the most powerful and best-informed men of the industry shows clearly that their best is just not good enough, especially when their best is spiced with the hiring of numerous foremen and labor organizers with criminal backgrounds and records of conviction.

The speaker of the New York State Legislature, Oswald Heck, asked Mr. Ryan:

> Isn't it your belief that conditions * * * are such that something has to be done?
>
> Mr. RYAN. I agree with you.
>
> Speaker HECK. How would you do it?
>
> Mr. RYAN. I have no particular plan, but I don't believe, in the interest of trade unionism that our men, who as I say, in addition to performing a very laborious service--longshoreman is hard work and it's dangerous work--in addition to that the record they made say in the last World War—that those men should be picked out and singled out that they've got to be put under a State control or any other control, that they should be allowed to continue their collective bargaining.

Here was an answer of eloquent helplessness. In the language of Gov. Al Smith. "No matter how you slice that one, it adds up to baloney." Mr. Ryan and the leaders of this industry have constantly stated that they were bedeviled. I agree that they have been not only bedeviled, but bewitched, bothered, and bewildered.

These things make it very clear to me that Mr. Ryan and the unions have been unable to do anything about the situation.

That is why the Congress should give Federal aid for the New York-New Jersey legislative enactment by approving the bi-State compact.

Now, I will try to shorten what I would like to say. I would like to just mention a few of the items.

Mr. FINE. Do you have anything that is new? It would be helpful. Is that a prepared statement you have?

Mr. KREUTZER. Some of it is. I had to work until 2 o'clock this morning to get this down.

Mr. FINE. You might help the committee—it is getting close to 4:30.

Mr. KREUTZER. I will be through in just a few minutes, 3 or 4 minutes. I would like to make this point: No one knows whether the proposed legislation is foolproof. No one suggests that it is perfect but we do know that this represents the best legislation that the best brains and minds in our State and our sister State of New Jersey could devise. We may have a long way to go—but this is an inspired and determined beginning. And we know something else. We know that every other plan of industry and every self-reform by the ILA has resulted in strangling the public welfare and strengthening the irresponsible elements of this industry. Now I don't know whether it is accident or sentiment but many in the industry are now allied with the ILA to defeat or delay this proposed bill.

I have heard a great many questions raised here about whether it is going to be possible to have this legislation passed with one provision or another in it, or whether the States will be able to proceed with enactments without having to come back to Congress. Here is legislation which basically represents the kind of democracy we have in this country. Under our theory of dual sovereignty, each State is a sovereign in its own right in addition to the sovereignty of our National Government. There are elected officials in both State legislatures who have the great responsibility of legislating—and who are to my mind amenable to the so-called public will—who are responsive to the public need. They represent the major political parties in both States. It seems impossible for me to believe that these legislators will act with either irresponsibility on the one hand or carelessness on the other.

I have faith in my chosen representatives and well believe that on these matters they will act with great responsibility because everybody will be watching carefully and critically. Even if they did act, what are they going to take action on? Their action will not be in a field that normally belongs to the Federal Government. It is a field in which the Federal Government has a great interest and the waterfront is its domain—I do not suggest that the Federal Government has no authority—but I mean the responsibility of seeing to it that crime and corruption and venality give way, so that honest people and decent people can earn their living and that the business which affects the public will be carried on properly—that is the concern of the Federal Government. But in this particular case we are asking for the bistate compact, so that the two States can cut out the duplication of effort and organization of all these many activities and services that add up to millions and millions of dollars. You can well have confidence in legislation which passed 2 State legislatures unanimously, except for 1 vote.

It seems to me, as I view it, that you can well trust the legislatures of these two sovereign States. And if they fail in the obligation of doing this job right, you will know about it in a very short time. And then Congressman Celler's suggestion that this matter could be taken up after December 31 could well have effect. But let the bistate compact come into being now. Let them get started now, and once that is done you can judge very quickly as to whether or not they are complying with the faith that you have reposed in them.

I think if I can have just about another minute or two to pick up some of the questions that have been asked, I will be through.

Mr. KEATING. Do you wish to have your statement set forth in full in the record?

Mr. KREUTZER. Yes.

Mr. KEATING. The entire statement may be included at this point in the record.

(The statement referred to is as follows:)

STATEMENT BY STANLEY KREUTZER, CHAIRMAN OF THE WATERFRONT COMMITTEE OF THE CITIZENS UNION, ON BEHALF OF VARIOUS NEW YORK CIVIC ORGANIZATIONS

This appearance is on behalf of a number of civic organizations from the city and State of New York, many of whom have already telegraphed their request to this committee, that I appear for them.

Practically every well-known civic organization in our part of the country is wholeheartedly in favor of the proposed legislation, now before your committee. I know of no exception to this strong support of the bistate compact by any civic group and I appear to emphatically urge its quick and overwhelming approval—speedily and without delay.

The collective-bargaining contracts in the shipping industry expire on September 30. Conferences and negotiations would now normally be in progress—were it not for the pending bill—H. R. 6286.

The civic groups whom I have the honor to represent have no ax to grind, no phonies to protect, and no murders to mysterialize, explain, or apologize for. We are concerned with the public welfare only—and directly stand neither to gain or lose in a material sense.

At the Governor's hearings held before the highest executive, administrative, and legislative officials of our State, we were shocked and appalled by the horrible story of murder, racketeering, pilferage, extortion, and worse—which has not only visited this industry—but has moved in and been with it—like a leech. That was the voice of experience—and we, the decent people and officials of our State didn't like it one single bit. And that is why we respectfully request that you discard the industry's voice of experience and harken unto the voice of conscience. We respectfully ask that you approve this bistate compact—as a measure of immediate and urgent need to integrate the action of both of our States and the Federal Government in eroding and destroying the influence of gangsters and racketeers on the waterfront.

These racketeers live on the lifeblood of good and decent people—in and out of their union—in and out of their industry—in and out of their domain. The decent people of New York think it is time we called a halt to this abominable situation. No longer should we stand idly by and watch the lifeblood of the greatest port in the world destroyed and devastated—either by indifference or ruthlessness.

There is a deepening anger at these revelations of corruption, racketeering, and phony explanations. In an industry which has been racket ridden for years—where gangsters and thugs have held important positions—where pilferage and murder have been in partnership—people have a right to ask "What is the industry doing about it?" And "What is the Government going to do about it?"

Law and arbitrary power are in eternal conflict. And never was it more clearly manifested than on the waterfront. This problem does not belong to one part of our State—nor is it confined to one part of our Nation. It spills over from State to State. Wherever power and money is—there you'll find the racketeer. And every successful racketeer—finding hesitancy or indifference—

will look around for more ports to conquer. No area will be free from their quest and grasp.

Wherever there is a port, serious problems have kicked up. These problems erupt in one form in New York and another in California. But when that eruption takes the form of venality and corruption—it is time for Government to act. To paraphrase our Declaration of Independence:

"Prudence indeed dictates that changes shall not be made for light and transient causes; experience has shown that mankind are more disposed to suffer while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty * * * to provide new guards for their future security."

As I stated before—the people have been asking for years—"What is the industry doing about this?" And in default of an answer they now look to Government and ask: "What are you going to do about it?" The answer has rung out through the ages, once when a great President concerned with our Civil War said the legitimate object of Government is "to do for the people what needs to be done, but which they cannot, by individual effort, do at all or do so well by themselves." And then again when President Theodore Roosevelt said "I acted for the common well-being of all our people—whenever and in whatever manner was necessary, unless prevented by direct constitutional or legislative prohibition."

It is in precisely this spirit that we ask you to approve this bistate compact. Government is instituted for check and balance. By hesitancy or indifference, we may entrench corruption—something which is desirable only for the racketeer. Present conditions are intolerable when union leaders, including such powerful officials as Joe Ryan, Gene Sampson, Anastasia, and Mickey Bowers disclaim responsibility for the New York demonstration against Governor Dewey and the highest legislative and executive heads of our State—then we know full well that anarchy and irresponsibility have become the order of their day.

Mr. Waldman in the hearings before Governor Dewey voiced "personal disapproval" of much that has happened in this industry in his 12 years of association with it. And when District Attorney McDonald prosecuted and convicted so-called labor leader for larceny and extortion—Mr. Joe Ryan said he was helpless to prevent the convict's brother-in-law from taking over the union—because the local wouldn't stand for it.

I "tried to revoke the charter of this Brooklyn local—but the membership * * * wouldn't stand for it" said Joe Ryan. We have made an effort in the industry to "remedy waterfront evils" he said, and "we have done the best we could." This, coming from one of the most powerful and best informed men of the industry, shows clearly that their best is just not good enough—especially when their best is spiced with the hiring of numerous foremen and labor organizers—with criminal backgrounds and records of conviction.

The speaker of the New York State Legislature, Oswald Heck, asked Mr. Ryan: "Isn't it your belief that conditions * * * are such that something has to be done?

"Mr. RYAN. I agree with you.

"Speaker HECK. How would you do it?

"Mr. RYAN. *I have no particular plan*, but I don't believe, in the interest of trade unionism that our men, who as I say, in addition to performing a very laborious service—longshoremen is hard work and it's dangerous work—in addition to that the record they made say in the last World War—that those men should be picked out and singled out *that they've got to be put under a State control or any other control*, that they should be allowed to continue their collective bargaining." [Italics ours.]

There was an answer that was eloquent in its helplessness. In the language of Governor Smith—no matter how you slice that one, it adds up to baloney. Mr. Ryan and the leaders of this industry have constantly stated that they were bedeviled. I agree—that they have been not only bedeviled, but bewitched, bothered, and bewildered.

No one knows whether the proposed legislation is foolproof. No one suggests that it is perfect. But we do know that this represents the best legislation that the best brains and minds in our State and our sister State of New Jersey could devise. And we know something else. We know that every other plan of industry and every self reform by the ILA has resulted in strangling the public welfare and strengthening the irresponsible elements of this industry. And now I don't

know whether it is accident or sentiment—but many in the industry are now allied with the ILA to defeat this proposed bill.

There are a great many honest and hardworking people who earn their living on the docks. They have families—and hopes and fears, like the rest of us. We do not want legislation which will penalize these hardworking and decent men. The proposed bill however, protects their rights and their interests—and not at the whim of a racketeer or a faker, will they have to earn their living.

We are four square in favor of the testimony of George Meany, the president of the A. F. of L.:

"I hold no brief for the (ILA) union in this case," he said, "I cannot find anything here resembling legitimate trade-union activities."

His testimony before Governor Dewey was honest, forthright, and guided by public interest. He resented the ILA leadership which sold laborers down the river and objected to penalizing honest men for the acts of phony leaders. This is good unionism, but most of all, it is good Americanism.

This is no time to divert, defer, or divide. We have a choice of the action now proposed or an expensive overlapping organization which will be duplicated in each of our States and which will tremendously increase the cost and reduce efficiency. That is the desire of those who seek to destroy this great effort of construction.

No other attempt at reforming the waterfront evils could start with the same chance for effective action as the legislation now existing and proposed. It is too late in the day to raise academic questions of whether we do or do not like State supervision. The waterfront is in danger of capture by Racketeers and Irresponsibility, Incorporated—and we want no stock in that company.

We need hearty cooperation from those concerned rather than defiant and stilted acquiescence. If we don't act now, we had better be prepared to hang up a sign at the waterfront like the one in a Southwestern State as you enter an old dirt road "Pick your rut now—you'll be in it for a long long time."

The fear about the State's handling of this matter is groundless. Here is a time when those of us who really believe in democracy, may well have faith. Our Government is an endless, organic process, which goes through the crucible of trial and meets its great tests regularly through the crucible of experience as it goes on to its great objective—not only to justly earn but to retain the confidence of the people. It is a wise exercise of sovereign power, in a desperate emergency, such as this, to coordinate our municipal, State, and Federal authorities in order to erode the influence of racketeers and destroy their kingpins.

We—all of us have aimed for a law legally sound and morally strong. Differences of approach, even differences of principle, are understandable. But it seems to me that there cannot be, and there is, no difference by decent people in the destruction of these evils and in the adoption of corrective methods.

This is a time for leadership and not confusion; for setting forth areas of agreement and not emphasizing disunity because being an American today is in itself a moral condition. We are judged by the high and delicate standards which stem from that leadership.

New York is the Empire State. And I am proud of the fact that it is a great show window of our democracy, because we are surely the international capital of the world. Ours is the greatest city in the world, and in it we have the greatest harbor in the world. We want pride to be our lot—not shame, or fear, or laxity, or indifference. Of course, we have a police department made up of the "finest," and district attorneys, Federal and State, of great distinction and merit. But prosecution will not eradicate the evil and investigation will not cure it. These are only approaches and perhaps erosions, but certainly not solutions. On the other hand, there are laborers, shippers, stevedores, longshoremen, shipowners, and others whose livelihood—and very lives—depend upon the proper administration of justice and of this port.

The legislation is equivalent to setting up a constitution for the waterfront to replace the equivalent of the articles of confederation, which have proved so ineffective and unworkable.

Noble words like faith and hope and another chance are meaningless—unless by precept, example, and action—these words are given real meaning. The finest ship in the world will get nowhere if it is stymied by tugs pulling and hauling in opposite directions. And the great port of New York is no exception.

Mr. KREUTZER. One of the questions asked was whether any further information was likely to be adduced before the New York State Crime Commission. For all practical purposes, the New York State Crime

Commission's work with respect to the waterfront is fully completed. In fact the New York State Crime Commission is practically out of business, so there will be no further testimony, no further investigations of any kind. I might add that while we have some very good district attorneys in New York, an excellent law-enforcement system, and we have the so-called "finest" in our police department, and so on, prosecution will not cure this evil, and investigation can never eradicate it.

You have got to approach the problem pretty much the way we have.

Mr. KEATING. Thank you, Mr. Kreutzer.

The next scheduled witness is Mr. Herbert Thatcher, of the American Federation of Labor, but we received notice that he will not appear but has a statement filed with us together with an accompanying letter from Mr. William F. Schnitzler, the secretary-treasurer of the American Federation of Labor. Without objection, their statement will be incorporated in the record at this point together with certain pertinent letters which they wish to have made part of the record.

As to the question whether they are in favor of it, their conclusion at the end says, "That the foregoing objections are serious ones particularly in view of the fact that section 3 of article XVI directs that the compact shall be liberally construed. We make such objections under the conviction that were the bills to be amended to meet such objections the evil conditions which have been found to exist in the New York Harbor waterfront would nevertheless be adequately dealt with by the legislation at hand.

"We hope that Congress will give serious consideration to these objections."

I take it there are no objections to specific articles in the compact. Of course we have no part in amending those specific provisions, but we will receive the letter and communications and will make them a part of the record.

(The letter and communications referred to are as follows:)

AMERICAN FEDERATION OF LABOR,
Washington 1, D. C., July 21, 1953.

Hon. KENNETH B. KEATING,
Chairman, House Judiciary Subcommittee No. 3,
House Office Building, Washington, D. C.

MR. CHAIRMAN: The American Federation of Labor is submitting the attached statement regarding the bills H. R. 6321, H. R. 6343, H. R. 6286 and the Senate act on S. 2383, which provide for approval of the New York-New Jersey waterfront compact, as our representative is unable to appear in person for reasons known to the attorney and chief clerk of the House Judiciary Committee.

Attached to the statement are three pertinent letters as follows:

1. To the American Federation of Labor executive council dated May 15, 1953, from the executive council of the International Longshoremen's Association.

2. To the officers and members of the International Longshoremen's Association dated February 3, 1953, from the executive council of the American Federation of Labor.

3. To Joseph P. Ryan, president, International Longshoremen's Association, dated May 26, 1953, from President George Meany for the executive council of the American Federation of Labor.

Will you please incorporate the statement and letters in the record.

With thanks.

Sincerely,

W. F. SCHNITZLER,
Secretary-Treasurer, American Federation of Labor.

STATEMENT ON BEHALF OF AMERICAN FEDERATION OF LABOR

This statement is for the purpose of presenting the views of the American Federation of Labor in respect to H. R. 6286 and H. R. 6321.

The American Federation of Labor has kept itself as closely informed as possible concerning the various Federal and State investigations into the so-called port of New York waterfront operations and into certain unhealthy conditions which were said to exist in relation thereto. In particular, the A. F. of L. closely studied the report of the New York State Crime Commission together with the recommendations of that body upon which the present legislation is apparently based. If it be assumed that the conditions described in this report and in the findings and declarations of the proposed bills are factually supported and do exist, the proposed bills would appear, with several very vital and important exceptions, which will hereafter be commented upon, to be salutary and to go a long way toward remedying these conditions. The exceptions relate to certain measures which the bills would take but which appear entirely excessive and unnecessary. Specifically, those portions of the bills to which the American Federation of Labor objects are as follows:

1. Articles VIII and IX of the bill establish a so-called "longshoremen's register." Any person desiring to work as a longshoreman must first apply to the newly created Waterfront Commission of the New York Harbor, consisting of members from the States of New York and New Jersey, for permission to have his name placed on a register maintained by that commission. The commission is given broad discretion to deny registration to any person who has been convicted of various named crimes and misdemeanors or if his presence on the waterfront is deemed by the commission "to constitute a danger to the public peace or safety." Similarly, the commission is empowered to strike any longshoreman from the register for any of various named offenses including any cause which would have permitted disqualification to begin with and including any action deemed by the commission to be a willful commission or attempt to commit any act of physical injury to any person or physical damage to any property. Article XII then goes on to provide that the commission shall establish employment-information centers through which, exclusively, all persons must be hired for longshoreman work.

It is the strong conviction of the American Federation of Labor that the foregoing proposals to register and closely regulate dockworkers and to permit them to obtain employment only through what amounts to a State regulated and controlled hiring hall imposes upon the rank-and-file dockworker a system of regimentation which is not only unwarranted and unnecessary but smacks strongly of totalitarianism. The report of the New York Crime Commission, and insofar as we are able to determine, the evidence before the various investigating bodies, indicate that the rank-and-file dockworker has been the victim of evil practices engaged in by others. Nowhere has it been intimated that he has been guilty of offenses and abuses requiring regulation. Why, then, should he, as a victim, be visited with a system of State regimentation under which he must register with the State and subject himself to State control in order to have the opportunity to carry on his usual occupation? No other type of manual worker in the entire hierarchy of private employment in the State of New York or New Jersey is so regulated. Surely the bill takes a long step down the road toward totalitarianism, when because of abuses committed by others, the rank-and-file worker is subject to State control in his private employment. This regulatory feature of the bill is particularly alarming because other provisions of the bill, together with steps already taken by the American Federation of Labor to bring about the elimination of the shapeup, would seem to be quite effective in eliminating the conditions under which the longshoreman was the victim of various grave abuses. The additional proposal to register and regulate the rank-and-file dockworker would appear to be gratuitous and entirely unwarranted. These other provisions of the bill provide for the registration and close supervision of pier superintendents and hiring agents and of hiring practices including the outlawing of anything in the nature of kickbacks or exactions. These provisions, coupled with the fact that the American Federation of Labor has directed the ILA to take, and the ILA has publicly indicated it has taken, steps to eliminate the so-called shapeup system of hiring are sufficient to eliminate the evils complained of. There are attached hereto for the benefit of the committee copies of the American Federation of Labor's February 28 directive to the ILA together with the ILA's report in response to such directive and the A. F. of L's reply thereto of approximately May 22, 1953.

In addition to the fact that registration and State hiring-hall method of employment for longshoremen is unnecessary and constitutes a very dangerous step toward statism, we think the whole system of regulation of dockworker employment is objectionable on another score, namely, that it is gravely susceptible to various abuses. Some of these are as follows:

(a) Ability of a State official to deprive any dockworker of his livelihood under such vague and general standards as endangering the public peace or safety. Conceivably, any strike of dockworkers might be regarded as endangering public peace or safety and thus subject the dockworkers engaged in such strike to permanent loss of job.

(b) Ability to cause permanent loss of employment status at any time that the commission finds there has been a willful attempt to commit any act of physical injury to persons or damage to property, even though the individual so charged might not have been found guilty of any such offense in any Federal or State court of law. It is well known that during times of strikes some disturbances may occur—indeed, may be deliberately provoked by employer agents. To empower the commission to punish for such offenses without criminal conviction thereof is to impose an unwarranted previous general restraint upon all strike action.

(c) Interference with the customary function of the dockworkers' union to protect its members' employment status through collective bargaining with the employer. The State would be free to cause discharge for a variety of reasons, and there is little the workers' union could do about it.

2. Under article II, a definition of "other waterfront terminals" is set forth so as to include all warehouses, depots, or terminals located as far as 1,000 yards (which is two-thirds of a mile) from any pier in the port of New York district if used for waterborne freight in whole or substantial part. Aside from the objection that the term "substantial part" is vague and ambiguous there is an overall objection to the inclusion of so wide an area which would encompass warehouses located many blocks from the piers. As we read the report of the crime commission, the evidence indicated that the abuses related to waterfront operations only at and on the piers. The proposed legislation, however, would approve a compact which extends its sphere of control to a point where no evils have been demonstrated to exist and where no curative legislation is shown to be required, namely, to warehousing activities, removed from the dock or pier site. Such a compact seeks to govern and regiment many workers who are in no way involved in the abuses reported by the New York State Crime Commission.

3. The requirement in article V, section 7 (m) that superintendents or foremen in charge of hiring dockworkers be restricted in their right to union membership is highly objectionable. The proposal bans this class of employee from becoming members of any labor organization which is affiliated with an organization of dockworkers. These hiring foremen have traditionally, as have foremen in the printing industry, been members of the same union khich represents the rank-and-file employees. We deny that mere union membership of foremen is responsible for abuses shown. The evil of the kickback is specifically dealt with by the proposed legislation. Specific evils should be eradicated by specific legislative provisions rather than by broad prohibitions denying to foremen their traditional right of full representation in bona fide trade unions of their own choosing.

Article V, regulating pier superintendents and hiring agents, is objectionable in three other respects. The broad discretion granted the commission under section 3 to refuse licenses on the basis that the applicant does not posses "good character and integrity" is much too broad and could be the subject of much abuse by a commission which is acting unreasonably or arbitrarily. Under section 2, a person desiring to act as a pier superintendent can do so only on written application of his employer. This would seem to invite the dangers of blackballing or similar employer tactics against hiring personnel who because of their union activities might have incurred their employer's displeasure. Section 6 states that the license continues only through the duration of a licensee's employment by an employer. This might, if not clarified, cause a license to be lost the moment any hiring personnel engages in a strike.

4. The preliminary statement to the bill grants the consent of Congress not only to the compact itself, as expressed in articles I through XVI of the compact, but also to "enactments in furtherance thereof." Article IV, section 14, grants the newly created waterfront commission such additional powers as may be conferred upon it by new legislation passed by either New York or New Jersey

if concurred in by the other. Finally, article XVI, section 1, specifically states that amendments and supplements to the compact may be adopted by the legislatures of either State if concurred in by the other. By these provisions Congress has apparently given a carte blanche to any and all legislation which might be deemed in furtherance of the compact and has given its assent, sight unseen, to legislation such as New York Senate bill No. 10, already passed by both New York and New Jersey to supplement the compact but which, as will shortly be explained, imposes detailed regulations upon the internal operations and affairs of labor organizations taking into membership persons employed on and even removed from the waterfront. It would seem, at the very least, that Congress should be presented with and given the opportunity to inspect and judge the merits of all legislation which may be passed by the States of New York and New Jersey for the stated ostensible purpose of furthering of supplementing the so-called waterfront commission compact as set forth in the proposed bills. Otherwise, the Federal Government may find its imprimatur on such totalitarian enactments as Senate bill No. 10.

Senate bill No. 10 sets up the waterfront commission as a union regulatory body with power to regulate the internal and financial affairs of waterfront labor organizations and to require the holding of elections in particular ways specified in the law and in a particular manner as specified by law. This principle is a dangerous one; this is the first time that any State has sought such a direct and comprehensive regulation of the internal functionings of voluntary, nonprofit associations such as labor organizations. The ILA has publicly stated that steps to regularize its financial affairs and that of its local unions as well as to provide for internal democracy have been initiated, and the A. F. of L. is insisting that such steps be adequate and be effectively carried out. Accordingly, it would seem preferable to permit the labor organizations and their members to utilize voluntary methods of achieving the desired ends rather than to set a precedent for State intrusion into the internal affairs of labor organizations. This principle was recognized by the New York State Crime Commission in its report and recommendations when it stated, "We realize that it would be far better for the appropriate union authorities themselves to effect these results which we believe are in line with the general union policy." As a consequence of this view, the New York State Crime Commission recommended that no proposed legislation regulating internal affairs of local unions be submitted to the State legislature until the unions involved have had ample opportunity for voluntary action.

CONCLUSION

The foregoing objections are serious ones particularly in view of the fact that section 3 of article XVI directs that the compact shall be liberally construed. We make such objections under the conviction that were the bills to be amended to meet such objections the evil conditions which have been found to exist in the New York Harbor waterfront would nevertheless be adequately dealt with by the legislation at hand.

We hope that the Congress will give serious consideration to these objections.

AMERICAN FEDERATION OF LABOR,
Miami Beach, Fla., February 3, 1953.

To the Officers and Members of the International Longshoremen's Association:

The executive council of the American Federation of Labor, at its present session, has given thorough consideration to the disclosures developed by the New York State Crime Commission affecting the international and local union officers of the International Longshoremen's Association.

We have followed this investigation with interest and the reported widespread alleged crime, dishonesty, racketeering, and other highly irregular and objectionable practices in which it is reported that officers of your international and local unions have been and are involved.

One of the most serious features of the New York City situation as it pertains to your international union and its local unions, as outlined by recent testimony before the crime commission, is the clear and definite indication that these workers of the port of New York are being exploited in every possible way and that they are not receiving the protection which they have every right to expect as trade unionists and members of your organization.

We have concluded that these disclosures are of such a serious nature as to call for immediate action by us. We wish to make clear the position of the American Federation of Labor on crime and racketeering within your international and its local unions.

Your relationship with the American Federation of Labor demands that the democratic ideals, clean and wholesome free trade unionism must be immediately restored within your organization and all semblance of crime, dishonesty, and racketeering be forthwith eliminated.

Reported practices of international and local union officers accepting gifts and bribes from employers and the appointment of representatives with criminal records is denounced and those persons guilty of these practices must be forthwith removed from office and eliminated from your organization.

The so-called shapeup which encourages the kickback and other objectionable practices must be supplanted by a system of regular employment and legitimate hiring methods and we request that you immediately take vigorous and effective action to institute this reform.

Union representatives with criminal records cannot be tolerated in any official capacity and they must be immediately removed from all positions of authority within your organization.

Recognized democratic procedures of the American Federation of Labor must be put into operation in your local unions so that the members who work on the waterfront will be able to select true and capable trade-union leaders who will serve the best interests of the American Federation of Labor and be free from the taint of crime and racketeering.

We deplore the reign of lawlessness and crime which has been disclosed on the New York City waterfront and we call upon those officials charged with the responsibility of law enforcement to bring to justice all those persons who may be guilty of any illegal acts.

The American Federation of Labor is not clothed with the authority, nor is it our responsibility to do this job. We do feel, however, that your international union must forthwith take the necessary action to remove any and all of those representatives who may be participants in these unlawful activities.

The American Federation of Labor is, as you know, a voluntary association of free and autonomous national and international unions. The founders of the American Federation of Labor deliberately set up an organizational structure which would preclude the domination of our organization by any one man or group of men operating from the top. The founders of the American Federation of Labor saw to it that there was no police power given to the central organization which it could use to interfere with the internal affairs of national or international unions affiliated to the American Federation of Labor.

The executive council has no intention of changing the traditional position of the American Federation of Labor in regard to the freedom and autonomy of its affiliated units. We feel that the greatest factor in the strength and vigor of the American Federation of Labor over the years has beeen its adherence to the principles of freedom and voluntarism. However, no one should make the mistake of concluding that the American Federation of Labor will sit by and allow abuse of autonomy on the part of any of its affiliates to bring injury to the entire movement. The exercise of autonomy by affiliated units in an organization such as ours presupposes the maintenance of minimum standards of trade-union decency. No affiliate of the American Federation of Labor has any right to expect to remain an affiliate "on the grounds of organizational autonomy" if its conduct, as such, is to bring the entire movement into disrepute. Likewise, the cloak of organizational autonomy cannot be used to shield those who have forgotten that the prime purpose of a trade union is to protect and advance the welfare and interests of the individual members of that trade union.

The failure of your organization and its officers to protect your membership from exploitation and oppression by employers as well as by thugs cannot be justified or defended on the ground of autonomy. A. F. of L. affiliates have autonomy in the conduct of their affairs but it must be conceded by all that there is an unwritten law that this freedom of action must be used to advance the interests of labor not to exploit the workers.

The executive council of the American Federation of Labor concludes that the International Longshoremen's Association must immediately, as a condition of continuing affiliation with the American Federation of Labor, take such remedial actions necessary to place the International Longshoremen's Association and its local unions above suspicion and completely free of all racketeering,

crime, corruption, and other irregular activities disclosed by the recent investigation of crime on the New York City waterfront to the end that the International Longshoremens' Association will serve the legitimate social and economic needs of its members in keeping with true trade-union principles traditionally established by the American Federation of Labor.

The executive council will expect a report from you advising that the above recommendations have been and will be complied with on or before April 30, 1953.

THE EXECUTIVE COUNCIL, AMERICAN FEDERATION OF LABOR,
GEORGE MEANY, *President.*
WM. F. SCHNITZLER, *Secretary-Treasurer.*

(Delivered by hand to Harry R. Hasselgren, secretary-treasurer, International Longshoremen's Association.)

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
New York 11, N. Y., May 15, 1953.

The EXECUTIVE COUNCIL OF THE AMERICAN FEDERATION OF LABOR,
AFL Building, Washington, D. C.

DEAR SIRS AND BROTHERS: On February 3, 1953, you addressed a communication to the officers and members of the International Longshoremen's Association. In that communication you requested that our union report to you on certain recommendations which you made.

In response to that communication we are submitting herewith our report. As we read your statement, it deals with these four specific matters: (1) The abolition of the shapeup method of employment; (2) the removal from office and elimination from the organization of all union officers who accepted gifts and bribes from employers; (3) the removal from all positions of authority within the ILA of all union representatives with criminal records; (4) the democratization of any local unions which do not now abide by the recognized democratic procedures of the AFL.

I. THE ABOLITION OF THE SHAPEUP

On March 30, 1953, at a special meeting, the executive council of the ILA, the union's supreme governing body between conventions, directed the ILA affiliates in the port of New York to abolish the shapeup and to replace it by another method of hiring suitable to the needs of our members in that port. Parenthetically, we should observe that the shapeup as referred to in the AFL communication of February 3, is not the method of hiring in many of the other ports where the ILA has collective agreements. The method of hiring now in force in the port of New York is of course a condition of employment regulated by the collective bargaining agreement between our union and the New York Shipping Association, which represents the employers of our members. The present agreement expires on September 30, 1953. Negotiations for a new agreement will commence in the summer of this year.

In response to the directive from the ILA executive council, the New York district council of the ILA, which is the local governing body for the port of New York, adopted a resolution on April 7, 1953, providing for the abolition of the shapeup and its replacement by another method of hiring.

On Friday, May 8, by a subsequent direction of the New York district council a referendum by the locals embracing longshoremen, checkers, and clerks, members of the ILA, was held in the port of New York on the question of "Are you satisfied with the present method of hiring?" It was supervised by the honest-ballot association. The vote in favor of retaining the present system of hiring was 7,000 votes "Yes," 3,920 "No," and a few hundred void ballots.

Insofar as this referendum answers the false charge that the ILA leadership in New York has forced and foisted a hiring system on a reluctant membership, it is all to the good. However, the referendum does not mean that the ILA members in the port of New York will not work out a system of hiring which might retain the constructive seniority and priority features inherent in the present system of hiring through steady and regular gangs, and at the same time would eliminate the shapeup itself, which has largely disappeared already.

By direction of the ILA executive council the wage-scale conference committee is instructed to write a clear and explicit system of hiring eliminating the shapeup. The new system of hiring will make known to the next collective agreement the rights and the duties of workers under that system and will take away from the hiring boss the power arbitrarily to hire employees. It is that power, so capable of abuse, that gives justification to critics, even where such abuse is not exercised. The shapeup is not necessary to the conservation for the ILA members of those features in the present system which they regard as good and which are in their best interests. These good features may still be retained.

So that there can be no doubt, we reiterate, that the ILA executive council adheres to its decision of March 30, 1953. The wage-scale conference committee has again been instructed by the ILA executive council at its meeting on May 14, 1953, to insist, at its next negotiation this summer, upon the abolition of the shapeup in the port of New York and to supplant it with a system of hiring which meets the members' needs, conserving the desirable seniority and priority features of the present steady gang system.

This final instruction has been given on pain of drastic discipline.

II. THE ALLEGED RECEIPT BY OFFICERS OF THE ILA AND ITS LOCALS OF GIFTS AND BRIBES FROM EMPLOYERS

We shall treat the question of gifts separately from that of bribe and other wrongful acts, as the two stand on different footings.

1. We in the ILA agree with the AFL executive council that the receipt of any bribe from an employer or from anyone else by a labor union official renders him unfit and unworthy to continue to serve the workers whom he purports to represent. The same thing applies to many other wrongful acts which a union official may commit.

Recognizing this fact, and in the light of the testimony before the New York State Crime Commission, the executive council of the ILA, at a special meeting on January 8, 1953, took the following action as set forth in a statement issued by the executive council:

"President Ryan has been instructed to request counsel for the ILA to examine the transcript of the hearings of the New York State Crime Commission upon their completion and to analyze the testimony adduced by the commission for the purpose of ascertaining if any ILA or local officials or members have committed acts in violation of the ILA constitution. If such acts have been committed the officials or members in question should be brought to trial for their acts as unbecoming to members or officers of the ILA, as the case may be. Upon conviction, disciplinary measures should be taken.

"The president is instructed to report back to the council in detail what steps were taken on the matters referred to in paragraph 2 of this resolution and the results of any trials and disciplinary actions taken."

We invite and request the AFL to cooperate with us in setting up the trial machinery for ILA members and officers accused of wrongdoing in accordance with the foregoing resolution. For this purpose we propose the following:

The executive council of the ILA will itself assume jurisdiction of all trials. It will set up 3-man trial committees to hear the charges and find the facts. These committees will consist of the person to be selected by the ILA executive council, one person to be selected by the executive council of the AFL or President George Meany, and a third to be selected by these two from the appropriate central or State AFL bodies.

The transcript of the hearings of the New York State Crime Commission was not made available to the public and to ILA counsel until April 3, 1953. This transcript consists of almost 4,000 pages. It is now being examined by counsel for the ILA, but their examination has not yet been completed, due to the multitude of governmental investigations which are occupying the time, attention, and energy of the ILA and its counsel.

One officer of the ILA, an organizer in New Jersey, has already been convicted of perjury in connection with an alleged bribe. Upon his conviction, he was immediately removed as organizer, and he will not be reappointed. This action was approved by the executive council on January 8, 1953.

2. Insofar as gifts to union officials are concerned, the testimony by both employers and the union officers before the State crime commission indicates that these gifts were made during the Christmas season and occasionally at other holidays and were merely gifts and nothing more. They were not intended to influence action; they were not considered as attempts to influence by the union officials who accepted them; and they did not in fact influence the union officials in any action which they took.

It is well known to us, to the ILA local officials and, we assume, to the mem
bers of the AFL executive council, that it is a commonplace occurrence for AF
union officials to both receive and make gifts to and from employers during th
Christmas season and at other holidays. These gifts may take the form o
Thanksgiving turkeys, bottles of liquor or simple cash presents. We are al
informed by our attorneys that the receipt of such gifts is not in violation of th
law of New York State. In view of these facts we feel that insofar as th
receipt of gifts from employers in the past is concerned, we would not be justi
fied in punishing an officer for acts which when committed were neither unlawf
under the laws of the State where they took place nor a violation of the practic
of the American Federation of Labor.

As to the future, however, the situation is different. Recognizing the publ
feeling toward Christmas gifts to union officials, and upon a mature reconsider
tion of the ethical implications involved, the executive council of the ILA,
January 8, 1953, took the following action:

"*Resolved*, 1. That hereafter it shall be forbidden for any officer of the ILA o
any local to receive any gift or gratuity from any employer with whom the ILA
does business. Violation of this rule shall constitute conduct unbecoming a
ILA official and upon conviction thereof shall subject him to removal fro
office.

"2. This resolution shall not apply to any local officer who earns his living
whole or in part by employment in any craft for any employer who received
Christmas bonus or gifts from such employer comparable to the bonus or gi
received by other employees of that employer."

III. UNION OFFICIALS WITH CRIMINAL RECORDS

We agree unequivocally with the principle that criminals should not be allowe
to obtain positions of influence and power within labor unions including the IL
and we wish to do all in our power to carry that principle into effect.

We wish to point out, however, that there is no rule of the AFL, as expresse
in its own constitution, making it general AFL law that no person with a crim
inal record of any description may hold office in any union affiliated with th
AFL. When and if any such rule is adopted, it should be incorporated in th
constitution of the AFL and should be applicable to all future elections in al
unions holding charters of the AFL. In that event we in the ILA here and no
pledge ourselves to abide by such provision within both its spirit and letter.

We believe, however, that a blanket prohibition on any individual with
indiscriminately defined conviction and regardless of circumstances would b
unwise and basically unfair. The AFL convention in 1940 recognized thi
principle when it said, in connection with a statement of policy on union m
with criminal records:

"The foregoing recommendations must not be construed as probihiting a
person from rehabilitating himself."

The good sense and justice of this attitude cannot be disputed. A young ma
or young woman may have been convicted of some crime in his or her tend
years. Our laws and traditions rebel against a policy which would disqualif
such a person from any elective or appointive office regardless of how blamele
a life had been led since the initial misstep.

Nor do we believe that all criminal records should be lumped together with
the same category as a disqualification of holding union office. Samuel Gompers
the founder and president of the AFL until his death, was sentenced to a ja
term. Certainly this fact was not a disqualification of holding the office of pres
dent of the AFL. The disqualifying effect of a criminal record should depen
on the nature of the conviction, whether or not it involves moral turpitude, it
relationship to the tasks and responsibilities of a union officer, and the period
time between the conviction and the election or appointment to office.

We would be happy to cooperate with the AFL in establishing a code embodyi
these standards and prohibitions. Such a code should be applicable to all AF
unions and their officers, and would, of course, be willingly observed by the ILA

As to present action that may be taken against union officials with crimin
records, it is necessary to distinguish between two types of officials. Most IL
officers are elected to office in a particular local by the members of that loc
Under the ILA constitution there are no disabilities placed on any prospecti
candidate because of any previous criminal convictions.

Therefore, the ILA and the international officers have no present power und
our constitution to disqualify any candidate from running for local office

the ground of his criminal record or to remove from office any present official for the same reason. Such action can be taken only after an appropriate amendment to the ILA constitution, and such an amendment can be adopted only by an international convention.

There are very few appointed officials in the ILA, and they generally come from the ranks of elected local officials. Of the 7 organizers appointed by president Ryan and now serving in the port of New York, only 1, on the basis of our own knowledge and the public record of the New York State Crime Commission, has had any previous conviction of any type. That one involves an organizer by the name of Alex DiBrizzi, who was selected as such because he was president of the only longshore local in the area of his jurisdiction. This man has had six convictions, none involving the commission of a serious crime, and none involving his duties and responsibilities as a union representative. His last conviction, for shooting dice, occurred in 1926, 27 years ago, before he even became a figure in the waterfront.

At this point, in the light of much loose use of the word "criminal," in hearings such as those conducted by Senator Tobey and the New York State Crime Commission, we should like to emphasize certain facts to your body:

Men who are held as material witnesses are not criminals. Men arrested are not criminals. Men indicted and not convicted are not criminals.

Those who are generally and loosely described as criminals are persons convicted of crime and habitual violators of the law. But in the absence of any convictions by due process of our courts, men cannot be branded as known criminals or members of a criminal gang and on that ground destroyed in their reputations and deprived of their livelihood. To do so is not only antidemocratic in itself; it is the surest road to tyranny and totalitarianism.

For example, in the month of May 1915 the grand jury of New York County found an indictment of murder in the first degree against Morris Sigman, general secretary-treasurer, Cloak Makers Union of the International Ladies Garment Workers Union, and seven additional leaders of that body. All eight union leaders, including Sigman, were defended by their union and by their international. They were not abandoned to their fate because an indictment for the heinous crime of murder was found against them. The best lawyers in New York City were retained by their union to defend and vindicate them. The whole labor movement stood behind them.

After trial Sigman and his coofficials were acquitted. But between the time the charge was made against them and their final vindication no one suggested that the mere existence of the charge rendered them unfit to serve and that they should thereby be summarily suspended even before receiving their day in court. Later Morris Sigman became president of the ILGWU and served with distinction. And yet, according to the thinking of some, the fact that he was charged with a crime and that the most serious of all would have made him a criminal and disqualified him immediately from all further service as a union officer.

We are citing this case as an example because we think the ILGWU acted properly in not treating a man as criminal merely on the basis of a charge and before he was given a chance to defend himself. And we can name many other local and international officers, honored union leaders at the present time, who have been charged and even indicted for serious criminal acts.

Are Joseph P. Ryan and the ILA to be singled out for different treatment?

If mere arrests or indictments were enough to destroy a labor leader, then the labor movement would indeed be in the hands of the police, the prosecutors, and the grand juries of our Federal and State governments. The more unscrupulous the prosecuting agencies, the more politically minded or corrupt the police department, the easier it would be to accomplish the destruction of the labor movement.

We repeat, whatever rule is adopted by the AFL will be lived up to by the ILA, but the AFL should meet the responsibility of adopting a rule which is fair and just to all.

We urge the AFL not to victimize the ILA or its international president, Joseph P. Ryan. The AFL should not throw men and organizations to the wolves to satisfy journalistic hatchetmen or ambitious politicians who seek to rise to political power on the back of some outstanding labor leader. Yesterday the howling mob were after other labor leaders whose names undoubtedly are fresh in your minds. Today it is Joseph P. Ryan. Tomorrow it may be anyone else. It will happen whenever social, economic, religious, racial, or ideologic bigots can raise enough noise to smear a man or organization to undermine his position and make it profitable to attack him. The AFL must be on guard against such a situation. All liberty-loving citizens in the land must be on guard against it. The ILA and

Joseph P. Ryan represent today a good case in which to apply the great principles of justice, law, and equality for all.

IV. DEMOCRATIC ADMINISTRATION IN ILA LOCAL UNIONS

We hold with the AFL internal democracy is a prime duty and minimum prerequisite for any organization that seeks to call itself a labor union. We, therefore, agree wholeheartedly with the recommendation of the AFL executive council that democratic procedures in our local unions should be observed and preserved. To that end various concrete and effective steps have been and are being taken.

The statement made by the AFL executive council sets forth that it is based largely on "disclosures developed by the New York State Crime Commission." Since at the time the statement was issued the crime commission hearings had only recently ended and no transcript of the record was available, it was necessary for the AFL executive council to rely upon press reports of the crime commission proceedings.

An examination of the testimony actually given before the crime commission, however, will disclose that in virtually every case where improper local practices were adverted to the evidence was confined to the period prior to the year 1952. Virtually every witness who testified as to such conditions stated that these improper practices had been corrected and that they no longer existed in the locals referred to. In virtually every such instance counsel for the crime commission recognized the reforms which had been instituted and confined his questioning to the period prior to 1952.

Therefore, the impression created that undemocratic conditions, in instances where they formerly may have existed, were carried down to the present time is substantially incorrect. The explanation is this:

Prior to the commencement of the waterfront investigation by the New York State Crime Commission the ILA had already taken steps to institute its own internal reform. At the 1951 quadrennial international convention, before the probe of the waterfront had even been mentioned, the constitution of the ILA was amended so as to give the international president power to examine local books and records, a step which could not previously be taken without the danger of a court fight, and which, in fact, had already resulted in litigation.

Thereafter the international president requested and authorized counsel for the ILA to institute a survey of the locals in the port of New York with a view toward determining whether they abide by democratic standards and in what respects, if any, their local administration was deficient. Such a survey was conducted by counsel for the ILA throughout the first half of 1952. The more than 70 locals in the port of New York were individually examined. A report was prepared on the conduct of the affairs of each local containing the findings made and the recommendations for improvement. This report was sent to the individual locals concerned. In addition, copies of the reports prepared for each local were sent to the international president in a single volume, together with a general report summarizing the findings and recommendations made. This volume of reports aggregated nearly 400 pages.

In the case of those locals where immediate action was deemed necessary, special membership meetings were called by the international even before the completion of the survey in 1952 and reforms instituted by the members. Other locals, as revealed by the crime commission testimony, instituted reforms on their own after the receipt of the reports concerning them.

A special committee has been appointed by the international to reexamine the administration of the locals in the light of the survey conducted last year to insure that the recommendations have been followed and the necessary reforms instituted. This was done pursuant to direction of the international executive council made at a meeting on January 9, 1953, which was as follows:

As soon as practicable, President Ryan should appoint a special committee jointly with the New York district council to see to it that no local in the port of New York falls short of the minimum standards set forth in the report as necessary for the democratic administration of a local trade union.

Progress has already been made by this committee. More, in the way of specific action as to specific locals, has already been charted. Even more would have been done by now except for the fact that the time of the ILA and its officers has been occupied to an unbelievable extent by the dozen separate investigations being conducted in the port of New York by governmental bodies, many of which seem to be directed at wrecking the union of longshoremen, and by the further fact that the books and records of many locals have been in the custody of the

investigating agencies for continuous months and even years. Under these circumstances our work has necessarily been impeded.

To reassure your executive council and to make it entirely plain to our own locals, officers, and members, we, the ILA executive council, at our meeting of May 14, 1953, adopted as our own decision and authoritative policy the recommendations as to the minimum standards to be observed by all ILA locals made by ILA counsel in their survey report on July 22, 1952. These minimum standards are, by direction of the ILA executive council, made binding on all ILA locals:

1. All new members should be admitted on written application only. Such application should be standard in form and provided to all locals by the ILA, with a view toward making the admission of members formalized and uniform for all locals. All applications for membership should be signed in duplicate, one copy to be retained by the local, the other, upon the admission to membership of the applicant, to be forwarded to the ILA for its files.

2. There must be a minimum set of financial records below which no local can fall. Such minimum records call for the following:

(*a*) All income received by the local, from whatever source, should be deposited in a bank account in the name of the local the deposit book of which shall reflect such income.

(*b*) All payments and expenditures by the local, including officers' salaries and expenses and petty cash items, should be paid by check, so that the checkbook will reflect all expenses of the local.

(*c*) The financial books of the local should clearly show the source of all income, a record of all expenditures and the status and financial position of every member of the local.

(*d*) The detailed manner of maintaining these minimum records should be prescribed by the ILA.

(*e*) The right of a local to waive initiation fees or dues is beyond question. Whether the practice should be pursued is a matter of policy. We do not recommend it as sound practice because, while useful, if properly pursued in meritorious cases, it may become a vehicle for discrimination. However, in locals where this practice is sometimes followed, the decision to waive any such payment should be made only by the governing body of the local—the officers or the executive board as the case may be—who have been given express authority by the membership to make such decisions and wherever a waiver exists of either dues or initiation fees, the financial records of the local should properly reflect such waiver.

3. The financial books and records of every local should be audited at least annually by a certified public accountant, except where the local establishes to the satisfaction of the international secretary-treasurer that it maintains an adequate or satisfactory internal auditing system. In all cases the audit should be signed and certified. It should be submitted to the membership for action, and a copy sent to the offices of the international.

4. All locals should schedule regular membership meetings not less frequently than once every 3 months on a fixed day of the period chosen and wherever practicable, at a fixed place. In addition to all other forms of notice, the time, day, and place of regular meetings shall be stamped or printed prominently in the dues book of each member of the local.

5. Minutes of all membership and executive board meetings should be kept in regular minute books. A record should be kept in the minute book of all scheduled meetings at which there was no quorum.

6. Elections of local officers should be held for a term of no longer than 4 years. Locals now providing for longer periods should be required to amend their bylaws accordingly. All elections should be held on written notice. In any case where there is a contest for an office, the election shall be by secret written ballot or by machine vote.

7. The salaries of officers and their fixed expenses should be determined by the membership and such determination clearly reflected in the minutes. Where the minutes do not now contain the entry of such a decision, the membership should receive a report of the salaries and fixed expenses drawn, act on such report, and an entry setting forth the decision should be incorporated in the minutes.

8. The holding of office by 1 individual in more than 1 local is not generally sound and should be limited and discouraged. This is not to say that in some cases two or more locals may not under proper safeguards unite to have the same officers, thus joining in the expense which a single local cannot afford.

Among the limitations and safeguards to be set up in such circumstances are the following:

(*a*) At the time of nomination and election, no candidate shall be eligible to run unless the membership is fully apprised that the proposed candidate holds office in another local and whether such office is paid or unpaid. If the office is paid, the membership should be told how much such officer receives.

(*b*) Where the elections in the 2 or more locals in which an individual intends to be a candidate are not held at the same time, such person, if already an officer of 1 local, may not run for office in a second local without the express permission of the membership of the local in which he is presently serving.

(*c*) The total salaries paid by the combined locals should not exceed substantially the salaries generally received for similar services by officers functioning full time in a single local.

The ILA executive council will continue to assume a direct and active role in seeing to it that the above minimum standards of democratic local administration are observed and maintained.

V. THE TOBEY COMMITTEE AND NEW YORK STATE CRIME COMMISSION INVESTIGATION OF THE ILA

We are indebted to the district attorneys of the State of New York, and particularly to District Attorney Frank S. Hogan, of New York County, for pointing out that the New York State Crime Commission in its public hearings, was engaged in a competition for headlines and that it played up "triple-plated hearsay testimony" that could never stand up in court. This hearsay and other wholly unreliable, untested, and unsubstantiated evidence, often no more than naked gossip or rumor, was employed in an attempt to undermine the ILA, its president, Joseph P. Ryan, and its other officers. It was used to destroy reputations, the lifetime work of many persons, and the half-century progress of the ILA.

And in the light of the nationally renowned anti-Communist stand of the ILA the State crime commission has seen fit to use notorious pro-Communist spokesmen, who not only spread triple-plated hearsay, but put the prestige of the commission behind ancient tales and rumors and the full Communist Party line against the ILA and President Ryan.

The New York State Crime Commission also used notorious criminals who spread throughout the community their special brand of distortion, hearsay, and venom. This same commission, which attacked the president of the ILA who in the course of his official duties inevitably came in contact with men formerly convicted and later employed on the waterfront in one capacity or another, even made a deal with one of its witnesses, possessed of a long record, to obtain for him a suspended sentence in a then pending criminal prosecution against him as a reward for his "cooperation" with the commission.

Despite the contentions of many, including the vehement assertion of Senator Tobey, that ex-convicts should be denied employment on the waterfront, neither the crime commission nor Senator Tobey took into account the fact that under the Taft-Hartley law, which they undoubtedly support, any person out of jail has a legal right to obtain employment in the port of New York, and there is nothing the ILA can do about it, without committing an unfair labor practice so long as he tenders his dues to the union.

We regret to say that the simple truth is that the New York State Crime Commission, having failed in its primary task to expose the alliance between organized crime and politics, has used sensational and headline-hunting tactics to make the ILA a scapegoat. Thus it hopes to divert the public mind from its major failures.

VI. THE ILA AND THE AFL

This report is being submitted to you in the spirit of fraternal cooperation. For over a half century the ILA and its predecessor has been a loyal component part of the AFL. We cannot help recalling that when internal dual unionism was started 18 years ago, which in the early stages threatened the very life and existence of the AFL, the ILA stood firm, steadfast, and unwavering. And when our own industry and union were threatened by double civil war from organized communism and the CIO, the ILA, at first almost alone, bore the fight to preserve the AFL position in the maritime and transportation industry.

When this battle was raging, the Communists and their allies had the full backing of New York's city hall and key governmental agencies in Washington. In meeting this danger many of the problems which now plague us were created.

These problems, born of political cynicism on the one hand and conspiritorial, terrorists waterfront activities on the other, cannot easily be solved and eliminated by us alone. We need help from you and we welcome it. We are not, however, seeking to shirk our responsibility, for we are determined to do our utmost to clean up abuses wherever they exist.

If any questions remain on which the AFL executive council wishes further information or if it believes that any significant factual issues are in dispute, we request the opportunity for a hearing where the position of the ILA can be more fully presented.

Fraternally submitted.

THE EXECUTIVE COUNCIL, INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
JOSEPH P. RYAN, *President*,
HARRY R. HASSELGREN, *Secretary-Treasurer*
(And 19 Members of Executive Council).

MAY 26, 1953.

JOSEPH P. RYAN, *President*,
HARRY R. HASSELGREN, *Secretary-Treasurer*,
International Longshoremen's Association,
New York, N. Y.

DEAR SIRS AND BROTHERS: On behalf of the executive council of the American Federation of Labor, I wish to inform you that we have received your report made in response to our February 3, 1953, directive. We have thoroughly considered this report. While it recognizes the existence of the evils which are outlined in our directive, and while it indicates a desire to cooperate to the end of eliminating these evils, the report cannot be accepted as constituting compliance with that directive. The overall defect which we find in your report is the failure to disclose that the ILA has taken all remedial action necessary to bring about the early actual elimination of these evils so as to permit that organization to serve the legitimate social and economic needs of its members in a manner consistent with the true and wholesome trade-union principles established by the American Federation of Labor. It is clear from your report that further steps must be taken forthwith. This fact cannot be emphasized too strongly.

I. THE ABOLITION OF THE SHAPEUP

In the matter of abolition of the shapeup, the ILA executive council has taken the very commendable steps of directing ILA affiliates in the port of New York to abolish the shapeup, of requiring your New York district council to adopt a resolution providing for such abolition, and of directing the wage-scale conference committee to write a clear and explicit system of hiring, eliminating shapeup, and to insist upon the adoption of this new hiring system in the collective-bargaining agreements to be negotiated with waterfront employers this summer. You note that instruction to obtain a new hiring clause has been given on pain of strict discipline. However, we are not satisfied that the abolition of the present shapeup system, which you agree has been productive of great evil, cannot be effected before October 1. Every possible means must be explored and utilized to bring about an immediate change. Further, we are left in the dark as to the manner and means of effectively enforcing full compliance with any orders effecting abolition of shapeup. Your report fails to indicate specifically what discipline you intend to and will inflict upon whomever may be responsible for any failure to institute a change in the shapeup system or for interfering with efforts to procure such change. As one possible means of effecting early abolition of shapeup, we strongly suggest that you attempt to make immediate changes in your contracts by agreement with the employers, rather than await the termination date of these contracts.

II. THE RECEIPT BY OFFICIALS OF THE ILA AND ITS LOCALS OF MONEY PAYMENTS FROM EMPLOYERS

While our directive used the term "gifts and bribes," and while your report goes to some length in making distinctions between these terms, the substance of our directive and the essence of our complaint referred to the fact that international and local union officers had reputedly accepted money payments from employers. Whatever may be the validity of the distinctions that your report makes between gifts and bribes, it is our belief that acceptance by union rep-

resentatives of money payments from employers, although not amounting to bribery, may, depending upon the particular circumstances, lend itself to many evils and abuses, and often serves to discredit or otherwise disqualify a union representative from faithfully serving the best interests of his membership. The testimony before the New York State Crime Commission discloses specific payments of money in various amounts to local and international officials during the last 5 years. We have asked and again ask that you rid yourself of such individuals where the evidence discloses that such payments were improper under the circumstances, as where such payments would operate to impair the ability of those accepting such payments faithfully to serve their membership, to jeopardize the best interests of the employees they represent, or would tend to bring the trade-union movement into disrepute. Your report fails to disclose that, up to date, any action has been taken against any individual who has accepted payments from employers, with the one exception of action taken in the case of an individual convicted or perjury. With that exception, no such individual has been brought to trial by your organization nor, indeed, has there even been charges presented. While on the one hand you indicate that you have not had sufficient time to fully examine the transcript of the hearings of the New York State Crime Commission bearing on this question, on the other hand you state that the evidence before this commission discloses that there was nothing improper in the acceptance of such payments. We feel that wholehearted compliance with our directive in this respect compels the immediate bringing of charges in respect to each of the individuals whom the record shows have received such payments, to the end of holding hearings to determine for yourselves, and not simply in reliance on the limited evidence before the State crime commission, whether there was anything improper in the reecipt of such payments. You no doubt are aware that many of the individuals named as having received payments never appeared before the commission and, in addition, it is entirely possible that your organization has available to it or can procure additional information bearing on this very important question.

We note that you have taken the commendable action of proscribing future acceptance of money payments by union officials. We insist, however, that you have the responsibility and authority to take proper, effective, and immediate action against those officials disclosed to have accepted money payments in the past of the nature above described.

You suggest that the American Federation of Labor participate in any trial of any individual charged with having improperly accepted money payments from employers. Our answer is that you have been asked to clean your own house and, as an autonomous international union having full power and authority to do so, should proceed to discipline under your own procedures. It is not the function of the American Federation of Labor to clean your house for you.

III. UNION OFFICIALS WITH CRIMINAL RECORDS

Your report indicates certain doubts as to what may constitute a criminal record. Technical distinctions aside, it is our belief that any individual who has been convicted of a serious crime or crimes which would operate to his public discredit or to bring the trade-union movement into disrepute or which would otherwise operate to render him unfit to fulfill his responsibilities and obligations as a union official and employee representative, should not be permitted so to serve. There is, of course, the consideration that a conviction might have been obtained many years ago and rehabilitation might have taken place. This consideration apart, however, the public records do show that there are officers and representatives of subordinate bodies of your organization who are unfit under the above consideration so to serve and who have to date not been removed. In addition, the record shows that there are other officers and representatives of subordinate bodies of the ILA who, even though they do not possess a criminal record in its technical sense, nevertheless, by reason of their close association and dealings with known gangsters and racketeers bring the entire labor movement into disrepute. Such individuals, it seems to us, should be removed from all positions of authority within your organization. None of these individuals have to date been removed nor has any action been taken to suspend them pending removal trials.

Your report indicates that the international union has no authority to remove these individuals from local-union office. With this we cannot agree. The various resolutions which the ILA executive council has adopted in respect to

eliminating some of the other evils mentioned in your report, and your own international constitution, indicate that it is not helpless to take action, including summary suspension, in any case where the activities of its affiliated bodies or their officers are such as to bring the international into disrepute, or are such as to be contrary to the best interests of the international, its affiliated locals, or its membership. We, therefore, are not impressed by your argument that you have no power to effect the removal or suspension, pending hearing, of individuals of the type here described, and we insist that action in this direction should be taken forthwith.

IV. DEMOCRATIC ADMINISTRATION IN ILA LOCAL UNIONS

The report indicates considerable progress in respect to the problem of democratic administration in ILA local unions. In addition to steps taken many months before the crime-commission investigation, the ILA has prescribed commendable minimum standards which are made binding on all ILA locals and which should, if followed, insure internal democracy. Your report, however, fails to disclose what has been done by the international to see to it that such standards are actually adopted and fully enforced by all ILA locals. Effective methods should be immediately adopted to insure acceptance of and compliance with these standards by your local unions so that your local unions can function according to the free and untrammeled will of the majority of their respective memberships.

CONCLUSION

As before indicated, your report cannot be accepted as indicating compliance with our directive of February 3, 1953. Your report requests opportunity for hearing in that event and we hereby accede to that request. You may have such representative of your organization as you desire meet with the executive council of the American Federation of Labor at its next meeting in Chicago August 10, 1953. The exact time and place of this meeting will be made known to you at a later date. We request that not later than 2 weeks preceeding August 10 you submit a written report addressed to the individual members of the executive council, indicating your then state of compliance with our directive. After your representatives have met with the council, it will take such action as it believes necessary under the circumstances.

Fraternally yours,

GEORGE MEANY,
President, American Federation of Labor.

For the executive council of the American Federation of Labor:
William L. Hutcheson, First Vice President; Matthew Woll, Second Vice President; George M. Harrison, Third Vice President; Daniel J. Tobin, Fourth Vice President; Harry C. Bates, Fifth Vice President; W. C. Birthright, Sixth Vice President; W. C. Doherty, Seventh Vice President; David Dubinsky, Eighth Vice President; Charles J. MacGowan, Ninth Vice President; Herman Winter, Tenth Vice President; D. W. Tracy, Eleventh Vice President; William L. McFetridge, Twelfth Vice President; James C. Petrillo, Thirteenth Vice President; William F. Schnitzler, Secretary-Treasurer.

Mr. KEATING. The next scheduled witness is Mr. Louis Waldman, representing the International Longshoremen's Association.

I want to say that Mr. Waldman will be heard, of course, but that Mr. Haddock, representing the CIO Maritime Committee, has spoken to the chairman and has mentioned the fact that he is under doctor's instructions to go home. He is the last witness scheduled and Mr. Waldman indicated his desire to be heard first.

Would it inconvenience you, Mr. Waldman, to let Mr. Haddock go on?

Mr. WALDMAN. It would, sir. I prefer to go on.

Mr. KEATING. We will hear you, Mr. Waldman.

STATEMENT OF LOUIS WALDMAN, REPRESENTING INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

Mr. WALDMAN. Mr. Chairman and gentlemen of the committee, my name is Louis Waldman. I am a member of the firm of Waldman & Waldman, New York City, and we are general counsel to the International Longshoremen's Association, A. F. of L.

The ILA is an international labor union consisting of approximately 400 local labor unions throughout the United States and Canada, of which approximately 67 are located in the port of New York. The rest of the locals, with the exception of a few in the neighboring country of Canada, represent the longshore workers employed in all the ports of the United States except for San Francisco, a few other west-coast ports, and Hawaii, where another longshore union operates.

We are counsel for this international union and in its behalf we are appearing here today.

I might request, Mr. Chairman, in conformity with the procedure followed by you today, that my prepared statement be marked in evidence as if I had read it in full. I will then proceed in the best way I can within the limited time available to be as helpful as I can to the members of this committee in trying to present the point of view of a group of people who are directly and immediately affected by this proposed compact.

Mr. KEATING. We will receive your statement in full at this point and you may proceed in your own way.

Mr. WALDMAN. Thank you.

(The statement referred to is as follows:)

STATEMENT OF LOUIS WALDMAN, COUNSEL TO THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL, IN OPPOSITION TO THE PROPOSED WATERFRONT COMMISSION COMPACT ADOPTED BY THE STATES OF NEW YORK AND NEW JERSEY

On June 26, 1953, the Legislature of the State of New York adopted a bill comprising 48 printed pages and known as the waterfront commission compact. The identical bill had been adopted a few days earlier by the Legislature of the State of New Jersey. On or about June 30, these 2 bills were approved and signed by the Governors of the 2 States. They have now been presented to the Congress of the United States for its consent pursuant to article I, section 10, of the United States Constitution.

1. The legislation here involved was adopted by the two States in steamroller fashion, without deliberation, consideration, or an opportunity for the public to be heard. The Legislature of the State of New York, to take one State as an example, was called into special session by the Governor in order to consider this proposed act and several unrelated bills. The session was scheduled to last for no longer than 2 days. The legislature convened somewhat after the noon hour on June 25, 1953. On the afternoon of that day, the waterfront commission compact was introduced along with some 13 other bills, many of them vitally important to the administration of justice in the State of New York. The afternoon of June 25 was devoted to a consideration of and action upon some of these other bills.

The waterfront commission compact was considered on the morning of June 26 and in the case of the State senate in the early afternoon. Debate, if the term can fairly be used, lasted no more than an hour. No hearings were held on this bill by any committee of either house of the State legislature. No opportunity was afforded those opposing the bill to make their views known, although such was requested not only by the ILA but by other civic bodies. The whole measure, and in fact the whole program, was steamrollered through the legislature with brutal efficiency.

2. Where consent of Congress is sought to a compact, it is the duty of Congress to look at the merits, wisdom, justice, and equity of the proposed compact. Since

the compact was never really considered by the legislatures of the enacting States, it is only proper, to say the least, that it be carefully examined and weighed by this Congress. For, we are convinced, never has Congress been asked to give its approval and consent to so drastic and harsh a piece of legislation either under the compact clause or as an original enactment.

The legislation, we firmly believe, is fundamentally unwise and unsound. It seeks to deal with certain problems which were presumably the subject of hearings conducted by the New York State Crime Commission, a body appointed by the Governor and attorney general of the State of New York. Unfortunately, however, the problems themselves were much exaggerated by the commission and the solutions adopted bear little or not relation to the abuses which they are presumably intended to remedy. And in some cases the legislation has gone well beyond the findings and recommendations of the crime commission itself, severe as these were.

The port of New York is the principal port not only of the United States but of the entire world. It is our chief gateway for foreign and interstate commerce and a vital link in our national security. Its fate affects directly and immediately the fate of the Nation as a whole. The port is manned by some 40,000 longshoremen and related craftsmen, members of the International Longshoremen's Association.

We shall now consider the major provisions of the waterfront commission compact and show why we believe that it should be disapproved and rejected by Congress.

(*a*) The compact requires every waterfront worker in the port of New York to obtain and retain a license from a bistate governmental commission before he is allowed to work. The principal feature of the compact is that under its terms no man may be employed on the waterfront of the port of New York, either as a longshoreman or in any warehouse, terminal, or depot within 1,000 yards of any pier, unless he has a license from the governmental commission set up under the act. The terminology of "registration" is used, but it is quite clear that what emerges and what was intended is a system of licensing.

No person under this system can work in the port of New York unless the commission allows his name to appear on the employment register. The commission "in its discretion" may deny such "registration" on any of the following grounds: (1) The applicant's prior conviction of any felony or certain named misdemeanors irrespective of the nature or circumstances of the conviction and the rehabilitation which may have taken place over the years; (2) the commission's finding that the applicant's "presence" on the waterfront is a "danger to the public peace or safety"; (3) the commission's finding that the applicant knowingly or willingly advocates the desirability of overthrowing the Government of the United States by force or violence or is a member of a group which advocates such desirability, knowing the purposes of such group includes such advocacy.

The commission may also strike the name of any man from the register for any one of a number of grounds, including all of those on which the license might originally have been denied and several others as well. Thus, 40,000 waterfront workers are being doomed to a life of fear and terror with possible loss of the right to work, to say nothing of criminal penalties held as a club over their head in whatever they may do.

(*b*) A man must sacrifice his time and earning ability to keep himself available for work as a condition of economic survival on the waterfront with no provision for compensation during the time that he holds himself available for this purpose. It is provided in the compact that the commission shall fix a minimum number of days during each 6-month period, and unless a man has worked as a longshoreman or held himself available for such work for that number of days, his name is stricken from the register and he is thereby rendered ineligible for future employment.

No provision is made for any compensation to those men who hold themselves available for waterfront employment so that they may be eligible for future work under the law and who, in fact, are not hired. This means that a man may not safely obtain a job in another industry without risking a forfeiture of his license to work as a longshoreman and yet he will receive no compensation whatsoever for the period in which he holds himself available for longshore work.

Nor is there any provision whereby a man who has erroneously been denied the right to work by the commission, and who is later reinstated, can receive back pay for the time during which he is jobless.

These harsh and discriminatory provisions have been enacted into the compact despite the clear policy of congressional legislation that workers and prospective workers are to be free to seek employment in any industry in interstate commerce without restraint or prohibition. It goes without saying that the industry here regulated and circumscribed is not only in interstate and foreign commerce but represents the very heart of such commerce.

(*c*) Unrestrained power to make rules and regulations vitally affecting the lives of workers and their families is given to the commission under the compact.

The compact empowers the commission, which shall operate through two appointive commissioners and such agents and employees as may be selected, to "make and enforce such rules and regulations as the commission may deem necessary to effectuate the purposes of this compact or to prevent the circumvention or evasion thereof" (art. 4 (7)). These rules and regulations promulgated by the commission become part of the compact itself (art. 2).

Any violation of the compact, which apparently includes the as yet unknown rules and regulations, is made a misdemeanor punishable by fine and imprisonment.

We thus have here, as in many other parts of the compact, legislative delegation of powers and unrestrained administrative authority run riot.

(*d*) The compact restricts and cripples the right of workers to organize, bargain collectively, and elect as their union officials persons of their own choosing.

The compact further provides that no person may be employed as a longshoreman or on the waterfront of New York except through a State-operated employment center. This means, in effect, that the union and employers may not establish by collective bargaining either union-run hiring centers, employer-run hiring centers, or hiring centers maintained and operated jointly by union and employers. This one segment of one industry is denied a right available to all others in interstate commerce by virtue of Federal law, the right to free collective bargaining.

Restrictions and licensing requirements relating to hiring personnel are even more severe than in the case of the ordinary workingman. Here the commission's unfettered discretion to refuse a man the right to work is virtually unlimited; the supposed standards under which it acts are even more vague and indefinite than elsewhere. For example, no person may be employed in a hiring or a similar supervisory capacity unless he can satisfy the commission that he "possesses good character and integrity" (art. 5 (3) (a)).

It is expressly provided, moreover, that no hiring personnel may be members of the same labor organization as other waterfront workers in the port. Under the Labor-Management Relations Act, which has governed this industry since its initial passage, and which permits representation of both classes of workers by one labor union, hiring personnel are an integral part of the same union as the other workers. This same practice exists in many other unions and industries; it is based on the wishes and desires of both groups of men, and has increased the bargaining strength of each. Now two States seek to carve out a policy for a single group in a single area wholly inconsistent with that prevailing everywhere else. Here again one group is to be denied the benefits of national law available to all others.

Another provision of this far-reaching compact forbids any labor organization from collecting dues from waterfront workers if any of its officers or agents has ever been convicted of a felony. Contrary to the policy expressed in the Labor-Management Relations Act that workers shall be free to select their own bargaining agents, the States of New York and New Jersey have decided to take over that function from them, at least in part, and to tell the workers categorically that certain men shall be ineligible to serve them as the officers or agents of their choice. This provision is not generally applicable to all unions even within the two States but hits only at the ILA. A virtually identical piece of State legislation was declared unconstitutional by the United States Supreme Court as being in irreconcilable conflict with the Federal law (*Hill* v. *Florida*, 325 U. S. 538, 65 S. Ct. 1373).

(*e*) The compact outlaws the useful and necessary economic function of public loading, thereby depriving about 2,000 workers of their livelihood and property. The compact provides that some 2,000 public loaders, many of whom have worked for over a generation on the same pier and have purchased as a group expensive, specialized equipment, shall no longer be permitted to continue their cooperative form of labor. Under the law, the performance of loading operations by cooperative independent contractors is illegal, even though it be the desire of shipping companies, stevedores, and truckmen. A form of legitimate labor existing for decades is outlawed, and the specific function is required to be performed by named categories of businesses who are forbidden to contract it out to others. Such confiscatory legislation, we submit, is unprecedented and merits the emphatic disapproval of the United States Congress.

3. The constitutionality of many major provisions of the compact is extremely doubtful. Several such provisions are in conflict with existing Federal law. For this additional reason the compact should be disapproved.

We have shown above in summary form some of the principal reasons why we believe the waterfront commission compact to be unwise, unsound, and unjust. Of equal importance to the Congress of the United States in passing upon this compact is the extremely doubtful constitutionality of many of its most important features. This is apparent from a mere reading of the various provisions of the compact.

These provisions show little or no regard, among other things, for due process of law or for the constitutional mandate that all persons are entitled to the equal protection of the law. They likewise show little respect for congressional enactments, such as the Labor-Management Relations Act, which are the basic law of the land and which are in many respects wholly irreconcilable with the provisions of the compact. This inconsistency alone, we believe, requires the disapproval of the compact by Congress. For we do not believe it either sound or wise congressional policy to enact a law generally applicable to all industries in interstate commerce and to all areas of our country and then to permit two States to secure an exemption from that law merely by passing legislation which would ordinarily be quickly invalidated by the courts is inconsistent with valid Federal law. If this tactic is permitted, then two States may adopt legislation in a field otherwise preempted by Congress and, through fashioning it into compact form, obtain the hurried and casual consent of Congress, thereby eliminating the constitutional infirmity of inconsistency and congressional supremacy.

CONCLUSION

We have set forth here only the highlights of the proposed waterfront commission compact and only some of its many objectionable features. It is necessary to examine the bill carefully and in detail to see in full the tremendous concentration of power vested in the commission, the complete subjugation of workers, employers and union to the will of the commission, the vagueness, if not the total absence of any real restrictions on the exercise of power, the very meaningful deprivation of fundamental rights, and the total inconsistency with congressional legislation. We believe that such an examination must convince the Members of Congress that this compact should not be approved.

We are also submitting herewith the ILA answer to the report of the New York State Crime Commission. It is the crime commission report which forms the basis for the compact legislation both in its findings and recommendations. Since the ILA was given no opportunity to present its position at the time of the crime commission's hearings, it has prepared this answer to the one-sided report made by that commission. The ILA answer is applicable also to the compact itself.

Mr. WALDMAN. In connection with this statement, I have referred in one part of it to a document which is denominated "Answer of the International Longshoremen's Association, AFL, to the report of the New York State Crime Commission Dealing With the Waterfront of the Port of New York, that is the crime commission's report No. 4. In view of the fact that the crime commission report has been offered and received in evidence, and this answer which was prepared by us as counsel for the international from the five-volume record of the commission, takes sharp issue with certain conclusions drawn by the commission from the same record and the same exhibits, I think it important that the ILA answer also be part of your record.

I will therefore beg leave, Mr. Chairman, for the benefit of the committee, to offer this answer in evidence as part of my statement.

(The answer of the International Longshoremen's Association, AFL, above referred to, is printed in full in the appendix, pp. 205 to 236, infra.)

Mr. WALDMAN. I believe it will be convenient for the committee if I hand you five copies of the ILA answer to the crime commission report, so you will have it available if and when you have time to read it.

Mr. KEATING. Thank you. Without objection, that will be received.

Mr. WALDMAN. Now, Mr. Chairman, before I proceed to state what we regard as the central objection to your committee's reporting approval of the compact to the House, I should like to answer two questions which were asked of other witnesses and partly answered by them. My answer would be somewhat different from those given.

One question was asked by Congressman Taylor who wanted to know, as a practical proposition, whether between now and January the House of Representatives would receive any additional light on the issue whether or not it ought to consent to this compact. The general answer, including that given by the preceding witness, was "No." I recognize that those answers are predicated on a limited knowledge of the facts and, insofar as so predicated, they are correct. The crime commission will not function after this; nor is there any other public body investigating the same field. But in view of the grave constitutional questions which we believe to exist in connection with the substantive part of the compact that you are asked to approve, we say to you that there is a definite advantage, a real advantage in your committee reporting the advisability of delay before any action is taken on the compact.

The advantage is this: Before you there is a compact only. But in addition to the compact, the bills that were passed in New York, and I assume in New Jersey also, contain provisions conferring upon a single commissioner in each State the identical powers which are given in the compact to a bistate commission. The theory is that if Congress does not consent to the compact, each State will function precisely as it would have were the two commissioners joined into a single agency.

I can advise you officially and formally that our client has instructed us to test the validity of this law. Obviously, if you do not give consent, the part of the law which we could test in the courts—and it is not going to be merely a perfunctory test—will be the provisions of the entire act minus its bistate or compact features. I will come later to the constitutional questions that might be raised in connection with a premature congressional consent. If indeed Judge Proskauer is correct in his statement——

Mr. FINE. That is not quite so, Mr. Waldman. If we do not consent, there will not be any pact. All you will have is the standby legislation which we have not even seen.

Mr. WALDMAN. Precisely, and what I am saying is that the provisions tested in each State would be the substance of the compact less the additional issue of whether your consent was properly and constitutionally granted.

In other words, if you do not consent now, our attack on the law will be exactly as it would be in the event of consent, but we would be deprived of an additional constitutional question.

Mr. TAYLOR. Are you arguing that we should give consent so you could test it?

Mr. WALDMAN. No; I am answering your original question in all truthfulness and honesty and my answer is that something will happen between now and next January quite apart from any further investi-

tions, which would put you in a position to give or withhold consent on the basis of a judicial testing of the substance of the act. This is not a minor matter which I am now calling to your attention. It is my duty as a lawyer to do so and even though my failure to make that statement might be of some advantage to us, it would be my duty to answer the question that has been put by you to witnesses appearing before the committee.

Mr. FINE. We cannot judge now the effect of what you are saying because we have not seen the standby legislation. We have not seen this other legislation, so it may very well be that the legislation that you will test will not be the same legislation that is now before us.

Mr. WALDMAN. That is why I am giving you this testimony, Congressman Fine. The standby legislation is identical, word for word, with the compact itself. You can take my word for it, I am not going to mislead you; but if you have any doubt I will get you the standby legislation so that you will have it in the record before you have to file a report. My point is that since the compact legislation is duplicated word for word in the standby legislation, and since we intend to test the validity of the important provisions of that act, a very major event will happen between now and January which would give the Congress a real opportunity to grant consent if the act is held valid or to withhold consent if it is invalid in whole or substantial part. I do not want to dwell too much upon that point. I merely wished to answer the first question.

The second question which was asked and which I would like to answer was raised by Congressman Celler. Several witnesses attempted to minimize its importance, but no matter how much minimization there may be on the part of those who want to promote a particular piece of legislation because they say it is psychologically important to have it passed in a hurry, a hasty and inadequate consideration has no justification in the sober legislative processes. Sound public policy cannot be based on such arguments.

The point I am making, and the question raised was: May Congress constitutionally, under its consent powers grant its approval to two States to enter into a compact which by its terms they may alter, amend, and destroy it in each and every particular? And if constitutionally permissible, should this be done? Judge Proskauer, being the good lawyer that he is, recognized the point right away. He said, technically you are correct but let us not talk technicalities.

Gentlemen of the committe, the Constitution is a very important technical document upon which rights and liberties rest. If it is not that, it is nothing at all; and the technical question is: Where a constitutional provision says that no bistate compact may be valid unless Congress gives its consent, may 2 States put before Congress a document, obtain consent to that document and then obtain at the same time a blank check which enables them to repeal, change, alter, and amend that document. We say to you that constitutionally this cannot be done. It is a technicality, certainly. It is just as technical as the provision in the Constitution which says that all legislation shall emanate in the Congress of the United States, or the doctrine which prevents the President from seizing the steel industry because Congress did not give him that power. I can give you a hundred illustrations of social necessity and popular feeling being one thing and the technical rights of individuals and limitations on governmental power

under the Constitution being something else. But that is not all you are asked to consent to in advance.

There is another blank check and I say to you that it is a fatal blank check which should eliminate any question of giving consent at the present time. I direct your attention, gentlemen, to page 7, of H. R. 6343 under Definitions, the very last paragraph:

"'Compact' shall mean this compact and rules or regulations lawfully promulgated thereunder."

Now then, if you turn to page 10 of the same bill, I will read to you one part of paragraph 7 of the proposed compact. There are other parts in the bill that are to the same effect. Paragraph 7 reads as follows:

The commission shall have power "to make and enforce such rules and regulations as the commission may deem necessary to effectuate the purposes of this compact or to prevent the circumvention or evasion thereof."

Gentlemen of the House, in all your experience, and I call your attention particularly to the last phrase of the section, have you ever seen a delegation of power run riot and loose to such an extent? We have here a legislative delegation of power to a commission to establish rules and regulations not only to effectuate the purposes of the compact, which might be a defensible body of rules, but to devise ways and means of preventing circumvention and evasion of those purposes. Why, the sky is the limit.

Constitutionally it is a defective delegation of power.

However, I will argue that question in the proper forum when I come to attack the validity of the delegation of power. But from your standpoint, sirs, they are asking now for you to consent in blank to a document which they present to you and call a compact, and then they say to you at page 7 that this compact shall mean all the regulations and rules adopted by the commission. And if this is not bad enough, in another part they tell you that the commission has power to adopt rules and regulations not only to carry out the purposes of the compact but also such rules as in their best judgment presumably will serve to prevent the evasion and circumvention of the act.

Mr. FINE. We are not here to pass upon the constitutionality of the compact or even the question as to whether or not a court may or may not determine it to be constitutional.

Mr. WALDMAN. Judge Fine, I am addressing myself to your duties as Congressman under your oath. I was once in a legislature, and it is the duty of a legislator as well as the court not to vote for a piece of legislation which he in his own good conscience believes to be unconstitutional. It is a plain duty, sir.

Mr. FINE. I am not quarreling with you there.

Mr. WALDMAN. Therefore, if I point out to you a provision in this compact which by its terms appears to you as a lawyer to be unconstitutional, it is then your plain duty not to consent to it. I am not dealing at this moment with any specific provision. I am discussing principles.

Mr. CRUMPACKER. You are addressing yourself primarily now to the question as to whether the State Legislatures of New York and New Jersey had authority to delegate such powers rather than to any Federal constitutional question?

Mr. WALDMAN. No, sir.

Mr. TAYLOR. As to whether this committee has the right——

Mr. WALDMAN. Has the right to approve or should approve.

The validity of the delegation we shall test in the courts, and if you do not give your consent, we will be minus that one point. If you give your consent—I want to be honest and fair with you as I have always tried to be with tribunals—we have an additional constitutional question. But in any event we have ample constitutional grounds to attack the delegation as well as the other features of the law.

Mr. CRUMPACKER. You are not asking this committee to pass on the constitutionality under the constitutions of the States of New York and New Jersey of the acts of their respective legislatures?

Mr. WALDMAN. No, sir; you would not have to, Congressman Crumpacker. I am not asking you to sit now as judges over a constitutional doctrine of law under the New York or New Jersey State constitutions; not at all. I am asking you to consider these provisions relating to the rule-making power of the commission in the language in which you find it in the compact and the further provision that the rules and regulations by definition are made part of the compact. Rules you have never seen, the quality, scope, and degree of which you do not know, are now in effect before you for approval. I say to you that under the United States Constitution you may not give such approval and this has nothing to do with the question of whether or not the delegation of authority under the New York and New Jersey constitutions is a proper delegation. I hope I make myself clear now.

Mr. FINE. As a matter of procedure, Mr. Taylor asked you a little while ago as to whether or not you were not arguing that perhaps you ought to get this into the courts in one bite.

Mr. WALDMAN. I am perfectly willing.

Mr. FINE. Assuming we were to disapprove, then you would be going into the courts over a long and protracted period of time, about a year, maybe longer, getting the courts to decide whether the State of New York and the State of New Jersey have the power to delegate certain authority to this commission. That would be, as Congressman Crumpacker pointed out, a constitutional question under the respective State constitutions.

Mr. WALDMAN. Right.

Mr. FINE. Suppose that were held constitutional? The States would come back here and then we would approve.

Mr. WALDMAN. Not necessarily.

Mr. FINE. Let us assume we do. Then you would go back to the courts and have other protracted hearings to determine whether under the Federal Constitution our consent to these provisions was constitutional. Now, why would you not do that all in one bite?

Mr. WALDMAN. Suppose you take the next assumption and see how much better you are going to be. Suppose the courts say it is unconstitutional? Then the legislatures of the two States can enact whatever different and new legislation they deem wise, being guided by the courts' interpretation of their powers in this regard, and present to you a piece of legislation which has already indirectly received judicial interpretation and, in effect, approval.

Mr. FINE. Would that not be true if we approved? Even if we approved, you have to test it.

Mr. WALDMAN. It would take my time away from my main argument if I discussed this at greater length. I do not want to dwell on it to the exclusion of a consideration of the merits, but I think I made myself clear as to what I am trying to tell you. If I did not, I will be glad to elaborate on it providing I cover some of the other more important points.

Now, what is our substantive objection to this act?

Gentlemen, I am not known to be a lawyer representing racketeers and gangsters and goons. I happen to have specialized for 30 years in the field of labor relations and labor law, starting at a time when this was a new and unknown branch of our law. I still specialize in that field, although I do other work.

Mr. FINE. I might tell the committee that you were a very effective and skillful advocate.

Mr. WALDMAN. Thank you, sir.

My principal concern in connection with the substantive parts of this act is that they contain the wrong answers to the wrong questions addressed to the wrong people visiting punishment on the wrong human beings for things they have never done, and are not justified by any moral, legal, economic, or social theory.

Governor Driscoll this morning summarized in one sentence what we found after wading through five volumes of the crime commission record. It will serve no purpose for me to defend before this body either Joe Ryan or any other individual. There are forums where I will do that if it becomes necessary. We are here addressing ourselves to the compact. Lurid adjectives do not mean anything either to lawyers or sound legislators.

The record and the admission of Governor Driscoll before you establish that the 40,000 longshoremen in the port of New York are honest, decent, hard-working men trying to make a living with the energies that God gave them in the best way that they can. No one here has said that those 40,000 people are racketeers, gangsters, and goons. I may not quote the exact words of the Governor in praise of these men, but you remember them. He spoke the truth. Yet, the heart of this bill which you are asked to approve is punishment of these 40,000 men and that is our principal complaint against it.

What do I mean by punishment of 40,000 innocent people, at least 25,000 of whom have spent the better part of their lives on the docks of New York doing one of the most difficult jobs physically that there is and having performed it with great credit in World War II and in many cases as far back as World War I? If you want testimony on that score, incidentlly, you will find it in one of our exhibits where we set forth the statements of Army and Navy leaders and Government officials who were in charge of the port of New York as to what these longshoremen, including their union officials, did in World War II. But be that as it may, those men have spent a lifetime in their work and it represents exactly the same investment that I have made in my 30 years as a lawyer.

Why, in 1953, for what offense that they have committed, do two States say to them: Henceforth, after December 1, you may not work as a longshoreman unless under oath you give us this information which may go back to your cradle and if you ever make a false statement it is an offense for which we will send you to jail? Why do they say to these men: We may not let you work if you were ever convicted of certain crimes or if we think your presence on the waterfront is dangerous to the public peace or safety? Why?

Mr. CRUMPACKER. Do you consider that you were being punished when you were forced to obtain a license as a lawyer?

Mr. WALDMAN. You are referring to me, personally?

Mr. CRUMPACKER. As a lawyer.

Mr. WALDMAN. No; the answer to your question is, no, of course, because I represent a profession for which historically a certain minimum education was required, for which even the States have made special provision, which has given me certain privileges under the Constitution, in that, for example, one-third of our Government—the judiciary—must be composed of lawyers and which by practice has supplied half of the Congress, half of the State legislators, and half of the governors. I have certain privileges which the longshoreman does not have; and because I deal in a fiduciary relationship with people who trust me, historically society has said that I ought to go through, not only a cultural and educational qualification, but also a qualification of character and integrity. But we never said that, sir——

Mr. CRUMPACKER. Let me interrupt you again. The licensing of people extends not only to the professions but down to such strictly land labor jobs as meat handlers, for example.

Mr. WALDMAN. Congressman, let me project your question by putting it in another form. If licensing workmen is such a good thing and the answer to a lot of bad conditions, why don't we adopt a system of licensing for all? For some reason, we do not. I am sure that if you have had the opportunity you have examined the cases where we have said that our society does not look with favor upon restricting the rights and liberties of a workman to get a job as a common laborer, manual worker, or longshoreman. Where do you think the 14,000 casuals come from? A lot of nonsense has been spoken about the waterfront. Casuals come from the fact that in this industry, in addition to the peak periods when an employer has work for only 1 or 2 days which his regular staff simply cannot supply, and he therefore takes on people for that piece of work, it is also possible for a man to be a waiter 5 days in the week or a barber or a bartender or a policeman or anybody else, leave his regular working uniform off, put on dungarees, and go down on the waterfront and earn a day's extra pay.

Now, we have not yet reached the point in our society where we say that this is forbidden by law, and we have to be very jealous about preserving these important freedoms. It is easy enough to talk when a bill does not affect you or your family or client, but this bill affects us. These people are common, manual workers. They should not be singled out for licensing unless there is a good, social reason. Listening carefully all day, as you have, you must have become aware that not a single witness has said anything about these 40,000 workingmen on the piers in the port of New York. If they had, if they tried to make a case against these men, I could see justification for the bill they have passed.

They did make out some sort of a case for licensing superintendents or stevedores. I will have brief remarks to make about that. But there is a simple, central fact in this bill, in this law—it is a bill before you; only bistate law if you approve it—the simple fact is that there is an actual deprivation. I am not talking constitutional deprivation;

I am talking about social deprivation. An opprobrium is placed upon 40,000 human beings who admittedly are innocent of any wrongdoing.

For whose benefit is this licensing of longshoremen imposed? I will tell you for whose benefit; for the benefit of the employers. That is why the employers are not here opposing this law. If, of course, you compel everybody to register from government-controlled information centers, you create fear and terror in the heart of the workingman that he may lose his job almost for looking in the wrong way at some little bureaucrat who is operating one of these commission agencies; of course, if you can fire him for a half-dozen different causes and his union cannot defend him, as they could in every other industry in the land, who is the beneficiary of that? You read this act. Congressman Fine, don't confine yourself to that 5-year clause. Gentlemen, read the act carefully from the standpoint of the longshoreman. You will see that we are not just a lot of irresponsible people trying to oppose reform. Reform of what? If it is true, mark you—and let us be realistic, fair and honest about it—if it is true as Judge Proskauer stated today that for 50 years murder and extortion have been committed in the port of New York, then I ask you to draw the next inference from that statement: Who is responsible for it?

The ILA is a labor union. The functions of the labor union are to represent its members in a special form as a special pleader. It is not the function of the union to provide law enforcement. Special bodies exist for that purpose. I sometimes have to educate my own clients that they are not the voice of the public; that there is a public interest; and that their interest is a special pleading interest on behalf of their members. Sometimes they may act wrongly, sometimes in an exaggerated fashion, but we have found in our society that it is a good thing to give them that right. Then they, along with employers who have equal rights, can fight out the issues between them, either at the bargaining table or through a strike or lockout or in similar fashion. But in this case, the union which is a special representative of its members—there is no real distinction between the union and members—and which has today the same rights as all other unions and whose members have the same rights as all other workingmen, will no longer have the same rights as its sister unions in the labor movement. If you consent to this compact, the rights of this union and its members shrink materially, and we have a duty to come to you and say, Is there a relationship between the evil complained of and the remedies proposed? That is what every Congressman asks himself each day in considering proposed legislation, or else he ought not to be a Congressman, a Senator, or a legislator of any kind.

Now if, for 50 years, there was murder and extortion in the port of New York, why blame the ILA? Whose responsibility was it to stop murder and extortion and bring those guilty of its commission to justice? What do we have penal laws for?

I respect my friend, DeLuca; I like my friend, Hogan. And I certainly am a very close and dear friend of McDonald. But if crime has flourished over the last 50 years, my natural question is, and I ask you to ask yourselves that same question as Members of this House, wasn't Tom Dewey special prosecutor in the rackets division in the county of New York for 4 years? I know he prosecuted the restaurant racket, among others, for I was one of counsel in that case. For

10 weeks we were in court when he tried that case. He had before him the whole question of racketeering in labor unions and industry. Indeed, gentlemen, he had before him the ILA books and records. It was not as though he overlooked the waterfront. For 7 years this man was district attorney with all the powers of that office; and for the last 10 years he was governor.

Now, lest you may believe for one moment that I am making a political argument, I want to say for the record that Governor Dewey is a dear friend of mine. The people in New York know that I supported him publicly twice for President and twice for Governor, as indeed as I supported Mr. Ives against Mr. Lehman and Mr. Lehman against Mr. Dulles. I am independent in my politics but I am not talking politics when I point out the distinguished gentlemen of both parties who have been law-enforcement officers in New York. I mention their names because I am convinced of the fallacy of this grandiloquent, lurid argument based on the charge that for 50 years there was murder and extortion on the piers. Therefore, what? Therefore, the ILA, which is not a law-enforcement agency, ought to be slaughtered? Therefore, 40,000 longshoremen ought to be deprived of their rights? There is no logic to this kind of relationship; and I want to emphasize the fact that our opposition to the compact is principally an opposition on the merits to an act which is totally unrelated to any supposed evils.

What does this compact do to us among other things? Somebody said here today that the 14,000 casuals do not actually have to be in the employment centers. They only have to make themselves available in order to retain their license to work. But there is nothing in the law that speaks of 14,000 casuals. All of the longshoremen have to make themselves available. What does that mean? That means, gentlemen, that if I have another occupation and I divide my time between working on the pier and working in that other occupation, I am no longer free after this act goes into effect to do what I am doing now.

Let me use a waiter as an illustration. Or the same applies to a lot of other occupations—for example, a union which I represented for years, and where I know this practice is followed: the newspaper and mail deliverers' union. Assume I shape up for work on newspapers. I make my money that way. If the newspaper does not have work for me at a particular time, I may shape up at the pier and get my work there. I lose nothing by trying both places. Under this act, I must make myself available under the rules and regulations of the commission for waterfront work. And if there was a job for me and I was not available, I may fall short of the number of hours or days that they set up in their regulations during which I must work in the industry. But has any provision been made to compensate me for the time I lose because I could not work in some other job, through keeping myself available for longshore work? The answer is "No."

It may startle you gentlemen, but let me give you a few facts of life in industrial relations. England, Australia, New Zealand, Holland, many of which nations either have had or now have labor governments or near-labor governments, require registration of longshoremen by parliamentary act; and that is where this idea comes from originally. I tried to point that out in 2 minutes in the hearings before Governor Dewey. But since I was allotted only 15 minutes

to state our entire case, my presentation was quite limited. But the important fact is that the Parliament in Britain provided an assessment on industry in the first instance of 12 percent and now 22 percent. I do not know the exact percentage in Australia or New Zealand. That assessment was used to establish a fund from which the board administering the registration system pays to every workingman who is required to make himself available for longshore labor in England approximately one-half of his regular wage. That has equity and fairness and justice about it. A man must be available, so he is compensated for his time.

Here we have a situation, gentlemen, where they have copied the registration part of those acts. I know they copied it because I heard the gentleman testify before the crime commission who said they have this system in England. Well, if you take the registration from the English system, don't take it at the expense of the workingman. If there is anything good in that registration system for the purpose of decasualization, then don't pace the burden of decasualization upon the workers themselves because then you only victimize them. Place it upon the industry which ought to bear that responsibility.

Another illustration of what the act does to us—and I beg you to realize that my remarks have nothing to do with loose and vague notions, but with bread and butter and with the very real economic, social, and legal rights of these people—is found in the provision empowering the commission to suspend a man for a year or for 30 days or for 60 days. Now, obviously the commissioners are going to operate through clerks and subordinate employees. They are only 2 people and they will have to administer a port with approximately 60,000 to 70,000 employees, if you take in all the crafts. In the nature of the case they will have to act through clerks, through human beings. Suppose that a man is suspended and his suspension later turns out to have been erroneous. I am going to assume the greatest honesty and integrity on the part of everybody. The number of injustices and mistakes in the administration of the act that will necessarily be made and that will affect the lives and fortunes of individual human beings are very numerous. Even carefully trained courts make mistakes which are corrected by appellate courts. But here if a dockworker is put out of work for 60 days or 90 days or 6 months or a year and then it all turns out to be a sad mistake, there is no provision to compensate him for time lost.

Now, if you are going to deal with social and labor legislation, for heaven's sake let's deal with it in a social and labor way. Don't borrow only the worst part of a scheme which is alien to our whole notion of a free society and which when taken by itself without the social benefits that are afforded in other countries, constitutes nothing but a long step toward brute totalitarian regimentation, using the whip of fear and terror to compel compliance and then when that fails, providing criminal penalties in case of disobedience. I say this is foreign to everything we have known in the entire history of our country and I challenge again the proponents of this law to produce a single parallel in the entire country of far-reaching regimentation of American labor comparable to the kind for which they are now seeking the quick and unconsidered, or ill-considered, blessing of the Congress of the United States.

There is another reason why you should not grant your consent. This is not a reform that will stop murder and extortion. It is a reform that will deprive people of civil rights, economic advancement, and the social positions which their fellow workers living in the same apartment house enjoy because they work in some other industry.

You have here another situation in which a man may be stricken from the rolls as a longshoreman. I noticed nobody mentioned it today. It is a dirty word or dirty idea. Men may be stricken from the rolls as a longshoremen or may be denied admission to the rolls if they have advocated the overthrow of the United States Government by force and violence, or knowingly were members of an organization that advocated such principles. What, you may say, is harmful with that kind of a clause?

For your benefit—maybe Congressman Fine knows, but unfortunately I am a stranger to the rest of your committee—for your benefit I can tell you that I not only testified as an expert before the Committee on Un-American Activities when Mr. Nixon was active on it, but I made the first working draft of an important portion of the present antisubversive act or Internal Security Act. At that time we had another name for it. I know a lot of people criticized me and hated me for that. I was the one outstanding labor lawyer in the country who stood up and fought for the policy of that law. I believe in security in the ports and I believe in security for the country. I think communism is a hateful philosophy that ought to be stamped out with all legitimate means, and I believe we ought to be effective in doing it.

But even as I testified then and as I drew the draft after weeks of work, and as the Congressional Record will show, I insisted that the bill include real safeguards guaranteeing the rights of individuals. I am opposed to the seemingly similar provision in this compact because there is a real lack of procedural due process in the determination of the facts. Men may be deprived of their livelihood for a lifetime because some immature or half-literate clerk has made up his mind that that person is guilty of having advocated the overthrow of the Government of the United States.

What I said to the Un-American Activities Committee and the Congress I say to you: Make it as tough as you can for Communists to survive as Communists, but protect their civil rights because as you threaten them you threaten the civil rights of all Americans. There are no two kinds of people in this country, longshoremen and other Americans. Who is going to decide this vital issue of civil rights? Where is the procedural due process? I am not talking about the Constitution now, gentlemen. I am talking fundamental fairness and justice.

Mr. TAYLOR. Does the compact recite any provision for testing whether or not a man has belonged to an organization which has for its purpose the overthrow of this Government?

Mr. WALDMAN. No; none at all. It does not set up any standards except what I have just given you, as you will see when you read the compact. But I will go further, and tell you the additional vice in this ban—not only do they provide for no procedural due process, which means fair play and protection in the case of a serious charge of this kind, but they make its effect and application discretionary

with the commission. Thus even though later in the compact, they say you may go to a court to review the commission's rulings, I do not have to tell the lawyers on this committee that this is pretty much a case of making it appear to the world that a substantial right exists when in fact it does not. If the matter is discretionary, that is the end of it.

All of these things cumulatively make us come to you who are sitting as the representatives of the people. You are now the symbol of Congress; it is through your voices that we will have to speak to Congress. We cannot talk to them directly; time is too short. We come to you and we say: Do not consent to this iniquitous and unjust law—and that is what it is; it is not a charter of liberty. I have lived with this industry for 12 years as one of my labor clients. I did not agree with all the things that have happened in the ILA or in the port of New York. There is documentary evidence that time and time again I have sent in reports protesting against this wrong and that wrong, though it was not always to my own personal benefit to do it. But in 12 years I have learned something about this industry. Ask any forthright employer in the port of New York as well as any labor man, and he will agree with me. I know this industry, as I think I know the industries I represent in other fields, and I tell you that far from being a charter of liberty, which is a beautiful phrase for Fourth of July orations, this piece of legislation is a blueprint to wreck the port of New York. Nothing but evil can come from it. Why?

Because we are in America and we are not in Germany in the days of Hitler, or in Italy in the days of Mussolini, or in Russia today, or in any of the satellite countries. Americans will not be pushed around and still contribute their best. That is a consideration which you must take into account. Do you think for one moment that if you are going to place the stamp of criminality on this industry, on this union and on these 40,000 or 50,000 members, that you are going to get from them the best for this industry? And yet the port of New York is a very vital port, not only to the industry but to the Nation as well.

I want to conclude by saying to you this: Congress has declared certain policies in connection with labor relations. Not everybody in the present administration agrees with all of the things that went on in the last 20 years, but one thing I know: I know what the President of the United States said over and over again in the last campaign before this administration was in power. He said we do not expect to go back on any of the social gains instituted for the benefit of the people of this country. The rights of labor, the policies first enunciated in the Wagner Act, and then in the Taft-Hartley Act, are precious rights. Congress did not just lavish its generosity upon the people of the United States. The people of the United States have evolved their rights and benefits through the instrumentality of Congress. Congress was merely the medium by which we have arrived at a certain social philosophy: That freemen are going to remain free if you give them the instrumentalities for doing it; and one of the instrumentalities for America to remain free is the freedom of collective bargaining. You have said it time and again, and thoughtful people at all times, have said it: Government cannot compel and coerce

a collective agreement, but can only give both sides the freedom to work out their own.

This bill, this proposed compact for which your consent is sought, flies in the face of that policy clearly and completely. I can enumerate to you half a dozen specific instances in which it does, but that would not be necessary. I need only direct your attention to this feature and say to you, apart from the constitutional aspects of the compact, but purely on its merits and elementary justice and fairness, it should be disapproved. We reject the notion that you are required merely to rubberstamp a bi-State compact; we say you have an affirmative duty to inquire into its merits before you consent.

Mr. CRUMPACKER. Do you regard this committee as a court of appeals from the State legislatures?

Mr. WALDMAN. No, sir. I regard this committee as the instrument of the House to find out whether this Congress ought to consent to a bill which, if my characterization and analysis are correct, is iniquitous and unjust and is contrary to the public policies and legislative declarations enunciated by the Congress over and over again, both under Republican and Democratic leadership. While you are not to reverse the two State legislatures, you have the duty of judging for yourselves and for your House whether Congress is willing to put the stamp of approval on this act. I am using the same argument that another gentleman used today, only I am using it, I trust, out of a depth of analysis of the act itself, not out of the crowning glory and achievement of 76 years. Certainly that is not material. You are not to hand bouquets, through your consent, to people you like and punish people you do not like. You have to pass on whether or not you as Congressmen, guided by your own conscience, in the face of the entire philosophy of our Government toward labor and industry and toward their rights, are ready to put your stamp of approval on this antilabor statute.

One more word and I am through. There are ways of arguing a case, and I do not minimize the abilities of many people who spoke here today. You heard, for instance, a venerable judge say that Mr. George Meany characterized the ILA thus and so. He did. But in the same statement, in the next paragraph, as you would have known if the witness had told you the full story rather than half a story, George Meany opposed this legislation.

It is grossly unfair and misleading to you and to the Congress, to tell this committee that George Meany said so-and-so, leaving the inference that George Meany did not oppose the legislation now before you. This is the fair inference from what was said, and it is an incorrect inference.

Mr. TAYLOR. I think the purpose was to show that Meany chastised the union which you represent.

Mr. WALDMAN. He did, certainly. As far as chastising people or organizations is concerned, there is a great deal of chastisement that could be meted out to every union in the land, every chamber of commerce, every board of trade. Why, even Congress gets its chastisement. I am not in a complimentary mood today.

Mr. CRUMPACKER. What do you mean "even Congress"?

Mr. WALDMAN. You have answered it. The fact is, in a free society that is what we live on. Criticism is the staff of our survival. When

we do not have that, we have nothing left. Certainly unions, union leaders, Presidents of the United States, governors, lawyers, all get chastised. That is a wholly irrelevant argument to the issues facing this committee today, and calling people names will not justify the bill.

I want to express to you gentlemen my appreciation; you were very kind to me. You have given me more than 15 minutes. I did not exhaust my argument. My statement touches on various other principles, and I hope you will do me the honor to read it when you have a chance. I tried to direct your attention to the heart of this proposed legislation which I believe should not receive the consent of Congress on the merits. I am not looking for delay. The only reason for my preliminary remarks was to put you on notice that there are factors which justify a legitimate argument for delay in the public interest. But other than that, you yourselves will have to read the statute.

I do not think this hearing, with all the brilliant arguments that were presented, can give you the real meat of the statute. The statute itself carries its own argument and your reaction to it will depend upon what philosophy you bring to that statute. If you bring a hate-ILA or hate-labor philosophy you will transfer your feelings to the union members.

Mr. CRUMPACKER. On that point, I understand that the Senate bill was introduced by both Senators from both New York and New Jersey. Are you accusing them individually or collectively as men who hate labor?

Mr. WALDMAN. Not at all. I told you I am neutral between the two New York Senators, because I supported both of them. I never had a chance to talk to either Mr. Ives or Mr. Lehman about this bill. If we had had the same opportunity to be heard before the Senate committee which you are giving us today, I am vain enough to believe that neither Mr. Ives nor Mr. Lehman would have continued sponsoring this bill. You know, 48 printed pages of legislation handed over to you with all the fanfare and propaganda that accompanied this one has its effect. But upon having had your attention directed to certain features of the legislation, you yourselves may feel differently tonight. I sincerely hope you will.

There is enough vanity in all of us so that when we feel convinced there is merit and fairness in our arguments, we believe we can convince others. I am not charging either Senator from New York or New Jersey with being a labor hater. I say it depends upon what attitude you bring to a statute and how well informed you are about its contents. If you bring one kind of philosophy to bear you will get one reaction. If you bring another kind, the reaction will differ; and if you have a neutral philosophy you will decide in our favor just the same.

Mr. FINE. You could bring a prolabor philosophy and feel that the State legislature is the forum for amendments and changes.

Mr. WALDMAN. That is a way out all right.

Mr. FINE. Mr. Crumpacker pointed out that certainly the prolabor labels must be placed upon both Senator Lehman and Senator Ives in New York and it would be unfair for the record at this time to show that their approval of this pact necessarily meant that they brought to this bill any philosophy of antilabor. They might have

felt that, as I indicated before, this is a State baby; your assemblymen in New York and in New Jersey, whatever their titles are of comparable rank, you amend it; let Mr. Waldman go in there and suggest amendments in the next legislative session.

Mr. WALDMAN. Congressman Fine, if your theory on your relationship to this proposed compact were correct, then the constitutional provision requiring congressional consent is meaningless. The Constitution does not say that your consent is predicated upon a formal judging of the State's language, as you will see from its context.

I do not want to elaborate on this argument but if you will read the constitutional mandate as a lawyer, you will see in the context of that provision the various things that States may not do without the consent of Congress. You will see that you have the same responsibility in giving your consent or withholding it, to evaluate the merits and the fairness of the compact, as you have in the case of ordinary legislation, although constitutionally a compact is not the same as a Federal law. Your consent, under the Constitution, is made a condition precedent to the very right of States to enter into an effective compact.

I do not want to elaborate on Congressman Celler's argument on the need for careful examination by you of the terms of a compact. He gave 1 or 2 illustrations; I could give 3 or 4 others. For instance, suppose two States who happened to have what they believed to be a difficult problem in connection with Negroes should unite in a compact in which they defined certain limitations and duties as is done in this act and then prescribed criminal penalties to punish violations of the act. Suppose that such a compact, which penalized one race instead of one group of workers, were presented to Congress for approval.

Now, please project yourselves into that situation rather than the waterfront. Would you say that Congressmen and Senators would be without a duty to find whether the compact was going to deprive a portion of our citizens of civil rights, of economic rights, of cultural opportunities? Indeed, it is a fundamental part of your duty to examine interstate compacts in order to prevent 2 States or 5 States or any number from forming a group, a nation within a nation with a different system of laws and different basic policies. You have a duty there.

Mr. FINE. You cannot overlook this fact that the members of this committee do not think that they have not got the power to go into each of these items to see whether or not in their opinion the Constitution has been abridged. They can do that. I am pretty sure that each member of the committee feels that. But it may be that even with that understanding, they come to the conclusion that the States have the right, the State legislatures, to do what they did, and only a court like the Supreme Court of the United States could finally decide whether it is right or wrong. We know as lawyers that you start with a special term case; you get up to the court of appeals and then up to the Supreme Court and that in between eight judges might decide one way or the other.

Mr. WALDMAN. May I suggest since we are talking about a practical problem of legislation, to examine the closely analagous situation of treaties. A treaty, which needs the consent of both the Executive and the Senate to be effective, can be initiated and negotiated by only one

party, the President. The Senate has nothing to do with this function. And yet the approval of the Senate must be obtained for a treaty to become law and be binding upon our country.

The Senate has no power to change a treaty, but the Senate has the power to say through its committee, "This treaty is all right except for article X." How many of you are old enough to remember article X of the League of Nations Treaty? The Senate may well say that the treaty in general is all right but article X we cannot accept. If you, the President, can renegotiate article X to correspond to A, B, and C, to these standards, we will approve the entire treaty.

That is a plain duty which the Senate has. Careful analysis by you of this compact, and considered action based on that analysis is one of the duties that you have. If you feel in your conscience, Congressman Fine, that a basic problem is presented by a substantial part of this law, apart from constitutional validity—I am talking about merits, fairness, justice, policy—then you should not, in your own conscience, give your consent unless that part is eliminated. If the alleged evil has gone on for 50 years, that is bad enough, but certainly we can wait a few more days and Congress could certainly point out what is wrong with the act in your opinion and how it harms many thousands of human beings in the most vital way. Then, if they are willing to change these features, you can give your consent.

Why don't you do what George Meany has done? I read the statement submitted to you by the AFL. Every argument they made goes basically to the heart of the law. What is left after these fundamental faults are eliminated you can approve. The point is you can do exactly as the AFL urges and be truthful with yourself. You do not have to swallow everything that is handed to you by a State legislature. Their mood might have been bad. There are some thoughtful people in New York, and I say this to you in all earnestness, who believe that this particular act and the drive that was made for its passage resulted from a bipartisan deal. I know you are a Democrat, Congressman Fine, but it has been said that there was a bipartisan deal to let the politicians off the hook in every way, including those who were supposedly among the major subjects of investigation, and let the waterfront be the fall guy. Of course, if the courts declare the compact unconstitutional it will be——

Mr. FINE. Don't let my silence at this point indicate any approval of what you say.

Mr. WALDMAN. I do not say it myself. I am merely telling you that there are many people who feel that way. They may be completely wrong. The explanation has as much basis as any other. I do know this, however. There was no hearing before the New York State Legislature. We asked for one. We were in Albany when the waterfront bills were introduced on Thursday afternoon at 2 o'clock together with 13 other bills, each of which merited substantial debate. The session was called for a weekend and on Friday afternoon it was all over. The other 12 bills were already approved by Friday and this 13th measure with 48 printed pages was adopted after no more than an hour's debate. It was impossible for anybody in the legislature to understand the bill, much less have it analyzed in the time that they had. But that is neither here nor there. Constitutionally, perhaps, the States had a right to approve this most important measure without reading it. That is no reason for you to do the same.

Mr. FINE. Were there not many amendments offered by members of the assembly?

Mr. WALDMAN. I will tell you how the amendments came about.

Mr. FINE. I was not there.

Mr. WALDMAN. I was there. I conferred with legislative leaders of the minority party the night before the session and they said that they were going to offer amendments. We will fight for them, they informed us, but if the amendments are not approved, we will vote for the bill. We told them that was intellectually dishonest—a cowardly thing to do. If your amendments were sound and honest, we said, and the bill needed amendment that badly, then, if the amendments are defeated, you owe it to yourselves to vote against the bill. That was not a public hearing and politics being what it is and an election facing us, please don't blame my argument for everything that happened in Albany. Gentlemen, I do——

Mr. TAYLOR. You disturb me by your argument that if we pass this bill some 40,000 men may be branded as quasi-criminals. Yet everybody who has come before this committee has said—perhaps they have not used this phrase—but have intimated that this would be a bill of rights for these particular 40,000; that they would not be any longer enslaved; that they would not have to pay tribute for their jobs; that they would be free from some dire influences that seem to be at work on the waterfront. There is something wrong with the waterfront, unquestionably.

Mr. WALDMAN. No question about that.

Mr. TAYLOR. That seems to emanate, if we can believe the testimony before the various crime commissions, from some of the hiring bosses or some of those people who are outstanding among the workers. Now, what is your suggestion as to a cure of that particular situation? Do you have any?

Mr. WALDMAN. I do not know a fairer question than this one because it is practical and you put it forward in that forthright way. Yes; I do have proposals to improve these conditions. First—and everybody has agreed on that—the shapeup as a system of hiring carries with it certain evils. The American Federation of Labor, on February 3, as you will see from one of the letters that is an exhibit to Mr. Thatcher's statement, directed the ILA to take steps to abolish the shapeup. The collective agreement in the port of New York by its terms does not expire until October 1.

Four months ago I was designated, as counsel for the ILA, to prepare an article on hiring which carried with it the unequivocal abolition of the shapeup. This we did. It took the New York port, the workers, local leaders, as distinguished from the international—and please remember there are somewhat different outlooks in certain respects between the parent body and the local body—about 3 months to accept our draft. Initially there was a great deal of opposition to it. But it was finally adopted with a few minor amendments.

The employers who have heretofore insisted upon the shapeup have also adopted a program for its abolition. Only yesterday, sir, I left a joint conference which is negotiating the next contract between the employers and the union, and in the written proposals of both parties the very first article is the abolition of the shapeup and the setting up of a system of hiring which will do away with the power, potentially dangerous and in many cases actually bad, of the hiring boss.

That is one step. I could enumerate many others. But industry has these problems and it has to solve them. Sometimes you have to put the searchlight on an evil. I am not objecting to searchlights. I think they are generally helpful. But I am objecting to the wrong remedy. This particular matter should be and is being cleared up by the action of both industry and labor.

If there is nothing further, I want to thank you very, very much.

Mr. KEATING. Thank you very much, Mr. Waldman. Your testimony has been very helpful.

Mr. CRUMPACKER. The next scheduled witness is Mr. Nathan Duff, representing waterfront locals in New Jersey.

Is he here?

If not, our next witness is Mr. Hoyt Haddock, executive secretary, CIO Maritime Committee.

STATEMENT OF HOYT HADDOCK, EXECUTIVE SECRETARY, CIO MARITIME COMMITTEE

Mr. HADDOCK. Mr. Chairman, my name is Hoyt Haddock. I am executive secretary of the CIO Maritime Committee. The CIO Maritime Committee is a committee composed of maritime unions of the Congress of Industrial Organizations representing merchant seamen and shipyard workers, in the various ports of the United States, including New York.

I, like many of the other witnesses, and I am sure like the legislators who were dealing and have dealt with this problem, am against crime; and I deplore the situation that has existed on the New York waterfront for all these years. I am slightly familiar with it. I came to New York in 1933 as president of a radio operators' organization. When I arrived in New York it did not take me many days to learn of the corruption which existed on the waterfront; nor, parenthetically, is that the only place it exists in New York.

Mr. FINE. Or anywhere else.

Mr. HADDOCK. As a representative of the merchant seamen in New York while I was there, I strived together with other representatives of the merchant seamen and longshoremen, to try and correct some of the conditions which this commission has brought to light again. And I emphasize again, because it has been brought to light many, many times in New York over the past 20 years that I have known of the situation.

I think we all ought to be thankful that it has been brought to light again. However, because it now appears that someone is really interested in doing something about it, I am happy that that condition has at long last arrived.

I want to be emphatic, though, as to my position with this bill. I first saw the bill yesterday and I want to apologize to this committee for not having a prepared formal statement in connection with it, but I simply did not have the time to do so. It is nobody's fault but my own that I did not see it before then, however.

In general, I want to state that I have read the statement which has been submitted here by the American Federation of Labor and that I am in general agreement with it. I am in favor of the generally stated intent of the legislation: That is, to stop murder, extortion, blackmailing, and so forth. I would be less than frank if I

did not say at the outset that I do not think the bill will accomplish that, and I say that after some little experience with these very questions.

In 1915, this Congress passed the La Follette Act which outlawed the so-called crimp joints, bring practices which have the same characteristics as follow the shapeup. The adoption of that law by the Congress of the United States did not stop those practices. Those practices were stopped when merchant seamen established their own hiring halls, their own rules for regulating employment, and operated those hiring halls themselves, and not before. That, despite the fact that the Federal Government also established hiring halls for merchant seamen, hiring halls in which the same practices were prevalent that were prevalent before the 1915 La Follette Act was enacted and before the Federal Government established the sea-service hiring halls for merchant seamen. So I want to emphasize most emphatically that I am convinced that the only way these practices will be stopped is for the longshoremen themselves to adopt and enforce regulations of employment.

Now, we have had some experience on that also. At one time there was in the Congress of Industrial Organizations a longshoremen's union on the west coast. That organization had the shapeup and it had the same conditions that existed in New York. They were stopped after the employers and the union established a joint hiring hall where the longshoremen adopted rules and regulations governing their employment, and only then.

Now, another act was passed by this Congress, the Taft-Hartley Act, dealing with Communist leaders. I would like to point out to you that that act has not removed one single Communist leader from any trade union. They are still there; they are all still there. The act will not do it. It will take the membership of those organizations to clean out the Communists in those organizations. And I say that after some experience also. The trade union which I was privileged to represent when I came to New York finally got completely under the Communist influence. Myself and some other members of that union finally cleaned them out. They were not cleaned out by any law. They were cleaned out by the members, the vigilance of the members.

The National Maritime Union which I am privileged to represent here but which I am not privileged to be a member of, had the same experience. Their organization has gone through three so-called purges where various groups of persons representing other organizations and not the merchant seamen whom they were supposed to represent attempted to gain control of the union and use it for their own means and not for the benefit of the membership. On three occasions the membership has arisen and kicked those people out. One of those groups was the Communists, who had almost complete domination of the union. The Government did not help do it, could not help do it. It was done by the merchant seamen, the membership.

Now, those unions are fortunate in that they are able to do this. It is unfortunate that this has not happened in the ILA in New York, but I think the day is approaching when that will be done.

Now, I do not want to cover ground that has been covered by previous witnesses, but I do want to call your attention to article I, findings and declarations: "The States of New Jersey and New York

hereby find and declare that the conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor."

Which waterfront labor? Well, waterfront labor includes every one who works on the waterfront in connection with the shipping industry. It includes merchant seamen; it includes dockworkers. It includes shipyard workers. Very frankly, we resent such a characterization by the two States. We do not think that the waterfront labor which we represent can be accused of these things which the findings and declarations accuse us of. As a matter of fact, Congressmen and Senators time and time again have visited the hiring halls of the National Maritime Union in New York and have found them to be a model of democracy. Occasionally, officials of our union get out of line. I recall either last year or the year before last some of the officials in the NMU were found to be selling jobs. Well, those officials are no longer there. They were not only expelled from the unions but in this case I want to point out that the officials who were responsible for enforcement of law did something about it. They gave them appropriate sentences.

Now, I think it is unfortunate that the law-enforcing agencies in New York and New Jersey have not carried out their responsibilities. Despite what other witnesses have said here, I am convinced from personal observation that they have not. I have been on a number of committees which have called upon the law-enforcing agencies in New York, not New Jersey, to do something about murder in the New York waterfront.

Something about extortion. I was even on a committee that called upon District Attorney Dewey, and I may state that I took an active part in the campaign to elect District Attorney Dewey to that office. There was one case that I went on to him involving the murder of a rank-and-file longshoreman who was trying to stamp out the very thing which this bill proposes to stamp out. We went back on several occasions to District Attorney Dewey and we did not even get the satisfaction of him telling us that he was making a thorough investigation and could not find anything, and we gave him quite a bit of facts in that particular situation. So when someone tells me that the law-enforcing agencies in New York, at least, are not responsible, I just cannot believe it because it so happens that I was there.

Now, it is my understanding from what I have heard today here that this committee cannot amend the bill.

Mr. CRUMPACKER. We cannot amend the compact. We can amend the parts of the bill appearing prior to the compact and following it.

Mr. HADDOCK. That being the situation, I want it emphatically understood that I am opposed to the bill. If the bill could be amended it undoubtedly has some good parts in it which could be enacted in the law and which would be helpful in the situation, but as I read the bill, it is aimed at the longshoremen and I am familiar with that situation in New York. I have followed the newspapers since I left there and I have read some other material and I have yet to find any public body, any citizen group, or any other group, investigating this situation, to condemn the longshoremen of anything other than not being vigilant enough in fighting for their rights. And I find nothing in this law which will help make them more vigilant in fighting for those rights.

Some of the bill deals with what are apparently some of the wrongful acts of the employers in this situation. All of this grew up by the employers permitting it, actually lending their aid to it and starting it. I do not know of any steamship companies in New York at the present time who are not anxious to see that it is stopped. I do not know any of the longshoring companies myself, so I cannot say anything about them, but I have talked to a number of officials of steamship companies and they certainly feel that it is a horrible situation and they would like to see it stopped. Well, I am convinced that the only way to stop it is for the longshoremen to establish hiring practices under which they can live and to police those practices.

Some of the conditions which exist on the New York waterfront were hoodlums, maybe longshoremen, where dope peddlers were maybe longshoremen. That can be corrected and should be corrected. There is a bill now enacted, known as the port-security bill, Public Law 869 of the 81st Congress, which was turned over to the Coast Guard for administration under Executive Order 10173. This authorizes the Coast Guard to take whatever steps are necessary with regard to port security. They have taken a number of steps. On all oceangoing vessels they screen merchant seamen; if these merchant seamen are dope peddlers or other types of criminals they usually determine that they are security risks because they could not be trusted with what may become secrets of the United States. They have the same power over the docks throughout the country, not just New York. They can certainly extend those powers that far. And may I add that there is some redress from Coast Guard action in this respect. They have established two appeals. Those appeals consist of a port security board and a national board. They are composed of a representative of labor, management, and Government; and when those boards pass upon a man, they are issued a port-security card. You have to go through quite an investigation, I can tell you, to get a port-security card. I think I may have one here somewhere if I have not left it. I would like to show it to you.

This is a card that is issued for workers who have occasion to enter the port facilities, including ships. It is issued by our Coast Guard under regulations under which the individual has some protection. So that that portion of the bill dealing with the screening of these longshoremen by a commission is certainly not necessary and one which we would view with great alarm and do view with great alarm, particularly in the light of some of our experiences in this port-security screening program.

One of the things I think this committee could do to great advantage is to get the experience of some of the other ports in this situation. I do not know whether that was done by the States of New York and New Jersey or not. I have seen no evidence of it. I have seen no testimony presented on it. But there are other ports in the country where this condition does not exist and it does not exist for good reasons. I think this committee would do a real service to our country and to our interstate and foreign commerce if it would determine what those reasons are and make them available and assist in seeing that some of those conditions existed in the port of New York.

Since beginning to view this bill, I have attempted to determine why the great hurry, and I say "the great hurry" because I have been

through this same thing since 1933 and this is the only time that ther has been any real hurry about doing anything, and I do not wa to accuse any of the legislators or any of the witnesses here of a insincere actions. But many of the witnesses here today were famili with these conditions long before today. Some of them were famili with them back in the days when I was familiar with them becau I know some of the witnesses that were here today and know that th were familiar with the waterfront situation. And I also know th they were not doing anything to correct it back in those days. An way, on the question of hurry here, two witnesses here today stat in effect that it was important for this Congress to act upon this no because the ILA contract was expiring September 30.

Well, I can only draw one inference from that, and that inferenc is that this compact if put into effect would prevent the longshoremen either on their own establishing a hiring hall operated by them, woul prevent the employers from establishing a bona fide operated hirin hall, or would prevent the establishment of a jointly operated hirin hall. Well, in view of the fact that the operation of hiring halls in th industry have proven to be the only effective way of stamping ou these evils, it would appear to me that the people who are so anxio to get this rushed through to prevent that type of hiring hall, eith are completely blind to the conditions which have existed in the indu try, or that some of them are being misguided by persons who want t prevent the establishment of hiring halls for the purpose of abolishin these conditions.

Now, one witness stated that this compact was necessary in th interest of labor-management relations. I do not see anything in th bill—and I am not a lawyer, I want to emphasize that—that woul improve labor-management relations. There just is not anything i there that addresses itself to that question. One of the witnesse mind you, claimed that it would give the longshoremen a closed sho which would help them instead of hindering them. Obviously, would do no such thing. The bill is drafted to give an open sho That is exactly what the provisions of the State-operated hiring hal aim at. That is what the provisions of the Federal hall aimed at a what it tried to accomplish and failed in doing. It tried to perpetua the open shop and the conditions that did exist. It failed because t seamen took over their own hiring halls and operated them in the own interest.

Of course, the Taft-Hartley Act would not permit a closed sho and I see nothing in this bill which would amend the Taft-Hartl Act in that respect.

Mr. KEATING. May I ask a question? You are the executive sec tary of the CIO Maritime Committee; is that correct?

Mr. HADDOCK. That is correct.

Mr. KEATING. What relationship, if any, do you have to the Int national Longshoremen's Association?

Mr. HADDOCK. I have no relationship at all with the ILA; that is far as officially is concerned.

Mr. KEATING. Are some of the longshoremen in the New York har members of the CIO?

Mr. HADDOCK. They are not. The CIO represents merchant seam on ships, that is, licensed and unlicensed. We represent shipya

orkers and we represent some other miscellaneous workers such as ilers and so forth in the New York area.

Mr. KEATING. None of the workers on the docks?

Mr. HADDOCK. These workers are on the docks, sir, and these workers e covered by this bill.

Mr. KEATING. I see. Merchant seamen.

Mr. HADDOCK. This bill will cover merchant seamen. As a matter f fact, your findings and declarations condemn merchant seamen and ll waterfront workers, outright condemnation, and that, very frankly, one of the principal reasons we are here.

Mr. TAYLOR. By what language does it condemn them? I do not ollow you there.

Mr. HADDOCK. It refers to conditions under which waterfront labor employed. The merchant seamen——

Mr. KEATING. It has been made very clear by these witnesses that ost of the members of all of these unions, including the ILA, are ood, honest, hard-working, God-fearing people. It is this band of iminal-type racketeers who have worked in at the top that are being ndemned in the bill, as I understand it. That only applies there here the shoe fits.

I assume in all of these labor organizations you can find people, also mong the officials of the union——

Mr. HADDOCK. Mr. Keating, let me read this for you:

The States of New Jersey and New York hereby find and declare that the conditions under which waterfront labor——

It does not say a segment of waterfront labor, the longshore waterront labor, or any specific waterfront labor. It says "waterfront abor." That, to me, means all waterfront labor.

Mr. KEATING. It does not to me. It does not apply unless the hoe fits.

Mr. HADDOCK. Merchant seamen, as you know, are very closely allied ith longshoremen. We come in daily contact with them. As I ated while you were out, we have worked with them for many years, ttempting to solve some of these problems which this bill is supposed solve. So that we have a very close relationship with them. That the merchant seamen and longshoremen. They both work aboard ip actually. We know what their conditions are because we have en through them and we corrected them. We are anxious that they orrect them, and from the testimony that I have heard here today I ink this committee would be doing a disservice to interstate and oreign commerce if it passed this bill.

I think it would prevent the abolition of these conditions which, in y opinion, are well on their way today because the longshoremen are ow abolishing the shapeup. If that shapeup is abolished and the ngshoremen maintain control over those hiring halls, these condiions will never exist again, and that is the only way that they are ing to be prevented from the interference that we have had along e waterfront; and all other attempts, as I have pointed out, have iled and have actually given aid and comfort to that situation. I m firmly of the opinion, after hearing the witnesses here today, that is bill would only stop the institution of a hiring-hall system in the rt of New York, either jointly between maangement and labor or labor itself, and continue the very conditions which this bill pro-

poses to abolish. I think that the American Federation of Labor ought to be permitted to go ahead with this program of attempting to clean this situation up, and the ILA, who, I understand, and only understand this from witnesses here today and newspaper stories, that they are almost in agreement on abolition of the shapeup and the institution of a hiring-hall system. If that is done, I am convinced that these conditions will vanish. If this bill is enacted into law and State-regulated hiring halls established, I am convinced that the conditions will be perpetuated as they were under the Federal system.

That, Mr. Chairman, I think will conclude what I have to say on the matter. I want to thank the committee for being so patient and staying such long hours. I appreciate the opportunity of being heard on it.

Mr. KEATING. We are glad to have your views, Mr. Haddock.

Our colleague, Congressman Hart, has requested the privilege of being heard, and we would be very glad to hear you, Congressman Hart.

STATEMENT OF HON. EDWARD J. HART, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. HART. I thank you, Mr. Chairman, for this opportunity to address the subcommittee for just a few moments.

Having been chairman of several congressional committees, and having always observed the rule that the committee would hear out-of-town people first, I relinquished the opportunity to testify when the chairman was so kind to ask me earlier in the day if I desired to do so. And what I shall have to say just now will hardly be in the nature of testimony, but I do want to complete the record as it now stands as a result of a question addressed, I think, by yourself, to Mr. Tobin when he was on the stand, relating to the acquiescence of all of the municipalities involved geographically in this waterfront commission compact.

Insofar as Mr. Tobin testified, he testified accurately. It is true that the bills were passed. The bills were passed by the New York Legislature unanimously. Mr. Waldman has given some description of how they were passed. They were likewise passed by the New Jersey Legislature with only one dissenting vote. So far as I know no official of a New Jersey municipality is opposed substantially to the bills as they now appear or the bill that is before the committee. However, my district lies in Jersey City, partly, which is on the west bank of the Hudson River directly opposite New York. Other towns on the same side of the river also make up part of my congressional district. And I have here a letter from the mayor of Jersey City, Hon. John V. Kenny, and with the indulgence of the committee I should like to read a suggestion advanced by Mr. Kenny with respect to the amendment of that section of the bill which the Congress is authorized to amend.

He makes no objection to the substantive legislation but he does, however, say this:

> The joint legislation passed by the governing bodies of New York and New Jersey establishing a bi-State waterfront authority pursuant to Federal approbation is a matter of intense interest to the Nation. Much of the program encompassed by the legislative action was instituted on a municipal level

> in Jersey City during the past few years with the approval of the prosecutor's office and Gen. H. Norman Schwarzkopf, State official.

I might say for the benefit of the members of the subcommittee and the committee who are not familiar with the term, the prosecutor of the counties in New Jersey is equivalent to the district attorney in the counties of the State of New York.

Mayor Kenny did cooperate with the Hudson County prosecutor and with General Schwarzkopf who had been assigned to the investigation of waterfront conditions by the attorney general of New Jersey.

Going on:

> This included the introduction of Pier Peace Plan for the licensing and bonding of stevedoring concerns and hiring bosses and the general crackdown against undesirable elements including ex-convicts with long criminal records, loan sharks, and other dangerous individuals, a crackdown designed to prevent them from plying their nefarious pursuits along the waterfront.

May I say in passing that a great deal of the evidence adduced in the waterfront inquiry came about mainly and sometimes solely through the activities of the Police Department of Jersey City?

> In view of all that has gone on and is at present under consideration, I suggest that you recommend to the proper authorities the appointment of an individual of Federal stature who is thoroughly versed in waterfront conditions and who would act in cooperation with the bistate waterfront commissioners soon to be named by the Governors of New York and New Jersey.
>
> Since waterfront security is an issue of national importance, I feel that the United States Government should have proper representation in this bistate agreement for which congressional ratification is currently being sought.

The basis of the mayor's conviction on that point, of course, is that the Hudson River, N. Y., waterfront, port of New York, or the port of New Jersey and New York, as it ought to be properly referred to, is the main focus of interstate and foreign commerce in the United States. It is the busiest port perhaps in the world. It is the greatest avenue of foreign trade and foreign commerce in the United States.

In his telegram to Senator Ives in connection with the consideration of this measure, Governor Dewey pointed out the interest that the Nation has in this situation. The junior Senator from New Jersey, in his speech before the Senate, and the senior Senator from New Jersey, Senator Smith, in his remarks, both pointed out the importance of this problem to the entire Nation, and it is in accordance with that importance that Mayor Kenny feels that the Federal Government ought to have some representation on this commission that is to supervise the activities in the port of New Jersey and New York, especially on the Hudson River.

I have here an editorial from the Jersey Journal, the issue of Friday, July 17. The Jersey Journal is the largest publication, a daily, published in Hudson County, with a circulation I think of something like 90,000. In that issue it makes a comment upon this letter which was addressed to me by Mayor Kenny, and with the further indulgence of the committee I should like to read it. It is headed "Uncle Sam on the Waterfront." It says that—

> there seems to be no reason why the Federal Government should not appoint a man to sit in with the bistate waterfront commission to be set up by New Jersey and New York. Mayor Kenny has suggested the idea because, as he said, the Federal Government has a stake in New York Harbor. It likewise has a stake in all other harbors of the Nation, but most of them appear to have been free of

scandals that have marked shipping operations in the port of New York for years. The mayor is in order in making this proposal. Several features of his peace plan submitted to Trenton a year ago have been included in the legislation adopted jointly by the two States to stop rackets on both sides of the shipping industry, among the men who load the boats and those who operate them.

Inasmuch as Federal approval is necessary to this legislation, it follows that the Government should have a representative in the picture to see to it that the Government's interests are fully protected from infringement. The two States should be able to do an effective job in cleaning up the harbor. They can never carry the threat to evildoers that Uncle Sam can by the presence of his representative when port conditions are under consideration.

Thank you very much, Mr. Chairman.

Mr. KEATING. Are there any questions?

Thank you very much, Congressman Hart. We appreciate your appearance.

Are there any other witnesses who desire to be heard? If not, the committee will go into executive session.

Before concluding the hearing I want to insert in the record at this point a letter and several telegrams received from various civic groups with reference to this legislation.

(The letter and telegrams referred to are as follows:)

CITY CLUB OF NEW YORK,
New York 16, N. Y., July 21, 1953.

Hon. KENNETH KEATING,
Chairman, House Judiciary Committee,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN KEATING: The City Club of New York, keenly active in civic work for more than half a century, wholeheartedly endorses bistate compact with respect to waterfront conditions.

We understand that Stanley Kreutzer is appearing for many other civic groups, including the Citizen's Union, on behalf of committee approval for bistate compact. This letter may be used as authority for him to speak in our behalf approving proposed legislation wholeheartedly and without reservation.

These conditions have existed too long and unless action is taken soon, no integrated effort of State and Federal authorities to destroy the racket will succeed for a long time to come.

Sincerely yours,

SEYMOUR GRAUBARD,
Chairman, Committee on Municipal Affairs.

NEW YORK, N. Y., *July 21, 1953.*

Hon. KENNETH KEATING,
House Office Building:

This association respectfully urges adoption of H. R. 6286. Waterfront conditions in this port require regulation by bi-State agency as proposed by said resolution. Early approval will expedite much-needed improvement of port conditions.

JAMES W. DANAHY,
Vice President, West Side Association of Commerce.

NEW YORK, N. Y., *July 21, 1953.*

Hon. KENNETH KEATING,
Chairman, House Judiciary Subcommittee No. 3, Patents and Antitrust:

Respectfully request prompt approval of New York and New Jersey waterfront pact, H. R. 6286, currently before you.

M. D. GRIFFITH,
Executive Vice President, New York Board of Trade, Inc.

NEW YORK, N. Y., *July 21, 1953.*

KENNETH KEATING,
Chairman, House Judiciary Committee,
Old House Office Building, Room 346:

Urge approval of H. R. 6286, creating New York-New Jersey bistate agency for program of waterfront reform.

WALTER J. HOLMES,
Executive Vice President, Bronx Chamber of Commerce.

NEW YORK, N. Y., *July 21, 1953.*

Hon. KENNETH KEATING,
Chairman, House Judiciary Subcommittee No. 3,
House Office Building:

The committee on the harbor and shipping of the New York Chamber of Commerce favors the establishment of the New York-New Jersey Waterfront Commission recently authorized by the legislatures of the two States and it strongly urges House approval of H. R. 6286 which would validate the bistate compact.

JAMES A. FARRELL, Jr.,
Chairman, Committee on the Harbor and Shipping.
GEORGE H. COPPERS,
President, New York Chamber of Commerce.

NEW YORK, N. Y., *July 21, 1953.*

Hon. KENNETH KEATING,
House Judiciary Committee,
Subcommittee No. 3, Patents and Antitrust,
Washington, D. C.:

New York City Affairs Committee, Inc., supports bistate compact and urges favorable action on H. R. 6286 to eliminate the evil conditions of New York-New Jersey waterfront. We ask that you call upon Mr. Stanley Kreutzer to speak on our behalf.

CHARLES K. GILBERT,
President.
Mrs. SAM DUKE,
Secretary, New York City Affairs Committee, Inc.

NEW YORK, N. Y., *July 22, 1953.*

Hon. KENNETH KEATING,
Chairman, House Judiciary Committee, and No. 3 Subcommittee on Patents and Antitrust,
Old House Office Building, Washington, D. C.:

Strongly urge your committees immediate approval H. R. 6286 setting up New York-New Jersey waterfront compact absolutely necessary in light of prevailing conditions and as aid to honest business and employment in both States.

JOSEPH F. ADDONIZIO,
Executive Secretary, Bronx Board of Trade.

(Whereupon, at 6:25 p. m., the hearing was concluded and the subcommittee proceeded in executive session.)

APPENDIX

FOURTH REPORT OF THE NEW YORK STATE CRIME COMMISSION (PORT OF NEW YORK WATERFRONT) TO THE GOVERNOR, THE ATTORNEY GENERAL, AND THE LEGISLATURE OF THE STATE OF NEW YORK, MAY 20, 1953

Preliminary Statement

This fourth report of the New York State Crime Commission is confined to its investigation and recommendations respecting the New York waterfront. Though preliminary studies had been made prior thereto, on November 20, 1951, Governor Dewey ordered the commission to conduct a sweeping investigation of waterfront conditions in the port. Pursuant to agreement between the Governors of New York and New Jersey, close cooperation was maintained with the public authorities of New Jersey. Gen. H Norman Schwarzkopf, director of the New Jersey Department of Public Safety, sat with the commission throughout the public hearings. Aid has also been received from State and Federal officials, and particularly valuable services have been rendered by the division of the State police and the New York City Police Department and the men assigned by these agencies to full-time duty with the commission.

The staff of the commission was expanded to include a separate waterfront section.[1] Theodore Kiendl of New York was appointed special counsel for this investigation, without compensation, and in the opinion of the commission has served with distinguished ability and fidelity. On January 31, 1952, John M. Harlan retired as chief counsel and was succeeded by Ben A. Matthews. Simultaneously Leslie H. Arps, who had been assigned to supervise the waterfront investigation, became assistant chief counsel.

Achievement of our objective to make a thorough investigation of waterfront conditions was seriously hampered. Many longshoremen, recalling the long series of unsolved murders on the docks, were deterred by fear from testifying. Many informed witnesses pleaded their constitutional privilege against self-incrimination, and some informed witnesses regarded information they had received as too confidential to permit disclosure.

Despite these obstacles, through the most arduous, painstaking and laborious efforts of our staff, lines of inquiry were exhaustively pursued. Many leads came to naught before reliable evidence was ultimately discovered. Every hour of public hearings was preceded by days of searching private inquiry.

The commission examined in executive session over 700 witnesses, held about 1,000 hearings, took over 30,000 pages of testimony, conducted over 4,000 interviews. The commission's accountants, under the capable supervision of Hyman S. Lipman, examined the books and records of approximately 81 steamship companies, stevedoring companies, union locals, public loaders, trucking companies, and miscellaneous individuals and corporations.

Pursuant to supplemental order of the Governor, dated November 13, 1952, the commission held 20 days of public hearings: December 3–9 and 15–19, 1952, and January 19–30, 1953, and additional evidence was added to the public hearing record at sessions of the commission held on March 11, 16, and 17, 1953. One hundred and eighty-eight witnesses were called, three thousand eight hundred and ninty-five pages of testimony recorded and six hundred and nineteen exhibits introduced. The stenographic record of the public hearing is submitted with this report. This record consists of five volumes and a separate composite index of the testimony and exhibits.

[1] The members of this staff are listed in the Appendix.

INTRODUCTION

The evidence demonstrates that the port of New York is in danger of losing the position of supremacy to which its natural advantages entitle it. If the port should lose its rightful supremacy, there will inevitably follow a crushing blow to the prosperity of city and State. Our conclusion as to the danger and consequence of such loss was reached, in part, by a process of carefully studying and checking the accuracy of previous reports and articles in many newspapers and magazines.

ECONOMIC AND PHYSICAL CONDITION

The tonnage passing through the port is considerably more than that of its largest competitor. The waterfront of the port has over 700 miles of shoreline and more than 900 piers, wharves, and quays. In economic and industrial planning, however, it must be remembered that the city of New York owns only 159 of the port's 300 deep-sea piers. Most of these city-owned piers are in Manhattan, and a few are in South Brooklyn and Staten Island. We estimate that over 40,000 individuals work from time to time as longshoremen. Many of these are casuals. Other thousands indirectly gain their livelihood from waterfront activity.

A monumental study of the physical and economic condition of the port was made at the request of then Mayor O'Dwyer by the Port of New York Authority. The port authority concluded that the piers had deteriorated and as a consequence that the port was losing competitively. The port authority coupled its report with an offer to take over the city-owned piers by contract with the city. The commission deemed it vital to check the accuracy of this and other reports of a similar nature.

Accordingly the engineering firm of Sanderson & Porter was employed to make a thorough survey of the port's economic position and of the physical condition of the piers owned by the city of New York. It appeared from their report that on tonnage statistics alone the port was losing out. Their expert, Dennis J. Walsh, Jr., testified, however, that these statistics had to be weighed by an allowance for what he called noncompetitive cargo; that is, peculiar types of cargo which by reason of special conditions were not considered to be in the competitive area and as a matter of course were routed through other ports. We evaluated his testimony in connection with that of Walter P. Hedden, of the Port of New York Authority, and Edward F. Cavanagh, Jr., commissioner of marine and aviation of the city of New York. In fundamentals they were in agreement.

In summary, Walsh's conclusion was that in coastwise tonnage New York was definitely falling behind; that in transocean trade it was about holding its own, whereas other ports had improved their positions; and that the time had come when New York ought to watch its step (2036–2037).[2] Cavanagh, whose testimony indicated great knowledge and purposeful effort, described the situation as definitely more alarming than did Walsh. He regarded the weighing of the general statistics by the elimination of noncompetitive cargo as too optimistic. In his words "Where you get such an extensive diversion of noncompetitive cargo, you are bound to get an increasingly serious diversion of our life's blood and that is competitive cargo. It is bound to take that with it if you don't do something" (2058). Hedden testified that the port authority was beset with serious complaints as to port conditions (3482).

From the testimony of these three experts we draw the following conclusions:

(*a*) The port of New York is definitely losing out competitively on coastwise traffic.

(*b*) It is barely holding its own on foreign traffic while other ports are improving their positions.

(*c*) There is very grave danger of serious retrogressions in the prosperity of the port.

One reason for this deterioration is the physical condition of the piers. A summary view of this subject is given in the testimony of John E. Slater, president of the American Export Lines, Inc. (461):

"Q. Many of the piers are very antiquated?—A. Many of them are very antiquated * * * were not designed to handle the type of vehicles that we're operating—we're operating today. * * * One of the greatest handicaps is the difficulty of properly handling trucks. * * * In other words, congestion on the piers * * * result in the most serious types of delay, and therefore increasing very greatly the cost to the shipper and the consignee * * *."

[2] This and similar references are to pages of the Port of New York (Waterfront) record.

Walsh, of Sanderson & Porter, characterized the general pier situation "as that of a rather rundown character * * *" (2037).

Cavanagh, concurring, stated that the valiant efforts his department has been making in the last 3 years to do something about it had "barely kept its head above water" (2069). His testimony disclosed that he was endeavoring to remedy the results of almost incredible past neglect by the city. He stated that from 1935 to 1948 the average expenditure of the city of New York on its piers was less than $150,000 a year and that "during that same period * * * this city went back to a low state never reached before" (2062). He pointed out that in the last 3 years the city had spent much larger amounts. This indicates that the city has at least become aware of how serious the problem is. He added (2070):

"I think I may add they only scratched the surface in the situation. I think I said to Judge Proskauer that it is a drop in the bucket as to what must be spent."

There is imperative necessity for the best city planning and execution if this port is to remain physically on a par with its competitors.

Furthermore, discriminatory freight rates have contributed to the port's loss of tonnage. Hedden, Walsh, and Cavanagh agreed that this was shown. Intensive effort has been made by the Port of New York Authority before the Interstate Commerce Commission to eliminate these unfair differentials. Concerted effort must be made by all public authorities to see to it that this port receives equality of freight rates with its competitors.

However, the most important factor threatening the welfare of the port is the entrenched existence of deplorable conditions involving unscrupulous practices and undisciplined procedures, many of which are criminal and quasi-criminal in nature. To understand the conditions as revealed by the commission, it is necessary first to appreciate the importance of speed in the loading and unloading of vessels and, second, to be acquainted with the basic operations of a pier.

TIME IS OF THE ESSENCE

The steamship industry utilizes two very expensive items of equipment: the vessels themselves and the piers. Hence, speed is of the very essence. Time is the most important single item in steamship operations.

Thus, the United States Lines operates the *United States* and leases pier 86 on the North River. This new liner represents an investment of more than $70 million, and the rent and insurance for pier 86 costs over a quarter of a million dollars a year. When the *United States* is at dock she earns no money, and yet, except for food and fuel, her operating expenses continue. It is, therefore, of the utmost importance to cut the dockage time to a minimum.

Dock costs are an additional factor. The shorter the turnaround the more vessels can use a pier, and the fixed dock costs will be lower per vessel. Hence there is pressure on everyone concerned to get ships turned around as rapidly as possible. A day's delay of an ordinary freighter's turn-around may cost the owner as much as $5,000.

Shippers and consignees are often equally concerned in the demand for speed. Demurrage charges and the spoilage or loss that may be occasioned by belated delivery of perishable or seasonal cargo are compulsive factors.

This high cost of delay is an open invitation to blackmail.

BASIC PIER OPERATIONS AND PERSONNEL

The basic operations of a pier include the docking or sailing of the vessel, the unloading or loading of the cargo between the hold of the vessel and the floor of the pier, the checking of cargo on the pier, the protection of the cargo on the pier and in the vessel, the loading and unloading of cargo between the floor of the pier and trucks, and the maintenance of the pier.

The supervisory work is performed by pier superintendents; hiring foremen, who hire the longshoremen; dock bosses, who hire the checkers; and roundsmen or head watchmen, who hire the protective force.

The loading and unloading of vessels is done by gangs of longshoremen, under the immediate supervision of gang or hatch bosses. General work around the pier is done by longshoremen called extra labor.

Checkers take inventory of cargo on arrival and departure. Timekeepers keep track of the work time. Watchmen guard the cargo, the piers, and the docked vessels.

Public loaders are independent of the rest of the pier operation. Their function is to load and unload trucks. They operate variously as corporations, partnerships, or individuals.

The watchmen are represented by the Port Watchmen's Union, Local 1458. Practically all other dock workers, except pier superintendents, are represented by the International Longshoremen's Association (ILA).

This report gives examples from the evidence which illustrate cross section of existing conditions: first, the unhealthy conditions in the steamship and stevedoring industry; second, the International Longshoremen's Association (ILA), its component locals, and the flagrant disregard by union officials of the welfare of their members; third, corrupt labor leaders engaging in incompatible business enterprises; fourth, the antiquated shapeup method of hiring dock workers and the forcing of undesirable hiring foremen on the employers; fifth, the public loading racket; sixth, the ineffectiveness of the present pier-watchman system; and, finally, the commission's conclusions and recommendations.

The Conditions in the Port of New York

I. Unhealthy conditions exist in the steamship and stevedoring industry

While perhaps some of the steamship and stevedoring companies are doing the best they can, many have yielded to the pressures and temptations of existing conditions. This has aggravated the situation and has produced a sense of despair and futility even among those who have wanted or tried to do something about it.

The commission found that (1) there was collusion between steamship and stevedoring companies on the one hand and union officials on the other; (2) it was not an unusual practice for certain stevedoring companies to make payments to officials of steamship companies or agents to gain or continue stevedoring contracts; and (3) most of the stevedoring companies expended large amounts of cash for which they could not account and some companies altered their books and records to conceal payments made to union officials and others.

A. Many instances of collusion were shown to exist between officials of steamship and stevedoring companies on the one hand and union officials on the other.

The collusion between steamship and stevedoring company officials on the one hand and union officials on the other has served to maintain the power of union leaders and to undermine honest administration of collective bargaining agreements, to the serious detriment of the dock worker and the public.

(*1*) *Improper cash payments have been made to union officials by stevedoring companies for "services rendered" or for good will.*—The principal stock in trade of the stevedoring company is a ready labor force. The stevedore who best controls the labor supply is the most valuable to the steamship or railroad company. To achieve this control of labor, the stevedore and steamship companies have made cash payments to ILA officials both on the international and local levels.

(*a*) Joseph P. Ryan, president of the ILA, secretly received $7,500 in cash payments from Daniels & Kennedy, a large trucking and stevedoring company. James C. Kennedy, its president, testified (94):

"Q. Now, then, is it a fact, Mr. Kennedy, that every year for 5 successive years, you personally gave Joe Ryan $1,500 in cash?—A. Yes, sir."

Ryan's explanation of these payments, as well as certain other payments, was that they were used "to oppose Communists" (3718). No record was supplied by Ryan and no evidence was found by the commission's accountants to support Ryan's explanation.

(*b*) Capt. Douglas Yates, vice president of the Jarka Corp., the largest stevedoring company in the country, testified in executive session[3] that he paid Edward Florio, then an organizer of the ILA and president of local 306, and John Moody, delegate for local 306, at least $12,000 for the period 1949 through 1951. Yates also testified that he made frequent cash payments during the same years aggregating some $5,000 to John J. (Gene) Sampson and James (Jay) O'Connor, business agents of ILA local 791 (58–61). Sampson denied any such payment to him (3097). Yates explained that these payments were made to obtain the good will of these union officials (62–63):

"Question. So that Florio, Sampson, and O'Connor were paid for services rendered to you?

"Answer. Yes, sir; as I saw it; yes, sir; definitely.

"Question. What were the services that they rendered?

[3] Captain Yates and Capt. Phillip G. O'Reilly, another vice president of Jarka Corp., remained outside the jurisdiction throughout the entire public hearing (108).

"Answer. * * * We have necessities, especially at nighttime and weekends, to ve a sufficient supply of labor for the arrival of particularly passenger ips, * * * I made constant calls on them in those directions, and as I saw it ey were most helpful to me in the conduct of my responsibilities which was the ctual handling of these ships and the operation of these piers and without that oodwill built up by virtue of these payments, which I still consider small, I t I could not call upon these people as required. They wouldn't be available me if I wanted them because it wasn't part of their regular hours of work."

At least $58,000 was paid by Jarka Corp. to union officials during the period 47–51 (exhibit 207).[4]

(*c*) Richard J. McGrath, vice president of John W. McGrath Co., stevedores pier 88, North River, where the large French liners dock, and at pier 84, here the American Export liners are berthed, testified that he made secret cash yments to Patrick (Packy) Connolly, executive vice president of the ILA. The nderstanding was that half this money was to go to Harold Bowers, ILA delegate for local 824, the notorious "pistol local" (1650). Connolly denied receiving ese payments (2378–2379).

(*d*) Capt. L. C. Howard, president of Nacirema Operating Co., another large evedoring company, testified that he paid $2,000 to Edward Florio for not raising objections to certain irregular labor practices. Florio designated his nephew, erald Lamby, who was unknown to Captain Howard, as the one to whom the ecks of Nacirema should be made payable (351–353). Florio is now serving an 8½-month Federal prison sentence for falsely swearing under oath that he had t received these checks.

(*e*) Daniel J. Keogh, secretary and treasurer of Pittston Stevedoring Corp., stified that in 1951 he had paid $1,250 to Vincent (Barney Cockeye) Brown, siness agent of local 1478, and Anthony (Tony Cheese) Marchitto, business ent of local 1247. These payments were made pursuant to agreement that rown and Marchitto receive $50 for each ship for which they supplied labor ngs. Keogh testified (1850):

"Q. Just answer my question. You say you gave them that money in the pectation that by reason of that payment they would give you decent people to rk for you?—A. That is true."

(*f*) Not only were such payments to union leaders made secretly, but some mployers carefully guarded the amounts paid one leader lest disaffection result he should learn of higher payments to another. Keogh thus explained his mpany's reasons for at first concealing from the commission certain of these yments (1844):

"* * * the reason the complete return was not made was that we had had easant relations with the delegates of the ILA, and we did not want to disclose r payments—that our payments that we made were more to one than to nother, and we also did not want to be embarrassed by disclosing the entire mounts that we paid. That was, frankly, the reason that it was done.

* * * * * * *

"Q. The only excuse for making a false return was that you did not want to close to various union officials what you were giving to others?—A. That's ue."

(*g*) Labor leaders on both the international and the local level made themselves available to the employer for cash. N. J. Palihnich, vice president of the Jarka Corp., after testifying that he had paid Anthony Giantomasi (Joe the Gent), then business agent of local 1235, $100 a month as a regular practice, stated (80):

"* * * That's one thing I'll say about Joe Gent: He was always available. He came down there and he settled the matter. At 1 o'clock the men returned to work."

(*h*) Harold J. Beardell, president of John T. Clark & Son, Inc., a stevedoring corporation, gave the reason for payments to union delegates (741):

"Q. Mr. Beardell, didn't you testify before the crime commission that the reason for making these payments was to prevent quickie strikes?—A. Well, yes; to prevent quickie strikes, yes; but we haven't had any quickie strikes.

"Q. And you attribute the fact that you haven't had any strikes to the payment of these sums of money, in part, to these union officials and delegates; is that right?—A. Well, I would say yes, in part."

(*2*) "*Phantoms.*"—Another device for passing money to union officials and persons influential in union affairs is to place a fictitious name on the stevedoring

[4] This and similar references are to exhibits introduced at the public hearing.

or steamship company's payroll with unearned wages going to the extortionist.

(*a*) Thus, a phantom was placed on the payroll of the Huron Stevedoring Corp., a subsidiary of the Grace Line, and the proceeds paid to James (Jay) O'Connor, one of the business agents of local 791. In this manner O'Connor received $18,000 over a 6-year period.

O'Connor received these payments simply because he told the company that if this was done certain collective bargaining agreement clauses would not be strictly enforced and that there would be no trouble. O'Connor is presently under indictment in New York for extortion.

(*b*) In another instance Huron Stevedoring Corp. had as a phantom on its payroll one Timothy (Timmy) O'Mara (convicted of petty larceny, attempted grand larceny, burglary, and robbery, exhibit 41). O'Mara also doubled as a boss loader at piers 61, 62, 73, and 74, North River. Carried on the Huron payroll as Edward Joseph Ross from early 1945, he was paid more than $25,000 in 8 years. T. Maher, stevedore superintendent of Huron, gave a typical picture (257–259):

"Q. You know what we mean by a phantom?—A. Yes, sir; I do.

"Q. What do you mean by a phantom?—A. Somebody on your payroll not by that name, not by their real name.

"Q. And they aren't working?—A. They are not working; that's right.

"Q. So this Ross is a phantom? Is that right?—A. That's right.

* * * * * * *

"Q. What does O'Mara do to earn all this money?—A. Well, O'Mara was to keep labor—that they wouldn't be going out on strike—that was my understanding.

* * * * * * *

"Q. O'Mara is not a union official, is he?—A. No, sir.

"Q. Was O'Mara fairly successful in preventing strikes?—A. Yes, sir; yes, sir."

(*3*) *Various occasions were used by employers to make payments to labor leaders.*—With few exceptions the important officials of the ILA and of its individual locals throughout the port received payments at Christmas time and other occasions from steamship, stevedoring, and dock companies.

Thus, the wedding of the daughter of Michael (Mike) Clemente, financial secretary and business agent of local 856, was the occasion for the advance of some $11,000 to Clemente by Michael Castellana, vice president of Jules S. Sottnek Co., Inc., a stevedoring company (208–210).

It also was not unusual to sweeten a union leader's vacation fund. Mike Clemente testified (2102):

"Q. And when he took you and your wife down there, you stayed at the Casablanca Hotel at Miami Beach?—A. Yes, sir.

"Q. And Mr. Castellana paid all the freight?—A. Yes, sir.

* * * * * * *

"Q. Well, you knew he spent an awful lot of money entertaining you and your wife down there?—A Well, you can't go to Florida without spending a lot of money, and people could spend a hundred dollars or they could spend a thousand dollars—"

When Ryan was questioned concerning payments made to him by steamship and stevedoring companies at Christmas time, he in effect stated that it "was the practice" and, therefore, he was entitled to participate in the custom (3661).

Improper payments by steamship and stevedoring companies to union officials during the period 1947 through 1951 which the commission was able to uncover exceeded $190,000 (exhibits 207, 357). It is believed that this is only a small part of the total amounts actually paid. The important fact, however, is not so much the amount but rather the tragic spectacle of the betrayal by union officials of the workers they purport to represent.

The quid pro quo for these payments is labor peace, or a minimum of labor difficulty on the piers. The rapid movement of tonnage necessary to the successful conduct of the stevedore's business has been sought not solely through collective bargaining and other appropriate procedures, but also by the bribery and corruption of labor representatives.

B. Corrupt payments were made to steamship officials by stevedores

Certain stevedores having discovered that the goodwill of labor had to be bought from union officials, found that contracts with steamship companies could be secured or continued in the same way. For this the public ultimately pays.

"(a) Frank W. Nolan, president of the Jarka Corp., admitted that he gave to W. W. Wells, president of the Isthmian Steamship Co., two $10,000 United States Treasury Bearer Bonds, while there was in existence a contract between Jarka and Isthmian giving Jarka the stevedoring for Isthmian. This contract was signed by Wells and Nolan on behalf of their companies (exhibit 3). These payments have resulted in Nolan's indictment for commercial bribery.

"Nolan made cash payments of $34,000 to A. Roggeveen, managing director of the Holland-American Line, while it had three contracts with Jarka. The contracts were all signed by Roggeveen and Nolan (40; exhibit 8A, B, and C).

"Nolan paid J. C. Bruswitz, managing director of the Calmar Lines, a subsidiary of Bethlehem Steel Corp, $47,200 in cash, and E. C. Koenke, operating director of Ore Steamship Co., another subsidiary of Bethlehem, $56,200 in cash. At the time of the payments to Bruswitz and Koenke, Jarka was performing the stevedoring for both Calmar and Ore. These payments were calculated on the basis of a commission at so much per ton (3841–3842, 3857–3858, 3863). Bruswitz and Koenke have been indicted by a Federal grand jury in connection with these payments.

"Nolan also paid at least $7,500 in cash to J. W. Von Herbulis, vice president of Waterman Steamship Co., while there was a contract between Waterman and Jarka (25–26; exhibit 2).

"(b) Harold J. Beardell, president of John T. Clark & Son, Inc., paid J. H. Neale, president of the Ellerman's Wilson Line Ltd., $20,000 by checks of the stevedoring company. At the time there was a contract, signed by Neale and Beardell, giving Clark & Son the stevedoring work for Ellerman's Wilson Line (743–748; exhibits 192 and 193).

"(c) Paul W. Sottnek, president of Jules S. Sottnek Co., Inc., testified that during 1947 through 1949 his company paid $43,987.45 to B. Halter Sorenson, managing director of the Ivaran Lines, while Sottnek's company was doing the stevedoring for Ivaran (195).

"Thus, union officials were not alone in betraying their trusts.

C. Corrupt conduct on the part of some stevedores is further indicated by huge unexplained cash disbursements and by the alteration of books and records to conceal payments to union leaders and others

Large amounts of cash were disbursed by officers of stevedoring companies. In most cases there was no record explanation as to how these moneys were spent. In some instances all petty cash vouchers had been destroyed and financial records altered.

Substantial cash payments were made to ILA officials, steamship company officers, steamship agents, and, in the case of John W. McGrath Corp., to entertain Jersey City public officials who might be helpful in obtaining political favors (1648). These payments were handled in a manner calculated to conceal the identity of the individuals to whom they were paid.

"(a) Examination of William J. McCormack, president of Penn Stevedoring Corp., disclosed that in excess of $980,000 in unsubstantiated cash disbursements had been made by the four main McCormack companies during the years 1947 through 1951 (exhibit 577). McCormack, the principal owner of these companies, denied any knowledge of these huge expenditures (3569–3570).

"(b) From the Jarka Corp. a total of $489,582.63 in petty cash was withdrawn by its five principal officers between January 1, 1947, and June 30, 1952 (exhibit 1). The president explained that approximately $160,000 of this amount was paid to steamship company officials and agents, but there was no satisfactory explanation of the balance of these cash expenditures (22–23).

"(c) The books of the Jules S. Sottnek Co., Inc., show that between January 1, 1947, and August 20, 1952, a total of $278,973 had been withdrawn through petty cash or by checks made payable to cash, for which there was no substantiation whatever either in the books or petty cash vouchers. Commission accountants were told that all petty cash vouchers prior to 1952 had been destroyed. The petty cash withdrawn from the company exceeded the net profits of the corporation for the same period (192).

"(d) The books of John T. Clark & Son, Inc., for the period between January 1, 1947, and June 30, 1952, showed cash expenditures of $289,487 (exhibit 191). In an effort to conceal payments to ILA officials, book entries were changed. Many pages of the journal were replaced by pages freshly prepared, and ink eradicator was also used while commission accountants were actually checking other books of the corporation. These alterations were quickly discovered by the commission accountants. H. J. Beardell, the company's president, testified (740):

"Q. And did you know that the reason why they made the changes was to eliminate all entries showing payments to union officers and delegates?—A. That's correct."

Beardell and two accounts in the employ of the Clark company's auditors have been indicted in connection with these alterations.

II. THE ILA AND ITS COMPONENT LOCALS HAVE FLAGRANTLY DISREGARDED THE WELFARE OF THEIR MEMBERS AND THE PUBLIC

One of the most distressing conditions disclosed at the public hearing was the exploitation and betrayal of the rank-and-file dockworker by his ILA officials and representatives.

The International Longshoremen's Association is affiliated with the American Federation of Labor. The jurisdiction of the ILA is defined in article III of its constitution as follows:

"The jurisdiction of the ILA shall include the work herein enumerated in the United States and its possessions, in Canada, in Central and South America. It shall include all work done directly and indirectly in connection with loading and unloading operations of all floating structures in such territory, including the trades and occupations directly and indirectly associated with such operations, whether they be conducted on docks, piers, marine warehouses, or on board vessels; * * *."

Responsibility for the operation of the ILA rests in the hands of its president, Joseph P. Ryan. Ryan, and the other officers of the international, compose the executive council. The president and executive council presumably are accountable for their actions to the ILA convention, which is held every 4 years unless a special convention is called (3628–3630).

The international and about 64 active ILA locals have offices in the port of New York. Twenty-seven locals are in Manhattan, 22 in Brooklyn, 4 in Staten Island, and 11 in New Jersey (3629). The members of these locals are engaged in such diverse activities on the waterfront as longshore work, checking, carpentry, platform work, and public loading.

This section of the report, devoted to the ILA and its port of New York locals, will be divided into (1) the operations of the ILA, and (2) the operations of the ILA locals in the port of New York.

A. The operations of the ILA

The primary functions of the international are: (i) Negotiating collective-bargaining agreements; (ii) organizing employees into the ILA; and (iii) supervising and assisting the ILA locals.

(*1*) *The ILA has failed in its obligations as the bargaining agent of the dockworkers.*—Labor contract negotiations are conducted between the ILA and the New York Shipping Association (NYSA). The NYSA is a trade association representing most of the steamship and stevedoring companies, and other employers of waterfront labor in the port.

The ILA is represented in labor contract negotiations by its president, assisted by delegates from the ILA locals concerned. They constitute the wage-scale conference, a body so large and unwieldly that it is impractical for all its members to participate in actual negotiation with NYSA representatives.

There have been constant criticisms that the delegates to the wage-scale conference have been handpicked by Ryan and his supporters, and that the dockworkers have never been given an effective voice in the negotiations. The very existence of widespread accusations made by longshoremen that Ryan and his associates are not primarily motivated by interest in the welfare of the rank and file, is a fact to be taken into account.

This dissatisfaction on the the part of many longshoremen has precipitated numerous wildcat strikes. Thus in October 1951, after the results of the voting on a wage contract were announced, a very expensive wildcat strike occurred. There was evidence of fraud in connection with this ratification vote in some of the locals (exhibits 362, 363).

Even though over the years the hourly rate has risen, there has been no marked improvement in the average yearly earnings of the individual longshoremen (exhibit 575).

(*2*) *Ryan and many ILA organizers are demonstrably unfit for their posts.*—In addition to accepting Christmas and other payments, Ryan also admitted receiving moneys from stevedoring and steamship companies and others which he deposited in the ILA Journal account and characterized as donations to an "anti-Communist" fund (3718–3721).

From this ILA Journal account Ryan withdrew $31,651 in cash and expended by checks $460 for a cruise to Guatemala, over $1,000 for golf club dues and charges, $10,000 for premiums on his personal insurance, and $817 for such luxury items as expensive shirts and high-priced shoes (exhibit 600).

To summarize, during the period January 1, 1947, to September 30, 1952, Ryan took out of ILA funds more than $240,000, of which $115,000 was salary, the remainder being made up of the amounts referred to above and expense alowances which included $12,494 to buy Cadillac automobiles (exhibit 602).

Ryan testified that when he used ILA funds for his own needs he, in effect, offset these amounts by using cash from his own personal bank account for anti-Communist purposes. The commission accountants, however, could find no records which support Ryan's contentions in this regard, and Ryan himself conceded that he had kept improper accounts (3729). Ryan has recently been indicted for misuse of union funds.

The responsibility for organizing falls under the jurisdiction of Ryan and the organizers working under him. Ryan has the power to employ and discharge these organizers and to fix their salaries. There are approximately seven ILA organizers in the port. Most of them hold other union positions from which they also draw salaries and expense allowances. These Ryan assistants wield extraordinary power over the life of the dockworker.

Our conclusion as to the unfitness of these organizers is based on the evidence. We specify:

(*a*) Edward J. McGrath, an organizer from 1936 until his resignation in 1951, has a criminal record showing 12 arrests for crimes ranging from petty larceny to murder and including 2 convictions for burglary (exhibit 398). He has never been a working longshoreman, yet Ryan appointed him an organizer less than a year after his release from Sing Sing Prison. McGrath and his brother-in-law, John (Cockeye) Dunn, were the kingpins of rackets on the lower West Side piers and bosses of the ILA Platform Workers Union. Dunn and Andrew (Squint) Sheridan, both former ILA officials, were electrocuted for the waterfront murder of hiring foreman Anthony Hintz.

McGrath refused to answer 115 questions on the ground of self-incrimination, and explained his refusal by reading a statement to the effect that he had been characterized in the press as a "criminal, racketeer, and gangster" (2869). He was then asked (2870):

"By Mr. KIENDL:

"Q. Now, Mr. McGrath, I would like to ask you one question, Are you, in fact, a racketeer, criminal, or ganster?—A. I refuse to answer on the grounds that my answer might tend to incriminate me."

(*b*) Harold Bowers was appointed by Ryan as an ILA organizer for the North River area in July 1951. Bowers, alias Frank Donald, has been arrested on four occasions charged with such offenses as robbery, possession of a gun, grand larceny (twice) and congregating with known criminals (exhibit 45). Bowers still continues both as a paid organizer and as financial secretary of local 824, for which he receives an annual income of $15,000. He admitted that he has no idea of how to be a financial secretary (2230). Dominick Genova, a former member of local 824, testified that Harold Bowers was a member of the gang in control of the upper North River piers headed by Harold's cousin, Michael (Mickey) Bowers, a convicted bank robber (2153–2154).

(*c*) Alex DiBrizzi, alias Al Britton, was appointed an organizer by Ryan in 1946. DiBrizzi has been arrested 15 times and convicted 3 times for gambling violations, and has been convicted once for violation of the alcohol laws. He has also been arrested on charges of grand larceny, felonious assault, and disorderly conduct (exhibit 62). DiBrizzi took the position that although he was president of ILA Local 920, he felt no personal responsibility for the maintenance of union books and records, or for the funds of the union (1914–1922).

(*d*) Ryan appointed Edward J. Florio an ILA organizer in 1948. Florio had already served a year in a Federal penitentiary for conspiracy to operate a still (exhibit 13). His recent return to a Federal penitentiary grew out of a confession of perjury in connection with the receipt of money from a stevedoring company already referred to. Florio has also received close to $25,000 since 1948 from a loading concession on the Hoboken piers without doing a stroke of work.

(*e*) Ryan designated Costantino (Gus) Scannavino as an ILA organizer to succeed Emil Camarda, who was shot and killed in 1942. Scannavino, a brother-in-law of notorious Vincent Mangano, is an admitted associate of Albert Ana-

stasia and of Gioacchino (Dandy Jack) Parisi (1590–1591). Scannavino, since 1947, has accepted over $9,500 in gifts from steamship, stevedoring and dock companies (exhibits 207, 357).

(*f*) Ryan appointed his niece's husband, Joseph J. Schultz, as an organizer in or about 1948. Ryan admitted that Schultz performed no services as an organizer but was his personal assistant. Schultz was also placed in the lucrative position of solicitor for advertisements in the ILA Journal. His 25 percent commission on all advertisements, sold mostly to steamship and stevedoring companies, amounted to over $26,000 for the period 1949–52 (3661–3666). This was sheer graft.

(*3*) *The ILA has failed to supervise its locals.*—The ILA official hierarchy has done nothing to protect the members of the ILA locals. With very few, if any exceptions, control of the locals in this port has fallen into the hands of leaders whose primary concern is for their own selfish interests. No attempt has been made to insure democratic procedures or financial responsibilities. Though the ILA has proclaimed the principle of local autonomy, it has permitted exploitation of the locals in complete disregard of the basic philosophy of union democracy.

For years the ILA has been aware of the many abuses which exist in the methods of electing and selecting officers of the locals. Thus, 6 Brooklyn locals known as the Camarda locals, were for at least 10 years under the control of a group of notorious criminals headed by Albert Anastasia, Vincent Mangano, and their 2 lieutenants, Gioacchino (Dandy Jack) Parisi and Anthony (Tony Spring) Romeo.

Anthony P. Giustra, financial secretary of one of these locals, described Romeo's extortion of thousands of dollars from the union treasury during the 1930–40 decade (1570–1571, 1573):

"Q. And did you have a talk with Romeo when he took over that local?—A. No, sir. He came over to me and he told me, 'I'm the boss here.'

* * * * * * *

"Q. What did you say to him?—A. What could I say. I was scared to death. I wanted to quit. He said, 'No, you stay here.' That's what he told me about it.

* * * * * * *

"Q. And did he demand money from the treasury of that local?—A. Always.

"Q. And what would he do? Would he come to you and ask you for the money?—A. Yes, sir.

"Q. You had the money, didn't you, as financial secretary?—A. When the money comes in from the dues, he used to take it away. * * * Maybe it runs about $20,000, something like that."

Albert Anastasia and Dandy Jack Parisi were frequently seen in the union offices at 33 President Street, Brooklyn, associating with union officers (1529–1641). The so-called City Democratic Club, located in south Brooklyn, was a hangout for racketeers where many officials of the "Camarda locals" were either active members or frequent visitors (1519–1526).

In April 1940, William O'Dwyer, the then newly elected district attorney of Kings County, conducted an investigation of the Brooklyn locals in the course of which he obtained evidence of grand larceny and embezzlement of union funds and the forgery and destruction of union books. Soon after receiving the files of the then existing Amen investigation on May 15, 1940, O'Dwyer closed his investigation of waterfront rackets (1558–1560). No prosecutions resulted (1551).

In June 1940, O'Dwyer invited Ryan and Emil Camarda, one of the ILA vice presidents, to a conference in which the facts uncovered by the investigation were disclosed. Ryan announced that a drastic reformation would be carried out, and that he would revoke the charters of locals 920, 903, and 346, three of the "Camarda locals" (1551–1552). These charters were revoked, but new charters were issued to the same individuals who were in control of the old locals—a change of numbers and that was all.

Even today these locals continue under the domination of the same officers who have controlled them for many years (exhibit 303).

The ILA has never exercised its constitutional authority to supervise or reform its locals even where scandal reached major proportions.

B. The ILA locals, their control and administration

In this section will be discussed the control of the locals and waterfront areas by criminal elements, the financial irresponsibility of officers of the locals,

undemocratic procedures followed in many of the locals, and the existence an overabundance of locals to the detriment of their members.

(*1*) *Known criminals are in control of important ILA locals and of key terfront areas.*—It was established that at least 30 percent of the officials of ILA longshore locals have police records. Waterfront criminals know that control of the local is a prerequisite to conducting racket operations on the s. Through their power as union officials, they place their confederates in positions on the docks, shake down steamship and stevedoring companies threats of work stoppages, operate the lucrative public loading business, carry on such activities as pilferage, loan sharking, and gambling. We cify:

(*a*) Operations in the area of the New York waterfront from pier 84 to pier 97, rth River, are largely controlled by the following group (2150–2183):

1. Michael (Mickey) Bowers: Convicted of bank robbery and sentenced to years in New Jersey State prison. Arrested three times for grand larceny on charges of assault and robbery, robbery, and violation of parole (exhibit).

2. John (Keefie) Keefe: Arrested for bank robbery and convicted on a charge assault with intent to kill and sentenced to 12 years in New Jersey State prison. has also been arrested on charges of assault on two occasions and for posses- on of a gun (exhibit 46).

3. Joseph (Apples) Applegate, alias Lawson: Convicted of burglary and sen- nced to 2½ to 10 years in Sing Sing prison. He has been arrested on charges robbery, grand larceny twice, and as a material witness for homicide (exhibit 1).

4. Harold Bowers, alias Frank Donald: Arrested twice for grand larceny, for bbery, for possession of a gun, and congregating with known criminals (exhibit).

5. John T. Ward, alias Harold Ward, alias Charles Roggers: Arrested for car- ing a concealed weapon and on a charge for vagrancy (exhibit 48).

After the Bowers group took over local 824, "the pistol local," John Keefe as made vice president and Harold Bowers business agent. Local 824 has en used by the Bowers group to place persons with serious criminal records hiring-foreman positions and other key spots on the piers. Dominick Genova, former member of this local, testified to various illegal activities conducted the Bowers group (2143–2179). Genova's own life was threatened when he used to murder a person as a favor for Joseph (Apples) Applegate. The tended victim, one Vincent Wice, was murdered shortly thereafter (2180–2183).

(*b*) Control of operations in the section on the North River below the Bowers main was taken over by Edward J. McGrath and his brother-in-law, John Cockeye) Dunn, with the assistance of Andrew (Squint) Sheridan, Thomas Teddy) Gleason, and Cornelius (Connie) Noonan. This group also organized e platform workers into ILA Local 1730, of which Gleason and Noonan are ill officers. Daniel Gentile, who at various times worked for the group, de- cribed in detail gambling operations and other illegal activities which were oper- ted from the offices of local 1730 (2478–2512). McGrath, Gleason, and Noonan efused on constitutional grounds to answer any questions concerning these perations.

(*c*) The East River longshoremen are dominated by Michael (Mike) Clemente, he "boss" of ILA Local 856. Vincent G. Carpenter, an officer of the Davie Transport Co., Inc., paid Clemente a total of $7,000 to allow the Davie Co. to do its wn loading. A further payment of $500 to Clemente was made "as a gratuity for not having any trouble or interruption of service in discharging and delivering cargo" during the wildcat strike of 1951 (221–235). Clemente is presently under indictment for extortion and for falsifying a statement to the United States Treasury.

(*d*) In Brooklyn the operation of the six "Camarda locals" by Albert Anastasia nd his confederates has already been noted. Many of Anastasia's intimate associates continue to hold key union positions in these locals. One brother, lerardo (Jerry) Anastasio, business agent of local 338–1, according to the testi- ony of Capt. Phineas Blanchard, president of Turner & Blanchard Stevedoring Co., demanded to be placed on the company's payroll to insure "no trouble" with the union (284–286).

(*e*) The New Jersey side of the port has been the scene of violence and gang warfare. The Jersey City docks have been dominated by Vincent (Barney Cock- ge) Brown, Anthony (Tony Cheese) Marchitto, and the late Frank (Biffo) DeLorenzo. All have been leaders in a struggle for control of local 1247, public-

loading concessions, and the hiring of dockworkers. Commission testimony concerning the bombing of local 1247 headquarters in 1951 has led to a series of indictments in New Jersey (1013–1506).

In Hoboken six locals were tightly held by Edward J. Florio, ILA boss in New Jersey until recently. Florio, in association with the commissioner of police and three union officials, dominated all the Hoboken docks. Workers seeking employment were compelled, as a prerequisite to job assignment, to get the consent of Florio or one of his associates (751–1013).

There is a constant struggle for jurisdictional control over various areas in the port by individual leaders or would-be leaders in the locals. This necessarily involves personalities. However, the names of the personalities involved are not particularly significant since the participants in this fight for power are constantly shifting. The unfortunate conditions continue today substantially as they have existed for the past 30 years.

(2) *Criminal control of ILA locals and waterfront areas produce crime. Serious instances of extortion were established.*—Elsewhere in this report particular crimes attributable to gangster-union control have been described. The evidence at the public hearing also disclosed shocking instances of extortion. As examples:

(*a*) The importers of a $2 million cargo of furs were forced to pay over $70,000 to ILA officials to secure delivery of their merchandise (658–698). Pasquale (Pat) Ferrone, a delegate of local 1478–2, is now under indictment on charges of extortion as a result of these disclosures.

(*b*) The importers of a perishable shipment of lemons were compelled to pay almost $10,000 to get the lemons off pier F, Jersey City (504–542).

(*c*) On another occasion shipper's agents paid $45,000 in cash to a "representative" in Jersey City to be allowed to secure delivery of a cargo of deteriorating tulip bulbs (785–850).

In each of these cases wildcat strikes were used as leverage to exact the tribute. When the payments were made the goods were moved.

(3) *The financial affairs of most of the locals have been loosely and irresponsibly conducted, funds have been misused, and records have been destroyed.*—Many officials of ILA locals have been guilty of flagrant infidelity in administering the financial affairs of their locals. Financial records are often so badly kept and financial procedures and safeguards are so inadequate as to justify suspicions of misappropriation of union funds. In some instances, there was evidence indicating actual misappropriation. Financial reports are seldom rendered, and substantial expenditures of union funds have been made without membership authorization.

(*a*) A shortage of union funds in local 1199 was revealed in the testimony of Anthony V. Camarda, the local's financial secretary (1637–1638):

"Q. Now, according to an exhibit that has just been received in evidence, there was shortage in funds in your local union of $3,281.42 on the 1st day of January of this year. Have you been asked about that?—A. Yes, sir.

"Q. You can't account for it, can you?—A. No, sir."

Anthony V. Camarda has recently been indicted in Kings County for grand larceny of union funds.

(*b*) Costantino (Gus) Scannavino, ILA vice president and organizer, testified concerning salary payments made during the past 3 years to his nephew, Michael Cosenza, business agent of ILA Local 327–1, who performed no services whatsoever for the local during the period (1596–1597):

"Q. He's (Cosenza) been in Arizona for 3 years, hasn't he?—A. Yes.

"Q. And has he continued to be a business agent of that local?—A. He is the business agent of that local.

* * * * * * *

"Q. He hasn't performed any service for the local in the last 3 years, has he?—A. That's right.

"Q. And he has been getting $75 a week and expenses for 3 years without doing any work for that local?—A. The local can answer what they send that money for.

"Q. But you know, though, they do send him the money?—A. Of course."

(*c*) The officers of local 920, representing Staten Island's longshoremen, made large expenditures for their own benefit. Five hundred dollars was allotted by the membership to Alex DiBrizzi, president of the local, from union funds when he attended an ILA district convention in New York City in 1951. Four other delegates from local 920 got like amounts. The money went for dinners, night clubs, liquor, and other entertainment. Franklin, financial secretary, admitted paying an additional unauthorized expense incurred by DiBrizzi at the convention (1883):

"Q. * * * Mr. DiBrizzi got $500 expenses but he spent a whole lot more, didn't he?—A. Maybe he did.

"Q. * * * As a matter of fact, he spent $937.40 more than his $500, didn't he?—A. Yes, he got a bill for that from the Commodore Hotel.

* * * * * * *

"Q. And you paid the Commodore with union funds?—A. That's right."

Franklin paid DiBrizzi's son $300 out of union funds for alleged services performed in connection with the wildcat strike in the fall of 1951. Questioned as to whether such payment was authorized by the local's membership, Franklin replied (1876):

"No, they weren't authorized, that's true. It was an emergency expense."

These expenditures were all made while this local was operating at a deficit (1886).

(*d*) Many financial records have been mysteriously "lost," "stolen," or "misplaced"; some after the commission's waterfront investigation had begun. More than half of the 45 ILA locals subpenaed by the commission failed to produce a complete set of books and records for the past 5-year period on the claim that they had been lost or stolen. A typical example is that of local 338, whose financial secretary, Joseph (Red) Mangiameli, testified (1870):

"Q. A lot of your books and records are missing, aren't they?—A. Yes, sir.

"Q. Every book and record of that local prior to October 18, 1951, is missing, isn't it?—A. Prior to what?

"Q. October 18, 1951.—A. Yes, sir."

(*e*) Salvatore Camarda, financial secretary of local 327, testified that all the financial books and records of his local for the period 1947–50 were missing. His only explanation was "We moved so many times they must have got lost" (1623–1624).

(*f*) John (Ike) Gannon, financial secretary of locals 824–1 and 901–1, had similar difficulties keeping track of union books and records (1991–1992):

"Q. What about the books and records of that union, 824–1?—A. That was something I can't account for.

"Q. You mean by that they're gone?—A. That's right. I'd much rather have those books here.

* * * * * * *

"Q. They're not available?—A. I can't find them."

In February 1953, after completion of the public hearing testimony, the commission was advised that certain union records were stored on Gannon's property in Westchester County. Members of the New York City Water Supply Police reported that they had seen these records, but they again disappeared before the commission was able to inspect or get them into its custody.

(*g*) The "pistol local" (local 824) had a particularly difficult time safeguarding its books and records. On at least two occasions the books were reported stolen from the local's offices. The last "theft" of the records occurred on the very day the commission served a subpena calling for their production (2212–2224).

The circumstances surrounding these and other missing records lead to an inescapable inference that the officials concerned feared the consequences of an audit by the commission.

(*h*) Of the 34 ILA locals whose financial records were examined by commission accountants, those of only 11 were found to be in reasonably good accounting form. A particularly shocking example of financial irresponsibility was disclosed by Charles P. Spencer, financial secretary of local 866, who testified (1965–1967):

"Q. Did you keep any disbursements books?—A. No, sir.

"Q. Did you keep any record of any expenditures that were made?—A. No, sir.

"Q. Did you keep any record of any receipts that you took in?—A. No, sir.

"Q. Did you keep any daily records of receipts of dues from its members?—A. No, sir.

* * * * * * *

"Q. As a matter of fact, Mr. Spencer, to be brutally frank about it, what you did with the money of that union that was left over after paying expenses was to put it in your own pocket; isn't that right?—A. That's right."

(*i*) John Beecher, financial secretary of local 955, Brooklyn, admitted keeping no financial records from 1940 until July 1952, although there were 200 dues-paying members (1672):

"Q. So we haven't any books, financial records of this union that you have produced from 1940 to 1952?—A. No, sir.

"Q. Was there any?—A. No, sir."

(*j*) Joseph B. Franklin, financial secretary of Staten Island Local 920, testified that Alex DiBrizzi, president of the local, would turn over to Franklin the balance of the dues he had collected from the members without accounting for receipts and disbursements. This is Franklin's explanation of what he did with the funds received from DiBrizzi (1868):

"Q. And Mr. DiBrizzi, on Saturdays sometimes, would hand you quite a roll of bills, would he not?—A. Yes; he would sometimes.

"Q. And you would take those bills home and put them in a jar?—A. In a sort of novelty jar. I learned to discontinue that."

Franklin further testified that the local's financial records prior to 1951 were missing (1862).

(*k*) In many cases the financial secretary makes no report of any kind on finances to the membership. Even where some sort of report is made, it is usually in a form that gives little information to the members (1824, 1942, 1968). Some ILA locals have never employed any accountant to audit their books, and in most instances where there have been audits the indications are clear that the examinations were superficial and perfunctory (1618, 1924, 1997).

(*l*) Seven out of the thirty-four locals whose books were examined by the commission had no bank accounts whatsoever prior to March 1952. A number of officials admitted the mingling of union moneys with their personal funds. Thus, Patrick (Packy) Connolly, next to Ryan in command of the ILA and president of local 824 and its former financial secretary, testified (2349–2351):

"Q. Now, in connection with one of your important duties, that of collecting dues, what did you do with the money you collected while you were financial secretary?—A. Well, the local never had a bank account when I went in there.

* * * * * * *

"Q. But at all times you, as a financial secretary, never deposited the excess when it existed in any bank?—A. Oh, yes; it was deposited in my own bank, if I had it.

"Q. You mean you put it in your own funds?—A. In my own account, if there was extra money there.

"Q. You mingled these moneys of the union with your own; is that what you mean, Mr. Connolly?—A. Yes, sir; when I went in there, there was no bank account in the local."

(*4*) *Undemocratic procedures have helped to keep unscrupulous labor leaders in power.*—Many ILA locals have never employed democratic procedures in conducting their internal affairs. The officers exercise a free hand in running their locals. A virtually disenfranchised membership has been unable to participate effectively in the conduct of union business.

Union members, as a general rule, are not adequately notified of union meetings. The usual procedure is for union officials to announce meetings through circulars and throwaways distributed on the piers.

(*a*) Often scheduled meetings never materialize because the number of members attending is insufficient to constitute a quorum. Salvatore Camarda, financial secretary of local 327, testified (1627):

"Q. Now, how many meetings has local 327 had in the last 3 years?—A. We have been having a meeting every quarter and most of the time we haven't got a quorum and only the officers show up and we can't have any.

"Q. Only the officers show up?—A. Yes; because they get paid every month. They surely show up.

* * * * * * *

"Q. So that how many meetings have you actually been able to hold then in the past 3 years * * *?—A. About 3 or 4."

(*b*) Union elections are in many cases mere formalities which result in the continuance of the incumbents in office by unanimous motion. Anthony V. Camarda, who succeeded his father as financial secretary of local 1199 upon the latter's death, testified to the use of this procedure in his local (1639):

"Q. Well, isn't it a fact that the officers are retained by motion every 4 years?—A. Yes, sir."

(*c*) An especially flagrant case of "election by motion" occurred in local 338–1 in 1949. Anthony P. Giustra, longtime financial secretary of the local, testified that Gerardo (Jerry) Anastasio had been defeated in an election for business agent. In that election 2 business agents were to be elected, and Anastasio received the third highest number of votes in a field of 4 candidates. Less than a month later a special meeting was called at which a motion was made and

passed that Anastasio be employed as a third business agent for the local (1585–1586).

(*d*) Patrick (Packy) Connolly, ILA executive vice president and president of local 824, the "pistol local," controlled by the Bowers mob, said there had not been a contested election in that local for 20 years (2358):

"Q. Has there ever been a contested election at any meeting of 824, that you know of?—A. Yes, sir.

"Q. When?—A. I think when Gannon first went in, the election was contested.

"Q. That was how many years ago?—A. Oh, about 20 years ago I'd say.

"Q. Now, you say there was a contested election 20 years ago. Has there been any since?—A. Not to my knowledge."

(*e*) Salvatore Camarda, financial secretary of local 327, testified concerning the elections of officers of that local for the past 10 years (1627–1628):

"Q. And at each of these four meetings were you and your nephew (Joseph Camarda) and Frank Russo voted into office?—A. Yes, sir.

"Q. Were there ever any dissenting votes?—A. Any what?

"Q. Any dissenting votes.—A. What's that?

"Q. Did anybody vote against you?—A. No, sir.

"Q. It was always unanimous; everybody voted for you?—A. That's right."

(*f*) Some ILA locals do not even go through the motions of holding elections. A Hoboken longshoreman, Anthony DeVincenzo, stated that Hoboken ILA Local 881, of which he was a member, has not held an election in 30 years (764). Local 901–1 has not held an election in 15 years or held a meeting in 10 years (1972).

(*g*) Some well-knit family groups have acquired domination of certain locals, the salaried positions being treated as a matter of inheritance. The Camardas have controlled certain Brooklyn ILA locals for more than 25 years. Local 338, Brooklyn, has for years been the family preserve of Salvatore Mangiameli and his three sons. Brothers Joseph and John Mangiameli, financial secretary and business agent, respectively, each receive out of union funds between $125 and $145 a week in salary and expenses, plus $10,000 life-insurance coverage. In addition, the local borrowed money to provide each brother with a 1952 automobile (1609–1621).

(*h*) An example of what may happen to a rank-and-file member who has the temerity to object to a lack of union democracy was given by Mario Frullano of ILA Maintenance Local 1277. Frullano testified to an incident involving Paul Crissali, the business agent of that local (1825–1826):

"Q. Tell us what the argument was about.—A. Well, I happened to see the business agent on the pier, and I went over to him. I wanted to find out why we were being charged $3 a month and weren't getting any benefits from it.

"Q. That is what you told him?—A. Yes, sir.

* * * * * * *

"Q. That is all you remember?—A. No; I remember that I got in an argument with him and two other men. I don't know who they were, but they were down there with him, and the first thing you know, I got kicked by someone. I don't know who it was, but I know I was arguing with him.

"Q. You got kicked in the groin?—A. Yes, sir.

"Q. And badly hurt?—A. Yes, sir.

"Q. You went to the hospital?—A. Yes, sir."

Frullano also stated that during the 4 years he has been a member of local 1277 he was notified of only 1 meeting and never received any reports concerning the local's finances (1824).

(*5*) *Creation of unnecessary locals is used to perpetuate unfit leaders in power and constitutes a drain on dues paid by the longshoremen.*—One of the methods used by the ILA hierarchy to perpetuate itself in power is the granting of ILA local charters to its own officers. Four such locals are actually inactive; yet the vote for each is cast at conventions and other union conferences.

Certain high-ranking officers of the ILA have been given control over a number of locals. A close personal friend of Ryan, John J. (Ike) Gannon, is the president of the New York District Council, ILA, vice president of the Atlantic Coast District, ILA, and is secretary-treasurer of locals 824–1 and 901–1. He was an organizer and now is a salaried "adviser" of the port watchmen's union. Another of Ryan's close personal friends, Charles P. Spencer, is secretary of the Atlantic coast district, president of local 901–1, secretary-treasurer and business agent of local 866, and a salaried "adviser" of the port watchmen's union.

There is no possible justification for the continuation of the large number of ILA locals now in the port of New York. The existence of unnecessary locals imposes a heavy financial burden on rank-and-file dock workers, since most locals

have a minimum of 2 business agents and a financial secretary at weekly salaries of at least $75 plus $25 for so-called expenses. Many locals also purchase cars for their officers. The six Brooklyn "Camarda locals" are an example of this needless duplication. These locals have their headquarters in the same neighborhood. The interests of their members, aggregating around 3,500, are identical, and could easily and more efficiently be taken care of by 1 local.

III. CORRUPT LABOR LEADERS USE THEIR OFFICE FOR THE PROMOTION OF PRIVATE BUSINESS INTERESTS, OFTEN ILLEGAL

In addition to receiving out-and-out payments from steamship and stevedoring companies, and revenue from graft, corruption, loansharking, and other illegal enterprises (543–554, 1786–1805, 2143–2183, 2453–2465, 2478–2513), many of the waterfront labor leaders have participated in various business enterprises incompatible with their duties to the men they purported to represent.

(*a*) Capt. Douglas Yates, vice president of the Jarka Corp., described the continuing efforts of Edward Florio and John Moody, delegate of local 306, and members of their families, to use the leverage of their union positions to sell equipment to stevedores, and to obtain contracts for the remival of garbage from the piers (72–74).

(*b*) Connie Noonan, president of the Platform Workers' Union (now local 1730), served as president of Varick Enterprises, Inc., at the time he was an official of the union (2558). This concern bought readily collectible accounts receivable at a 5-percent discount from public loaders operating in Manhattan (2534). The concern went out of business following an investigation by the district attorney of New York County.

(*c*) Daniel Gentile, now serving a life sentence for the Hintz murder, testified that he was a controller in the numbers racket operated by "Cockeye" Dunn, Eddie McGrath, and Connie Noonan while these three controlled the Platform Workers' Union, which Noonan still heads (2484–2488).

(*d*) Thomas W. (Teddy) Gleason, acting president of local 783, financial secretary of local 1730, business agent of local 1346, and until recently an organizer, in 1951 alone drew a total of $26,025 from ILA sources (exhibit 449). In 1951 Gleason entered into various business deals with Noonan for their own personal profit involving the use of their influence as labor leaders.

One deal involved Gleason's obtaining space abroad ships of the Isbrandtsen Co., Inc., and Transportadora Grancolombiana, Ltda., for importing bananas (exhibits 440 and 441).

Gleason and Noonan were also in contact with 5-percenters in Washington on deals varying from the sale of armed airplanes to the Dominican Republic to the exporting of sulfur and nickel to Israel and Brazil (exhibits 437, 438, 439, 442, 443, 444).

(*e*) The trucking of at least 80 percent of the citrus fruit that comes into the port of New York from California has been handled since about 1945 by a partnership known as A. Costa, Jr. & Son, which also operated a collection service for truckers (2665). Since 1945 more than $50,000 passed from this collection service to so-called collectors (2642).

From February 1948 to September 1952 the collector was James F. Connors. Connors was a brother-in-law of "Cockeye" Dunn and a half-brother of Eddie McGrath, both of whom were ILA officials. Connors received checks for over $30,000 after taxes as such collector. Many of the checks were cashed by McGrath and some were cashed by his sister, Dunn's widow (2643, 2652–2654). While he was a collector, Connors received this money as a salary at $125 a week plus bonuses running as high as $1,700 a year. The work involved took him no more than 1 morning a week. Connors testified (2658):

"Q. It was gravy, wasn't it?—A. It certainly was, sir.

"Q. For a morning's work you would receive $125? A. Yes, sir.

"Q. And at the end of the year sometimes as much as $1,700 more?—A. I believe something like that, sir."

Costa testified that he placed Connors and other collectors on the payroll through fear of Dunn, and fear of being put out of business (2690–2691). The commission is not satisfied that this was the only type of extortion to which Costa was subjected.

The profits of the A. Costa, Jr. & Son, Trucking Co. and its collection service totaled over $670,000, for the period from 1946 to January 1, 1952, after the deductions for payments to the so-called collectors (2682–2683). Of those profits approximately one-third went to J. A. Costa and his son, one-third to

one Michael Moretti, and one-third to one Salvatore Padula. The enterprise had started with a small amount of capital in 1945, including $5,000 borrowed from Peter Costello, Sr., a delegate of local 202 of the Commission Drivers and Chauffeurs Union, International Brotherhood of Teamsters (2683–2746).

Joseph G. Papa, president of local 202 of the International Brotherhood of Teamsters, received at least $46,000 in cash during the 1946–52 period, from Michael Moretti,[5] ostensibly a partner of A. Costa, Jr. & Son, and its collection service (2719, 2873–2874). During this period Moretti drew as profits from the partnership over $200,000 (2715), or approximately $25,000 to $35,000 a year; yet, he continued to live in extremely simple circumstances at his mother-in-law's house, paying approximately $45 a month rent (2705).

Papa, during this period of time when he was receiving about $8,000 a year as president of local 202, nevertheless, with alleged loans and gifts from Michael Moretti, managed to build a house costing over $65,000 in Scarsdale, N. Y. (2930).

Moretti, when he first testified before the commission, denied that Papa had anything to do with setting him up as a partner in the A. Costa, Jr. & Son Trucking Co., and its affiliated collection service (2712). Moretti also claimed that he never paid money to anyone. Later, Moretti corrected his testimony to the extent of admitting that Papa had first approached him about the business opportunity with A. Costa in the trucking business, and that he had delivered at least $46,000 to Papa (2707, 2725).

Although Padula also received from A. Costa, Jr. & Son over $200,000, he too continued to live modestly, paying about $45 per month rent (2733). On many of the dates when Padula made substantial cash withdrawals from his bank account, Costello, Sr. visited his safe-deposit box, which was in the bank where Padula had his account (exhibit 471). Costello, while denying receipt of any of this money, refused to fill out a financial questionnaire (2765).

It is apparent that Moretti and Padula were merely fronts for Union President Papa and Union Delegate Costello in this business enterprise, at a time when Papa and Costello were representing the members of local 202 in negotiating collective-bargaining agreements with A. Costa, Jr. & Son and other trucking companies.

Local 202 of the International Brotherhood of Teamsters has between 5,000 and 6,000 dues-paying members, representing employees engaged in the trucking of produce such as fresh fruits and vegetables, butter, eggs, and cheese in the various markets in New York, including the Washington and Gansevoort Markets in Manhattan. Joseph G. Papa has been president of local 202 since May 1940 (2871).

The effect of this situation on consumers in the port of New York area was brought out in the examination of Moretti (2729–2730):

"Q. I would like to ask you a question. This business you are engaged in was trucking fruits and produce?—A. That's correct, sir.

"Q. So that all this graft and division and money that was passed on to people ultimately came out of the pockets of the housewives when they bought their fruit. You know that, don't you?—A. Yes, sir."

The commission commends David Beck, president of the International Brotherhood of Teamsters (AFL), for his swift action in suspending union officers who betrayed their trust.[6] However, the commission despairs of self-reformation of the ILA by its own leadership as presently constituted.

The commission has learned with great satisfaction of the demand made by the American Federation of Labor for a housecleaning by the leadership of this union whose house is so unclean. The case of the Camarda locals demonstrates that promises of reformation by the present ILA leadership are utterly worthless. Moreover, a union with as many former criminals and associates of criminals cannot possibly inspire public confidence by any belated protestation of righteousness.

We are in accord with the principle that persons convicted of crimes on their release from confinement should be given every reasonable opportunity

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[5] Moretti's wife was a cousin of Papa's wife and at the time of the formation of the partnership of A. Costa, Jr., & Son, Moretti was a truckdriver earning about $55 per week with no business experience or capital (2706–2708).

[6] The evidence at the public hearing demonstrated that Papa and Arthur A. Dorf, the treasurer of local 202, acted to conceal the defalcation of at least $37,000 of the local's funds (2806). Immediately after the commission's revelation of these and other irregularities, Dorf and Papa were suspended from their union offices and Papa was removed as a member of the New York State Industrial Council.

of employment and rehabilitation. However, this does not mean that a serious police record should be a prerequisite for an important position in the union. Accordingly, our recommendations for drastic action should be weighed in the light of the lesson of this section.

IV. THE SHAPEUP AND THE FORCING OF UNDESIRABLE HIRING FOREMEN ON THE EMPLOYERS ARE BASIC EVILS

Among the more unhealthy conditions existing on the waterfront are the present shapeup system of hiring dockworkers and the practice of compelling employers to accept undesirable men as hiring foremen. The hiring foreman hires the longshoremen and the dock boss hires the checkers, but for the purpose of this report the hiring foreman and the dock bosses will be referred to collectively as hiring foremen.

A. The shapeup is a vicious and antiquated system

Dockworkers are generally employed at a shapeup, a system that has always existed in the port. Its most simplified form is as follows: When word goes out that dockworkers are needed at a particular pier, they form in a large semi-circle around the hiring foreman. The hiring foreman then selects the men he wishes to hire and blows the whistle. The men who are hired then file into the pier; those not hired drift away. The period for which the men are hired at the shapeup has changed over the years: today they are guaranteed 4 hours work. At each shapeup there is a new employment.

Variations of the shapeup are due largely to the fact that at some piers there is a fairly constant succession of vessels, while at the occasional piers the arrivals and sailings are irregular.

At active piers there has developed the system of hiring the gang as a unit at the shapeup. The composition of the gang when this method is used is customarily determined by the gang boss and is normally a group accustomed to work together as a team. When a vessel arrives the hiring foreman determines how many gangs he will need and at the shapeup he then simply calls out a gang number or the name of the gang boss. At these piers there are the so-called regular gangs who get first call, the regular extra gangs who get second call, and roving gangs who get what is left. Even at these piers after the gangs have been hired at the shape, the extra labor, that is, longshoremen employed to carry passengers' baggage, shift cargo on the pier floor and clean up the pier, are still hired individually.

Checkers are also customarily hired at a shapeup, but here, as in the case of the longshoremen, the practice varies considerably.

At some of the occasional piers dockworkers are hired as individuals and not as gangs. Men may have traveled considerable distances to shape at a pier, and yet they have no assurance of employment. Even at the occasional piers the hiring practices vary.

The hiring foreman has complete control over what method shall be used at the shapeup and who shall be employed. There is no seniority; an individual or gang may have worked for years at a particular pier and yet can be refused employment at any time, with casuals getting the work.

The earnings of longshoremen during the past 5 years have been tabulated by the New York Shipping Association. During the year 1951–52 there were 44,000 men employed as dockworkers on the waterfront. More than half of these men earned under $1,400 a year (exhibit 575).

(*a*) J. V. Lyon, chairman of the New York Shipping Association, testified that 44,000 was far in excess of the number of men needed for work on the waterfront (3511):

"* * * we had gotten figures together showing there are about—707 gangs, regular gangs and the regular extra gangs. That brings the total number of men who work more or less regularly on the piers between 16,000—around 16,500. From everything that I have been able to determine, the number of men required on the waterfront as far as longshoremen goes, the activities connected with loading and discharging—I want to dissociate them from checkers or clerks or anybody else—can be accomplished by about 22,500 men * * *."

Thus the shapeup, as now operated, has produced a large surplus of casual longshoremen.

(*b*) Walter P. Hedden, director of port development of the Port of New York Authority, testified that the shapeup system was directly responsible for many of the illegal activities and work stoppages which diverted trade from the port. Thus (3481–3482):

"There are many aspects of the shapeup which lead to friction in connection with the utilization of piers; specifically, the hiring is usually done by a hiring boss, who, while not only responsible to management, is actually and approved selectee of the union, and generally of those people who control that particular pier; hence the struggle to obtain control of the pier through the hiring boss has led in many cases to a great deal of friction, strikes, work stoppages, and other matters which have been very bad from the standpoint of the port of New York.

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"The outstanding thing about the present system is that the ability of a man to get a job on that particular dock depends almost entirely on his ability to persuade the hiring boss to give him that job, which puts him pretty much at the mercy of the hiring boss in the form of whatever corrupt hiring practices the hiring boss may indulge in, such as kickbacks, connections that are used, facilities of his friends, and what-not.

"As a result, there has been a great deal of resentment—dissatisfaction on the part of the men themselves toward this system and it has undoubtedly led to a situation where the pilferage, the corruption in connection with hiring, and the other things which have been a matter of testimony before your commission, are closely associated with the method of hiring."

Hedden further stated that the low earnings of the longshoremen, as a result of the shapeup system, made them more susceptible to the unscrupulous practices of the hiring foremen (3483):

"Q. Well, now, Mr. Hedden, from the standpoint of longshoremen themselves, this shapeup system of hiring implicitly involves a surplus of labor at every pier, does it not?—A. Yes.

"Q. And are you familiar with the shipping association figures showing the earnings of longshoremen in the port of New York?—A. My recollection of those figures is that only one-third of the longshoremen earn over $3,000 a year; two-thirds earn less.

"Q. And as a result of your knowledge of those figures, you know that the longshoremen here in the port of New York, that their earnings are pretty poor and that that makes them the more susceptible to these practices you've talked about?—A. That's correct."

B. The hiring foremen are often excriminals forced upon the employer by union officials

Under the shapeup the hiring foreman holds the key position on the pier, and has the absolute right to use any method he desires and to employ anyone he wishes. The right, therefore, to select and control the hiring foreman is of vital importance to all concerned.

For the average longshoreman the hiring foreman determines whether the longshoreman and his family shall have the necessities of life. For the employer the hiring foreman symbolizes that all-important factor of pier operation, namely "time."

The ILA-NYSA contract recognizes this and provides that the employer, whether it be steamship company or stevedoring company, has the right to select its own hiring foreman (exhibit 10). Actually, in most instances the employer has little to say in the selection of a hiring foreman.

In almost every instance the selection of the hiring foreman was dictated by ILA officials.

(*a*) The procedure usually followed when a steamship company commences operations on a pier is illustrated by the testimony of J. Nevins, terminal superintendent of the United States Lines (177–179):

"Q. Now, will you tell us the substance of the conversation you had with those representatives of the union on that occasion prior to your occupying pier 86?—A. Well, we told them that we were going to move down to that pier on a certain date and take it over and what we were going to do was probably just discharging ships there; asked them how many gangs they could supply us with and how the men were on working nights, and things like that, and we got all that kind of information that we wanted.

"Q. Did you discuss who the dock boss was going to be?—A. We discussed who the dock boss was going to be as well as who the hiring boss was going to be, if you don't mind my saying so.

"Q. And were dock bosses designated by the ILA delegates?—A. They suggested them and we accepted them.

* * * * * * * *

"Q. Suppose you had not gone along, what would have happened?—A. Well, just to express an opinion—I can't give you anything definite—

"Q. That is all I want.—A. But the men may not have shaped if we didn't hire the man they wanted.

"Q. When you say the men would not have shaped you mean you would have had a work stoppage.—A. That's right."

(*b*) Another graphic example was described by L. S. Andrews, operating vice president of the American Export Lines (486):

"Q. Before beginning operations at pier 84, did Mr. Abbate, your terminal superintendent, have a conference with union officials?—A. I was told he had; yes. I knew he was up there.

* * * * * * *

"Q. Do you recall whether Mr. Abbate reported to you it was 'Packy' Connolly and Harold Bowers?—A. He reported to me that he had a meeting with the union heads of that local to discuss the setup of the labor situation and also as far as the loaders and things of that sort, and who were going to be the hiring bosses.

"Q. Did Mr. Abbate tell the union officials that he wanted to run pier 84 the way he conducted his operations in Jersey?—A. Well, I don't know what he told them, but it was my understanding before he left the pier that we both agreed that we were going to try to set up pier 84 on the operations the same as our old terminals in Jersey City as far as labor is concerned.

"Q. What was Abbate told?—A. By whom?

"Q. By the union officials.—A. They told him that they were going to handle that situation to suit themselves and for him to stay the hell away from there.

"Q. I beg your pardon?—A. For him to stay the hell away from there. They were going to handle the hiring bosses to suit themselves.

"Q. And told Abbate to stay the hell away from the pier?—A. That's right."

(*c*) T. Maher, a superintendent for the stevedoring subsidiary of the Grace Line, a man with 40 years' waterfront experience, testified (270):

"Q. And if the company refuses to take the union's designee for hiring foreman or hiring stevedore, what happens then?—A. Well, that's the question, what would happen? I don't think you would open up the pier. You would have a strike on your hands.

* * * * * * *

"Q. What about section 7 of the New York Shipping Association-ILA contract, which provides that the employer has the sole discretion to designate the hiring foreman; what do you think of that?—A. That's true. That's in their contract, but you can just as well take it out of their contract.

"Q. It is just so many words; is that right?—A. That's right."

(*d*) A meeting held with ILA President Ryan, prior to the opening of pier 92 on the North River by the Atlantic, Gulf & West Indies Steamship Co., was described by W. L. Swain, then AGWI's superintendent of terminal operations (590):

"* * * The position of the union, as stated very clearly on more than one occasion by Mr. Ryan, was this; I remember this as though it was yesterday: 'Under the contract, you have the right to do that, but our men like to select their own hiring boss, and I doubt if the union could force the men to work unless you let them choose the hiring boss.'

"It was all very carefully phrased. More or less that was the gist of it."

(*e*) In 1948, when Thomas Collentine, hiring foreman on North River pier 92, was murdered, a new hiring foreman had to be designated. Swain testified concerning that situation (595):

"* * * I talked to Jack McGrath and told him we could not have any more trouble at that pier and hoped we could clean it up now. He said, 'All right, we'll put Eddie White in there as hiring boss.' We put Eddie White in there and had a strike.

"Q. And did you have meetings with union officials as a result of those conversations?—A. We met with Mr. Ryan, Mr. Connolly, Mr. Bowers, with the usual result.

"Q. What was that?—A. Nothing. We took—we settled the strike by taking McNay."

And so McNay was placed in charge of all the hiring on piers 90 and 92, North River, where the *Queen Mary* and the *Queen Elizabeth* dock. Thus AGWI took a hiring foreman who has been convicted of unlawful entry; arrested for attempted burglary, robbery, and assault; convicted of robbery and sentenced to

from 7½ to 15 years in the penitentiary; and was still on parole when he was made hiring foreman (exhibit 117). At the commission's public hearing McNay gave his name but refused to answer any further questions (497–503).

(*f*) Albert Ackalitis, a member of the notorious Arsenal Mob, was made the hiring foreman at pier 18, North River, upon the insistence of ILA officials. Teddy Gleason, acting president of local 783, financial secretary of local 1730, and business agent of local 1346, testified (2617–2618):

"Q. Now, when you suggested the name of Ackalitis to Captain Yates did you have some conversation with him about it?—A. I believe there was some conversation. What went on about it—I think he didn't take it too easy. I think he talked a while about it, but he finally said that he was willing to give the fellow a chance. He knew about his record.

* * * * * * *

"Well, it's just like this kind of a setup here, Your Honor. You like to pick the people that's going to represent you and do your business for you, and the union likes to pick the people that's going to represent and do their business for them."

The police record of Albert Ackalitis shows arrests for receiving stolen property, attempted robbery, 3 times for assault and robbery; and convictions for attempted burglary, with a sentence of 1 year 8 months to 3 years 5 months; and for illegal possession of a gun with a sentence of 7 to 14 years (exhibit 17).

(*g*) Daniel St. John is the union's designee as hiring foreman at pier 84, North River, where the American Export and Italian liners dock. At the public hearing St. John refused to answer any questions, beyond giving his name, on the ground that his answers might incriminate him (555–559). His police record shows that he has been arrested 20 times on charges of larceny, burglary, assault, robbery, possessing dangerous weapons, and murder. He has been convicted once for possessing a revolver and four times for petty larceny (exhibit 104).

(*h*) At pier 88, North River, James (Toddy) O'Rourke is the hiring foreman. O'Rourke's criminal record shows that he received a suspended sentence for grand larceny; that he was arrested for grand larceny and discharged; that he has been convicted of petty larceny and sentenced to the reformatory; that he has been charged with robbery, felonious assault, and violation of the Sullivan law; that he has been convicted of attempted grand larceny and sentenced to prison for 5 years; and that he violated parole and was returned to Sing Sing (exhibit 115). O'Rourke refused to answer any questions at the public hearing (492–496).

(*i*) At pier 1, Erie Basin, in Brooklyn, and at the adjacent breakwater pier the hiring foreman is Anthony Anastasia, brother of Albert Anastasia of Murder, Inc., fame. Tony Anastasia was made hiring foreman at pier 1 in 1948 over the objections of the stevedoring company, the Jarka Corp. When Jarka selected another to be the hiring foreman, a walkout ensued. The men returned to work when Tony Anastasia was made hiring foreman (48–50).

Two years later, in 1950, when the Jarka Corp. extended its operations to the adjacent breakwater pier, Tony Anastasia demanded that he be made hiring foreman for that operation. The president of Jarka objected and another walkout ensued. After a tieup, Anastasia's demand was met. He was made hiring foreman and the men resumed work (50–53).

(*j*) Some of the other hiring foremen who have police records are:

Name	Position	Pier where employed
East River—Manhattan:		
Cocossa, Andrew J	Hiring foreman	15, 16.
Seraggo, Salvatore	do	27, 28, 29.
North River—Manhattan:		
Campbell, Frank	do	18.
O'Connor, Thomas	do	73, 74.
Clifford, James	do	90.
Manneback, Charles	do	96.
Brooklyn:		
Dantone, Salvatore	Assistant hiring foreman	4, Bush Terminal.
Grecula, John	Hiring foreman	Foot of Huron St.
Kopas, Frank	do	Milton St.-Oak St.
Minichino, Mike	do	5 and 9 New York dock.
Mastriano, Salvatore	Assistant hiring foreman	10, 11, 12, New York dock.
Mastriano, Joseph	do	Do.
Canino, Nicholas	Hiring foreman	33.
Intagliato, Dominick	do	34.
Pimpernella, Vincent Paul	do	41, foot of Van Dyke.
Aloi, Jerry	do	1 and 2 Court St. and Smith St.
Staten Island: Carrillo, Lisio	Pier superintendent	11.
Hoboken: Porcelli, Leonard	Hiring foreman	15.

The power to hire not only enables an unscrupulous hiring foreman to exact tribute from the dock worker but also makes it possible for him to dispense patronage to relatives, friends, and criminal associates (549–554, 2146–2148, 2160). It is not surprising, therefore, that on occasions the steamship and stevedoring companies become innocent victims of intraunion factional disputes. L. S. Andrews of American Export Lines testified that in March 1949 a work stoppage occurred on piers D and F in Jersey City (464):

"Q. And why did that work stoppage occur?—A. The work stoppage started due to the fact that the local's officers of 1247 insisted to the contracting stevedore that he remove the present hiring boss and take on one of their own men that they designated.

* * * * * * *

"Q. Were any additional demands made at that time?—A. They at that time asked for dock bosses; also tractor bosses. At that time that was the complete blueprint they demanded."

It was not until the company gave in to these demands that the union officers permitted the men to return to work.

It would be assumed that following the commission's disclosures the ILA would give some indication of reformation in this regard. On the contrary, after the adjournment of the public hearing on January 30, 1953, the Royal Netherlands Steamship Co. experienced a serious and costly work stoppage when it attempted to place its own choice as hiring foreman on its Brooklyn pier. Captain DeGrooth, the company's pier superintendent, testified recently that the union leaders, while conceding the company's contract right to designate its own hiring foreman, insisted the men would not work unless the union's choice was accepted. The company finally gave in, and the pier resumed operation.

The record gives examples of assault, organized theft, pilferage, extortion, kickbacks, loansharking, gambling, payroll padding, other criminal activities, and even murder, which can be attributed to the present shapeup and hiring foreman system (255–272, 543–554, 751–783, 1028–1047, 1533–1543, 1786–1805, 2143–2183, 2453–2465, 2478–2513). The murders of hiring foremen Thomas Collentine, Barney Dietz, Anthony Hintz, Nuncio Alluotto, and most recently, that of Francis Kelly fall into this category.

There have been many attempts to outlaw or do away with the shapeup system of hiring as it now exists in the port. In fact, since the conclusion of the commission's public hearings, the American Federation of Labor has directed the ILA to abolish this method of hiring and the ILA executive council apparently has agreed to do so. It should be emphasized, however, that mere elimination of the shapeup will accomplish nothing whatsoever. If only this were done, the existing abuses would readily attach themselves to any substitute hiring system. The shapeup must be replaced by a comprehensive program which would not only get rid of the undesirable hiring foremen, but also exclude the other abuses recounted in this report.

V. THE PUBLIC LOADING RACKET IS A SERIOUS DRAIN ON THE PORT

"Public loading" has come to mean the moving or lifting of cargo from a pier and stacking it in the truck and also the reverse operation.

Years ago truckdrivers loaded and unloaded their own trucks at the piers. Occasionally individual loiterers were hired to assist. Gradually, groups of men came to establish themselves at particular piers, and to insist upon being hired to load the trucks, regardless of whether the truckdriver desired their services.

The steamship and railroad companies have always declined to assume the responsibility for loading and unloading trucks at their piers. On the other hand, the trucking companies, through their trade associations, have maintained that the steamship and railroad companies should assume this responsibility.

This impasse has resulted in default to the groups of public loaders that have come to infest the piers, and who claim prescriptive rights to be paid for the loading of trucks. With few exceptions, therefore, the loading at each pier or group of piers is controlled by a group of loaders whom truckmen must employ and pay to load trucks regardless of whether the loaders do any work, are needed, or are unwanted.

On May 6, 1949, Ryan issued an ILA charter for local 1757, the so-called loaders local. The local has no constitution or bylaws of its own, and its jurisdiction is not defined. The limits of its field of operation, as compared with the areas occupied by the locals of the longshoremen and checkers, have never been determined. Its members include many officers of corporations and members of partnerships engaged in the loading, and in the hiring of men who do the actual work. The dues of such members in most instances are paid by the corporation or partnership as a regular business expense. Even after the formation of local 1757, the loaders continued their respective memberships in various ILA locals.

In the 1930's a schedule of rates was issued by the loaders. In response to numerous and mounting complaints of truckmen, an organization known as the Truck Loading Authority was established in 1943 by agreement between representatives of the trucking industry and representatives of the ILA. Since its formation, the authority has issued schedules of loading rates, but has made no attempt to set the charges for unloading. The truckmen do not know in advance what the unloading costs will be; and the accusation is often heard that the rate charged by the public loader is "whatever the traffic will bear" (exhibit 387).

During the mayoralty of O'Dwyer, there was some effort to get the steamship and stevedoring companies to assume some control over the public loaders. Following the examination by then Commissioner of Investigation Murtagh of a number of steamship and stevedoring company officials and others, Murtagh asked each lessee of a city pier to choose and designate a public loader for its pier.

Without an exception, the same public loaders who were then on the piers were designated to continue. In most instances, the steamship and stevedoring companies continued these public loaders, because they feared that a refusal to do so would result in expensive work stoppages.

F. M. Rohrer, Grace Line vice president, testified (376–377):

"Q. Mr. Tanzella is the man that you designated to be the boss loader of pier 45, is that right?—A. Yes.

* * * * * * *

"Q. And this designation was made pursuant to the request of Commissioner Quatti of the department of marine and aviation, that you designate a man to be the boss loader at pier 45?—A. Yes.

* * * * * * *

"Q. Did you use any selective process at all in designating Nick Tanzella?—A. I did not.

"Q. Do you think he is the type of man that ought to be boss loader at one of your piers?—A. I do not.

"Q. You realize, of course, that the permit under which you operate the pier gives you the absolute right to designate the public loader and that you may withdraw that designation at will?—A. If I did, there would be a work stoppage."

The result of the department of investigation proceeding was described by L. L. Swain, formerly of AGWI and now of the New York Shipping Association (380):

"Q. Now, Mr. Swain, were you familiar with the result of the commissioner of investigation investigating the dock situation in 1949?—A. You mean Mr. Murtagh? * * * Mr. Murtagh's political whitewash?

"Q. You call it Mr. Murtagh's political whitewash. Will you tell us why it was?—A. Well, he was trying to excuse himself and place the blame where he knew the people had no control over the situation.

"Q. How did that work out? What did he do?—A. He forced us to do the problem of the marine and aviation of assigning certain loaders authorized to work on the piers."

As one of the truckmen said: "The loading and unloading racket is one of the most vicious and should be stopped. It is now getting worse, particularly in the unloading charges being made on export deliveries to piers. If you pay your cargo gets off quicker. If not, you wait and have heavy waiting time charges" (exhibit 387).

Capt. P. B. Blanchard, president of Turner & Blanchard, and also president of the National Association of Stevedores, succinctly summarized the situation (295):

"Q. Now, tell us what you think, Captain, of responsibilities of the public loaders.—A. In New York, I think it stinks."

The evidence shows why.

A. The pier operators have no control over loaders, and are forced to supply services without charge on the threat of work stoppages

Many of the loading concessions are operated by men with criminal backgrounds. They are not excluded because of the threat of work stoppages. L. F. O'Meara, terminal manager of A. H. Bull Steamship Co., Brooklyn, testified concerning the unwilling acceptance of four public loaders with criminal records (638–639):

"Q. Now, is it or is it not the fact that those four men just forced their way into that situation?—A. That is correct, sir.

"Q. And against your protest?—A. Yes, sir; that is right.

"Q. Did you try to do everything you could to get rid of them?—A. We, as a company, did; yes, sir.

* * * * * * *

"Q. You know the men are still there?—A. Yes, sir; I do.

"Q. They have free access to the pier?—A. They have, sir.

"Q. They do no physical labor?—A. The four men in question do not, sir.

* * * * * * *

"Q. You have never even seen them on the pier?—A. No, sir; I have not.

* * * * * * *

"Q. Why don't you put them off the pier?—A. Well, I can only answer that the same way Mr. Light did, for fear of a strike, that there would be a work stoppage as a result of it."

Other instances of this type were given by L. S. Andrews, of American Export Lines (489); J. F. Devlin, of United States Lines (170); B. G. Furey, of Moore-McCormack Lines (616); and R. E. Pendleton, of the Grace Line (397).

Many steamship and stevedoring companies perform a substantial part of the loading operation without compensation by placing cargo on the tailboard of the truck. The testimony of P. G. O'Reilly, vice president of Jarka Corp., is typical (115):

"* * * It is when the loaders insist upon you supplying the equipment and supplying the driver to do the work for them and just stand by and watch; that's when I object. But I definitely let him have it.

"Q. Does that happen on some of your operations where the loaders use your equipment and just stand by and watch it?—A. Definitely. If you get rid of the loaders in the port here, it would be a godsend."

B. The dual employer-union status of the public loaders is an evil

Although public loaders may operate as individuals, partnerships, or corporations, they are also members of various ILA locals. They frequently use the labor weapons of picketing and strikes to obtain loading concessions.

(*a*) The India Wharf Loaders, Inc., a group consisting of five brothers and a brother-in-law, all of whom were ILA union members, claimed the right to do the loading on the Brooklyn piers at which the Daily News received its newsprint. They denied the right of the Paper Handlers' Union to have anything to do with the loading. They set up a picket line, with the result that cargo of paper consigned to Brooklyn had to be transshipped to Portland, Maine. They used their power as union members to make ruthless demands in an effort to get the public loading (3119.)

(*b*) An example of how some public loaders have developed into big business is George Sellenthin, Inc., which does all the public loading on Staten Island. It employs men at a shapeup to do the loading work, and had gross receipts of close to $2 million for the years 1947 through 1951 (3132). Its 31 stockholders are members of ILA locals.

The evils of this overlapping employer-union status are many. The public loaders by virtue of their union status are not required to abide by any labor contract, although in many instances they are really employers engaged in big business. They do not maintain any of the safeguards or accord their employees the benefits which are required of other waterfront employers.

(*c*) Some officers of loading corporations who employ longshore labor at the piers are also shop stewards, whose function is to represent the longshoremen at these piers. James Doyle and Thomas McGrath of India Wharf Loaders are ILA shop stewards on pier 33, Brooklyn (3123–3126). Salvatore Trapani, an officer in Kings Loaders, Inc., a loading corporation at piers 34 and 35, Brooklyn, was at the same time a shop steward on pier 35. Ralph Schettino, the president of Kings Loaders, was also a shop steward for the longshoremen at pier 34 (3107). These shop stewards get paid as longshoremen without performing any work, and also collect additional money as employer-loaders.

C. The public loaders threaten to expand their depredations beyond the piers

Public loaders are not content to confine their activities to the loading of trucks at piers. C. Swingle, manager of the Greenpoint Terminal Corp., described how a group of loaders had moved in upon the warehouse operations of his corporation in Brooklyn. In taking over the work, this group displaced members of the warehousemen's union who had previously been doing it. He testified (3216–3217):

"Q. Now, did there come a time in October 1949 when a man by the name of William Sullivan came to you and spoke to you about the loading situation there?—A. He did; yes. * * * He said they were going to take over the loading.

* * * * * * *

"Q. And did he tell you that a local had been formed, a loading local had been formed?—A. He did.

"Q. And then did you have another conference with him and a man named John Broderick and Tom Kane, who were delegates of Local 1757, ILA?—A. Yes.

"Q. And in that conversation did Broderick and Kane tell you that the loading group was going to take over that loading operation?—A. They did.

* * * * * * *

"Q. Did you arrange a meeting with Mr. Metzler, the president of the Greenpoint Terminal Corp.? * * *.—A. I believe that a meeting was arranged by Harry Wallace, the head of the union, together with Mr. Metzler and Mr. Broderick and Mr. Kane.

* * * * * * *

"Q. Now, in that discussion, one side insisted that they were to get the loading and your side insisted that they were going to continue to do the loading and no decision was reached, was there?—A. That's right; no decision was reached.

"Q. What happened after that? Did you have some talk with Mr. Metzler?—A. No; I didn't. We were advised—Mr. Metzler was advised, rather, oh, possibly 4 or 5 days later by Mr. Wallace that the (ILA) district council had decided that we would have to give up the loading.

"Q. And the loaders did take over that business from then on?—A. That's right."

The following is a summary of the police records of the men who took over the loading operations at this terminal:

William Sullivan—criminal record B No. 64037: Arrested for malicious mischief and murder first degree. Convicted of grand larceny, felonious assault, sentence suspended, robbery 3d, sentence 10 years in prison (exhibit 534).

Edward Taliento alias Frank Russo—criminal record B No. 129344: Five arrests and sentences for burglary and unlawful entry; arrested for receiving stolen property, twice for burglary, and fined in 1947 for bookmaking (exhibit 535).

Vincent Corbett—criminal record B No. 113259: Arrested for truancy in 1924; arrested for assault with intent to commit rape, and sentenced for simple assault in 1940; 4 arrests for burglary, sentenced in 1945 to 1½ to 3 years in prison; arrested in 1947 for unlawful entry, sentenced to 1 year (exhibit 536).

Thomas McGurty—criminal record B No. 89501: Arrested for grand larceny, burglary, assault and robbery and disorderly conduct. Convicted of robbery and sentenced to reformatory, attempted robbery, 3d degree (armed), sentenced to 10 years (exhibit 537).

Thomas McConeghy—criminal record B No. 72268: Arrested for grand larceny and embezzlement. Convicted grand larceny, sentence 60 days, robbery, sentence 2½ to 8 years, assault and attempted petit larceny, sentenced 1 year penitentiary and disorderly conduct, sentence 30 days (exhibit 538).

Otto Costello—criminal record B No. 71018: Arrested for grand larceny three times, assault and robbery twice, felonious assault and impersonating an officer. Convicted of illegal possession of a revolver, sentence 6 months, assault 2d degree, sentence 2–5 years in Sing Sing, and attempted petit larceny, sentence 60 days in county jail (exihibit 539).

D. The loaders have used coercion and extortion

In addition to overcharging, charges for services not rendered, and throwing other obstacles in the path of the free flow of commerce (exhibit 387), the loaders have been guilty of coercion.

(*a*) L. Suarez, a former pier superintendent, testified (388–390):

"Well, Daniels & Kennedy were trucking some tinplate into the railroad yard to the pier, and I understand that he took a contract with the pier to do the work of delivering from the yard to the pier and on the pier. When the first truck arrived at my pier, the loaders prohibited their entering the pier to unload the trucks. They wanted to be paid for unloading the trucks.

"Q. Did they have—Daniels & Kennedy have a Hi-Lo with them?—A. They had a Hi-Lo to unload the tinplate, yes sir.

"Q. And the loaders wanted to stop them, wanted to do the unloading themselves?—A. Yes.

* * * * * *

"Q. Now, what happened finally? Did the shipper come in and settle the difficulty?—A. The shipper came in and was informed that the loaders on the pier wanted to be paid for loading. He agreed to pay the loaders on top of what he had to pay by the contract to the pier.

"Q. Were you there when the superintendent for Daniels & Kennedy had conversation with the shipper about what he had done?—A. Yes.

"Q. What did he say?—A. He said he was paying a few hundred dollars for the loading which to him meant maybe thousands of dollars which would happen on all the piers where the ships didn't work—starting a precedent.

"Q. Did you testify that you overheard the superintendent for Daniels & Kennedy telling the shipper this [reading:]

"'You come here, and you are a big shot, you pay out $200 for this loader, here I have a case that is involving thousands of dollars over all the piers on the waterfront, which I am trying to fight, and you come here and spoil it, because you think your tin is of so much importance.'—A. That's right, sir."

(b) On the East River Thomas May and Michael Clemente, financial secretary of local 856, exacted money from the Davie Transport Co., Inc., to permit Davie to do its own loading. The arrangement was that Davie pay $100 per boat in 1950 and $80 per boat in 1951 for this privilege. Davie then used its own employees to load its trucks (222–226).

E. Although collecting millions of dollars annually, the public loaders practically no books and records

In most cases, the public loaders keep no financial records, have no bank accounts, and are not accountable to anyone. Practically all the public loaders either had no books or the books they did have were wholly inadequate to show receipts and disbursements.

(*a*) Frank (U–Boat) Kelly, boss loader on pier 32, North River, testified (3005–3006):

"Q. How do you determine the different amounts that are due for taxes, income taxes, for either yourself or the other loaders on that pier?—A. Well, you approximate whatever you make and at the end of the year you're supposed to pay. That's all.

* * * * * *

"Q. How do you determine how much you made?—A. Well, I figure how much I make on the average of a week and at the end of the year I total it up and figure about it.

"Q. How do you figure how much you've made in the average of a week?—A. Well, at the end of the year it averages about the same, thirty-five hundred, something like that—three thousand, so I make it up according to that.

"Q. That's about $70 a week.—A. It averages that sometimes. That's what it was last year and the year before last.

"Q. Well, do you figure this at the end of the year, Mr. Kelly, or do you figure it at the end of each week, this average of $70 a week?—A. Well, some weeks you make $90, other weeks you will get $60, another week you will get a hundred, another week you will get $50.

"Q. You keep no record of what you get at the end of each week; is that correct?—A. No.

"Q. Or at the end of the year?—A. No.

"Q. How do you reach the figure of an average of $70 a week?—A. You just figure that.

"Q. What is the basis for your figuring?—A. Well, just that you have an idea about how much money you made so you strike that figure, that's all. That's the way I pay mine."

(*b*) Further illustrations of the failure of loaders to keep proper records, to pay State and Federal income taxes, to obtain unemployment insurance, workmen's compensation and social security for their employees, and to maintain other minimum business standards were given in the testimony of N. Tanzella (2957–2958); E. J. O'Connell (2946–2947); and J. E. Bergen (3199–3200). Bergen, president of the loaders' ILA Local 1757, was familiar with the recommendations of the commissioner of investigation as to the type of records loaders should keep, but he did not follow these recommendations in his own loading business. He testified (3199–3200):

"Q. * * * you did not make up bound books of your loading tickets in accordance with the recommendations made by that memorandum. You so testified, didn't you?—A. No, we didn't, that's right, sir.

"Q. You did not keep your records for the length of time that they suggested? You destroyed your records from time to time, didn't you?—A. We keep them weekly; the men keep their own.

"Q. You keep them what?—A. Weekly. Then the men destroy their own.

* * * * * *

"Q. * * * I am asking what the partnership did. It did not keep a weekly payroll after they paid the men at the end of the week and there was no record left of the payments?—A. No, sir.

"Q. The only records that you keep are those bills that you receive and the expenses you incur in connection with the maintenance of your machinery?—A. That's right, sir."

In the absence of books and records, the commission accountants, using truckage figures received from steamship companies and the lowest loading rates, calculated the minimum cost for public loading at $3,600,000 in 1949 and over $4,000,000 in 1950. A conservative estimate, arrived at by selective samplings, put the cost to the public in 1949 at more than $4,000,000 and in 1950 at more than $5,000,000 (exhibits 498, 499). These figures do not include amounts paid for loading trucks, for overtime, for gratuities, or for loading charges in excess of basic rates. That the commission's estimates are conservative was established by an examination of what few books existed and the testimony of several of the loaders (3143–3151, 3112–3122, 3136–3142).

Gavigan, loader at piers 61 and 62 North River, testified (3145):

"Q. Now, that chart, Mr. Gavigan, shows that in the year 1950 the gross receipts at that pier totaled $47,505.62. Now, your books for that same year showed an income of $56,300 which is a greater amount than what is shown on the chart. Now, do you have any explanation for that?—A. Yes, sir. The reason for that is that there are some cases where there was what you call unloading of trucks, and you evidently have no record whatsoever of that, which would be the extra money that you find in my books. That's not in your books.

"Q. So our calculations are conservative in that respect?—A. Well, if you had other figures it probably would be correct."

Mr. Gavigan's receipts were nearly $9,000 more than the commission estimated. Based on this and similar differences, the commission believes that if the actual loading cost could be ascertained it would run to over $8 million a

F. The proceeds from public loading are largely siphoned off by union leaders and known criminals

The absence of records made it most difficult to trace the final destination of the amounts collected by public loaders. However, the commission was able to show in many cases that considerable amounts found their way to union leaders and gangster elements.

(*a*) In the cast of the loading of paper on piers 96 and 97 North River, Allied Stevedores, Inc., arranged to rent their machines to John White & Co., who do the loading on those piers. The stockholders and officers of Allied include Mickey Bowers, John Ward and John Keefe, whose police records are noted above. John Potter, a man with no criminal record, is vice president of Allied and serves as its respectable front.

Over a period of 2 years and 5 months, approximately $75,000 was delivered in cash by White to an Allied tractor driver by the name of Gallagher who said he turned it over to Potter of Allied (2411 and exhibits 412, 413). White testified that on occasions the weekly amount of cash he placed in envelopes and delivered to Gallagher without receipt ranged from $800 to $1,200 (2406). Potter asserted his privilege against self-incrimination when asked about these payments (2438).

White made these payments ostensibly as rental for two Hi-Lo machines that could have been purchased new for about $10,000. The evidence clearly indicates that the White group turned over this $75,000 under pressure from the Bowers gang (2380–2412).

Records of the Bowers corporation showed only $10,000 of cash deposits during this period in their bank account. From these deposits the Allied Corp.'s tax returns were prepared (2467). Therefore, at least $65,000 was unaccounted for in the books and tax returns of the Bowers corporation.

Based upon tonnage passing over piers 84, 86, 88, 90, and 92 where Allied did the loading, it must have received a further sum of about $100,000 not reflected in its books during 1949–51 (2445, 2451).

Potter, Ward, and M. Bowers asserted their privilege against self-incrimination when questioned concerning these large sums of unaccounted-for money (2438, 2471, 2475).

(*b*) At pier 6, Bush Terminal in Brooklyn, the loaders worked out an elaborate system of sharing the traceable income on the pier. Each week the loaders designed a different loader to whom the checks were made payable. The reason for this procedure is explained by J. Kehoe, loader on pier 6, Bush Terminal (3293):

"Q. And when you would go to make those collections under those tickets you would get these truckmen in most instances to make out checks?—A. Yes, sir.

"Q. And they would make out checks every week to one individual that was working over there as a loader?—A. One of the loaders.

"Q. You would pick out a different one every week?—A. Yes, sir.

"Q. So that one week you would have John Smith and another week John Jones, and so on down the line?—A. Yes, sir.

"Q. And you did that for a purpose, didn't you?—A. Yes, sir.

"Q. And the purpose was for income taxes?—A. Yes, sir."

The commission accountants computed that the public loaders at this pier received a minimum of $367,771.78 in 1950, and $312,801 in 1951 (exhibit 549). Yet the total amount reported for income-tax purposes in each of the year 1950 and 1951 by all the loaders on the pier was about $25,000 (exhibit 550).

(*c*) Individuals with influence in the ILA receive tribute from the loaders. Timmy O'Mara, a nortorious waterfront figure on the North River, shared in the loading profits from piers 61, 62, 73, and 74, North River (exhibit 520). In addition to receiving money as a phantom on the Huron Stevedoring Co. payroll, O'Mara received over $12,800 for the years 1950 and 1951 from these loading operations (3148).

(*d*) Edward Polo, former delegate of local 1247 and presently a member of a group loading nonperishables on pier 34, North River, received cash payments of around $5,000 to $7,000 a year from the loaders of perishables on that pier. Polo admitted he did nothing for the money (3189–3192). One of his victims, F. Dempsey, testified (3177):

"Q. You never saw Polo having anything to do with that arrangement?—A. No, I didn't—perishables, no.

"Q. So far as you knew, neither Polo nor Plattner did any work? You and Flaherty did all the work?—A. That's correct.

"Q. With the aid you got from time to time?—A. That's right.

"Q. And despite your services and labor in doing that, you had to give up half of what you earned to these two men?—A. Well, that's about the fact."

(*e*) A group of loaders on piers 15 and 16, East River, shared their loading income on an equal basis with Mike Clemente, ILA delegate for that area. Harry Lombardo, one of the loaders, testified (3139):

"Q. You say you gave it to him of your own free will?—A. That's right, sir. He never asked for a penny.

"Q. Let me ask you, Mr. Lombardo, if I asked you the following questions and you made the following answers [reading:]

" 'Question. How do you cut it up?—Answer. Well, we cut it six ways, and there's times—I mean, we're working a little steadier, we throw Mike an extra $5 or $10 apiece per week.

" 'Question. Throw what?—Answer. We throw Mike an extra $5 or $10 a week out of income.'

"And then you were asked the following questions, and I would like to know if you made the following answers [reading:]

" 'Question. Why is that?—Answer. Well, he is the man that gave us the living. If it wasn't for him we'd be starving to death, so we show our appreciation towards him.'

"Is that correct, Mr. Lombardo?—A. That's right.

"Q [reading]:

" 'Question. Does he do any of the work or loading actually itself?—Answer. Very rarely. He goes down to exercise once in a while. That's about it.'

"A. That's about it."

(*f*) A more elaborate device used to siphon off loading profits is that of the loaders' collection agency. An example is the Joseph Marcell Loaders' Collection Service, which collects for the loaders in the Washington Market area and was operated by Peter Costello, Sr., former delegate of Local 202, International Brotherhood of Teamsters. Costello's connections with A. Costa Jr. & Son have been referred to above.

Costello, while connected with the Marcell Service, took between $10,000 and $15,000 a year for the last 20 years for goodwill (2739–2740). From 1945 to 1951 Costello and his son took out of this business over $200,000 (2742–2743, 2755, 2771; exhibit 469). Peter Costello, Sr., testified (2753–2755):

"Q. So you acted as a solicitor?—A. That's correct, sir.

"Q. And you were there every day, but you never solicited a single account during all the time you were there, did you?—A. No, sir.

* * * * * * *

"Q. But what you did was by being there, Mr. Costello, and having been in the business, the loaders who had used you as a collection agency service and paid you 7 percent on all that they did continued to allow their business to remain with your successors?—A. I believe that's the answer.

"Q. You mean by working, you showed your face there?—A. I was there every day, sir.

"Q. What did you do?—A. Well, if in the event some of our customers would leave us, it would be my job to talk to them and get them back.

"Q. How much of that did you do?—A. I didn't do any of it, nobody left.

* * * * * * *

"Q. Mr. Costello, in helping you to refresh your recollection, I go a little further with this testimony. Were you asked these questions, and did you make these answers [reading:]

" 'Question. From about 1930 until you left the business, you had to do nothing; is that correct?—Answer. That's correct. Business carried on itself.'

"A. That's correct, sir."

When the son became solicitor, his duties were to be the same as the father's, whatever they were (2756).

G. Public loading has resulted in serious loss to the port and shipping industry

The existence of fixed compulsory charges for the loading of trucks and lack of established rates for unloading has caused many exporters or importers to ship through other ports (exhibit 388).

The type of public loader who is found on most of the piers in the port has also contributed to the growth of organized theft and other illegal activities, and has resulted in loss to the port.

Struggles for control of the public loading at a particular pier often result in costly work stoppages. Whether the contest be a result of political pressure, change in the leadership of a particular local, or a feud between two rival mobs,

the dockworker and the shipping interests find themselves in the middle, helpless, and saddled with loss.

A typical example is the expensive work stoppages resulting from such a struggle for the control of the public loading on piers D and F in Jersey City in the summer of 1949. L. S. Andrews of the American Export Co. testified that this work stoppage cost his company "in the neighborhood of a couple of hundred thousand dollars or more" (478).

It is obvious that public loading is a racket seriously threatening the port of New York.

VI. THE PRESENT WATCHMAN SYSTEM ON THE PIERS IS INEFFECTIVE AND OPERATES TO THE DETRIMENT OF THE PORT

The responsibility for hiring and supervising pier watchmen varies from pier to pier. In some cases the watchmen are hired by the steamship company, in others by the stevedoring company, and in still other cases by a protective agency under contract with a steamship or stevedoring company. All regular watchmen in the port are supposed to belong to the Port Watchmen's Union, Local 1456. The only nonunion watchmen are presumably those who have worked less than 30 days.

A. Control of the Port Watchmen's Union by ILA leaders has worked to the disadvantage of the watchmen

Prior to the Taft-Hartley Act (1947) the Port Watchmen's Union, Local 1456, which represented the New York port watchmen, was an ILA local dominated and controlled by Joseph P. Ryan, John J. (Ike) Gannon, Charles P. Spencer, and their associates. Since the port watchmen were supposed to stop thievery, loan-sharking, gambling, and extortion, and to preserve the peace, they could hardly expect—and did not receive—any support from the officials of the ILA or of its locals.

Under the Taft-Hartley Act the Port Watchmen's Union could not continue its affiliation with the ILA. Disaffiliation followed and took the form of the creation of the Independent Watchmen's Association. New charters were issued to the various watchmen's locals, one of which, Port Watchmen's Union, Local 1456, retained jurisdiction over watchmen in the port of New York.

The disaffiliation was sham. Gannon and Spencer immediately assumed and have continued in control of the Independent Watchmen's Association (IWA) and the Port Watchmen's Local 1456. Gannon continued to represent the ILA hierarchy as the controlling force in the IWA. He also remained as secretary-treasurer of ILA Locals 824–1 and 901–1, as president of the ILA New York District Council, and as vice president of the ILA Atlantic Coast District (1983–1984).

Spencer, who had been an officer of the ILA watchmen's union, became an officer of the IWA and of Port Watchmen's Local 1456. He also retained his positions as secretary-treasurer of the ILA Atlantic Coast District Council, as president of local 901–1, and as business agent of local 866 (1964–1965).

The fact that Gannon and Spencer were officers of the Watchmen's Local 1456 and of IWA has injured the membership. The National Labor Relations Board has refused to certify watchmen's unions which are affiliated, or whose officers are affiliated, with other labor organizations.

The NYSA refused to agree to a certification of the IWA union with the National Labor Relations Board with Gannon on the officer list. Gannon and Spencer then resigned as officers in IWA, but were appointed labor advisers at the same remuneration and retained their positions in Watchmen's Local 1456. Thus this local was unable to have recourse to the National Labor Relations Board, and its members were denied the benefits conferred upon them by Federal legislation (3271–3272).

B. There is complete absence of union democracy in the Port Watchmen's Unions

The IWA constitution requires that a candidate for office in any local shall be a member of that local and shall have been employed by a local or by the IWA for at least a year preceding the date of nominations, thus making it impossible for an outsider to be elected (exhibit 563; 3260–3262, 3321).

The Port Watchmen's Union Local 1456 has had no contested election since 1940, when the leader of an insurgent group was assaulted during the balloting (3260).

Elections are held every 3 years; members are not notified as to when elections are to occur; the times of meetings are not regular, and the meetings are conducted in an extremely high-handed manner. In fact, only 15 or 20 of the claimed 2,200 members attend regular meetings. The 11 officers constitute a majority at most meetings (3241, 3268–3269).

The union has refused copies of its constitution to members in good standing (3270) and has blackballed applicants on request from ILA officials. John Durr, secretary and treasurer of the Port Watchmen's Local 1456, testified (3267–3268):

"Q. Isn't it a fact that a delegate from the ILA local put pressure on your—your union—to 'sort of blackball' this man that had applied for membership?—A. I'll say 'Yes.'

"Q. You not only say 'Yes' but you testified to that when you testified before the Crime Commission, didn't you, in exactly those word—'And he had worked for another ILA local and they put the pressure on us to sort of blackball him'?—A. That's the idea—sort of——

"Q. That's your language, not mine.—A. Yes, sir; that's the part I wanted to have included.

"Q. And at that time you were supposed to be an organization entirely separate and divorced from the ILA, from which you had been disaffiliated?—A. That's correct, sir."

On July 23, 1952, when the commission subpenaed the books and records of Watchmen's Local 1456, they were missing, as were the books and records of Gannon's other locals.

The union claimed a membership of only 2,200 of the 3,700 watchmen employed in this port in 1951–52, and, to justify its financial summaries, asserted that only 1,600 members paid dues. Five of the officers of the union each received in salaries and transportation expenses $155 a week and an automobile. In addition, all officers were paid $20 and expenses for every monthly meeting (3255–3267).

C. Thefts in the port cost the consumers millions of dollars every year

The commission made a survey of cargo losses in an attempt to determine the extent of thefts in the port.

Conservative estimates of the pilferage figure were, for 1948, $5,186,465; for 1949, $3,942,428; and for 1950, $3,995,130. While some of these losses could have occurred at ports other than New York, they are nevertheless of such a size as to call for a drastic change in the present system (exhibits 566, 567, 568).

D. The watchmen are discouraged from and even reprimanded for reporting thieves

(*a*) The close connection of the watchmen's union with the ILA has resulted in watchmen being reprimanded by their union leaders for reporting a longshoreman for stealing. This situation was developed in the testimony of C. Gulizia, a port watchman (3168–3169):

"Q. And did you have occasion during that time to pick up a longshoreman for stealing cargo on that pier?—A. Right, sir.

* * * * * * *

"Q. Turned the man in? To whom?—A. To the superintendent, of course. The man, I hear, got 4 days' suspension. The same man went to the union and complained about it.

"Q. And he came back to work?—A. Well, he didn't come back. Maybe he went to another pier.

"Q. But he got a 4-day suspension?—A. As far as I was told.

"Q. He wasn't prosecuted criminally, so far as you know?—A. Never.

"Q. He wasn't sentenced to jail for larceny, anything of that kind?—A. Never. None of them were sent to jail.

* * * * * * *

"Q. And what did Gannon say about it?—A. Well, he says, "That isn't the right way to do things,' and he says, Gannon says, 'If you were to get 4 days' suspension, how would you like it?'

"Q. You mean the president of the watchmen's union?—A. That's right.

"Q. Told you it wasn't right to turn in a man you'd seen actually stealing cargo on the pier?—A. That's right. That's right."

The port watchman, next to the rank-and-file longshoreman, is the most tragic figure on the piers. The commission found few instances where the individual port watchmen were dishonest, but it is apparent that they find themselves in an impossible situation.

(*b*) W. J. Raftis, security officer of the New York & Cuba Steamship Co., gives this picture (3418):

"The funny thing about the riverfront is that's where a lot of your trouble is. See, you don't have trained men. You have men from all walks of life. Now, the most important thing that I find is to keep an honest man, a man that will do a job, but you will find in the protection field there is very few watchmen will effect an arrest. I don't know whether it's through fear or what is the cause of it. Now, the best they will do is prevent, that's what I find with an average watchman, they'll prevent. Now, if we discover anything open, immediately we have to recoop it, because if you leave it open and if he discovers it all right, we'll recoop it because when the case is open that invites more thefts. So they manage to keep going, and they report these things if they see anything open, so that we'll take an action.

"Q. So that they really are just a preventative; is that right?—A. Well, of course, the right type of man we don't get, I mean the one that could do a protection job. Now, take for instance this port authority, they have a certain police department. For instance the dock department has a police department organized. And they had civil service employees, young men with power of arrest, power of search, where they could take action without worrying about unions or anything else. That would be a more effective way to deal with piers."

He also stated that the present watchmen do little more than prevent longshoremen from smoking (3423):

"Q. Have they ever reported a pilferage?—A. I don't recall during my years anybody reporting it.

* * * * * * *

"Q. Have they ever reported a man going off the pier, a suspicious character?—A. Never.

* * * * * * *

"Q. Do they deal with other crimes besides theft in any way?—Well, outside of preventing smoking. That's about all I can think of."

(c) The individual watchmen feel that there are certain people whom they can report for stealing and others whom they cannot. This is illustrated by the testimony of J. Fyfe, a former watchman (3461):

"Q. Didn't the longshoremen ever take packages out, too?—A. Well, you see, the longshoremen, whenever you stopped a longshoreman taking a package out, you knew who you were stopping and then you would move. You were moved. There were certain longshoremen you couldn't touch, for smoking or anything.

"Q. And who would they be?—A. They'd be the head stevedores there.

"Q. They would be the bosses?—A. Yes, they'd be the bosses. You couldn't touch them.

"Q. Any people besides the hiring bosses that could do things?—A. Some checkers, too, but you see you can't tell their names. You can't tell who the hell they are. There are civilians and everything, but whenever you pounced on a guy for smoking or taking a package out or whatever you stopped these guys, and you turned them over to the roundsman, and then you were moved from that post. You were put on that post, too, for nothing but general cargo. You were taken off that special post and put on a post with nothing to watch."

(d) Watchmen were told by their superiors that they were too conscientious. For instance, M. Cronin, a watchman, testified (3234):

"Q. Did you talk to the roundsman, and was the roundsman's name Tom Davin?—A. That's right, sir.

"Q. And did he tell you in substance that you shouldn't be so tight—'Let some of these men help themselves to some of that stuff'?—A. That's right.

* * * * * * *

"Q. That was the roundsman who told you that?—A. That's right, and it's only a common practice."

(e) In addition, the watchmen are often assaulted or threatened seriously for merely doing their duty and are sometimes afraid to complain. Even if they do complain, they receive little or no backing from their employers. The testimony of J. P. Gorgeski, a roundsman, is illustrative (3226):

"Q. Did you swear out a complaint against these loaders that assaulted you?—A. No, sir.

* * * * * * *

"Q. Why didn't you?—A. Well, I went over to the superintendent and I told him what happened and he called up my boss and he said he'll straighten it out their way, I guess, or something like that.

"Q. And nothing whatsoever was done about it?—A. I don't think so.

* * * * * * *

"Q. When you were asked why you had not made a complaint during the course of your private examination before the commission, didn't you state, 'If you put in a complaint, it wouldn't get you nowhere because everybody would be against you and call you a rat, and this and that—you know'?—A. I guess I did, sir."

(f) The attitude of the typical watchman was summarized by J. Begley (1980–1981):

"Q. Well, now, do you think the watchmen are afraid of anyone on the pier?—A. Well, to a certain extent, yes.

"Q. Well, to what extent?—A. Well——

"Q. Come on, tell us about it, Mr. Begley, in your own words.—A. Well, if you have some trouble with any of the pilferers, it may not happen on the dock, but it may happen on the outside.

"Q. You mean you may get hurt on the outside?—A. Yes, sir.

"Q. Now, when you report a man to the company, is anything done about it?—A. Well, I haven't seen anything done as long as I'm there.

"Q. How old are you, Mr. Begley?—A. Sixty-nine.

"Q. In your 7 years' employment, did you ever know a man who stole property to be arrested by anybody?—A. No, sir; I did not.

"Q. Mr. Begley, after a man is caught taking something, does he come back to work, or doesn't he come back?—A. Well, he may not come back on that same pier, but maybe 2 or 3 piers away he may come back."

Thus, the impossible position of the port watchman is not due entirely to a betrayal by his labor organization, but also to lack of support from his employer.

(g) Another factor which tends toward the demoralization of watchmen and increased thefts on the piers is the relatively high proportion of suspended sentences for individual dockworkers who have been convicted of thefts (3341). When this happens, often the man receiving a suspended sentence returns to work at the same or a neighboring pier (3384). No disciplinary action is taken by either the employers or the ILA.

The added difficulties that this imposes on the present security system was described by J. C. Hilly, executive vice president of the Security Bureau, Inc. (3477):

"Q. Now, Mr. Hilly, do you have any views about the difficulties of obtaining prison sentences in these larceny cases on the piers, on the waterfront of the city of New York?—A. Yes; I do have.

"Q. Will you tell the commission your views on that as a result of your experience in your official capacity?—A. From that list[1] you will note that very few prison sentences have been imposed in waterfront larceny cases. As a matter of fact, the general rule seems to be to suspend prison sentences in practically all waterfront larceny cases.

"Q. Is that true even in the cases of those larcenies committed by men who have serious convictions or criminal records?—A. In some cases. It has been true in connection with that type of offender. In many of these cases the prosecutions are in the court of special sessions. It's true that most of the offenders have no previous criminal record and the amount that they're charged with stealing is petit. However, accumulatively, these petit losses add substantially to the thefts and pilferage figures, and experience has shown that, despite that accumulative number of losses, nevertheless, suspended sentences are imposed. Now, in certain cases, where men are before the courts and charged with more substantial thefts amounting to felonies, despite the fact that a man might have a previous criminal record, the court imposes a suspended sentence. However, that's not true in all such cases; but there are certain cases in which suspended sentences in that type of case has been imposed. Now, the reason why I feel very strongly on it is where the courts have imposed prison sentences, regardless of the length of time that has been imposed, it has had a substantial deterrent effect as far as theft and pilferage is concerned on that particular pier. In many cases no losses are reported for as long a period as 6 or 7 months, despite the fact that a man might have only received a sentence of 60 to 90 days. So it does have, in my opinion, a substantial deterrent effect as far as waterfront larcenies are concerned."

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[1] The list to which Mr. Hilly referred is exhibit 565, which shows only 9 prison sentences of the 20 waterfront larceny convictions reported in 1950, and 13 prison sentences in 36 waterfront larceny convictions reported in 1951.

The prevalence of crime on the piers emphasizes the necessity of deterrent prison sentences in cases involving the waterfront.

E. The ILA has opposed efforts by steamship companies to improve the watchman system

When some steamship companies have attempted to increase the effectiveness of their security service, they have been met with objections on the part of ILA officials and forced to give up the project. An example was given by F. M. Rohrer, of the Grace Line. Rohrer explained what happened when he tried to hire Vincent Tierney to head the Grace Line port police (371):

"Q. Did you then tell Mr. Tierney that you had to clear the hiring of Mr. Tierney to replace Mr. English with Gene Sampson, the delegate of 791, and Jay O'Connor, the delegate of 791, and others?—A. I don't know as it was mentioned by name, but I probably did tell him that it had to be cleared through the union.

"Q. That the hiring of the head watchman had to be cleared?——A (interposing). With the union delegates.

"Q. ILA union delegates?—A. That's right.

"Q. Not the watchmen's delegates?—A. No."

Tierney was then employed to make a security study on the piers operated by the Grace Line, but even this met with violent union opposition. In fact, Tierney, an ex-policeman, testified that he had been threatened with death (3889):

"Q. Did anything further come out of this study that you made of pier 45? Did you receive any further communications from anyone as a result of it? Did you receive any further communications as a result of your study of pier 45?—A. Yes, the last day I was at the pier, around 7 o'clock in the evening at home I received a telephone call asking—when I answer the phone, the person on the other end asked me if I was retired Sergeant Tierney, of the police department and who formerly worked for the National City Bank. When I replied to the affirmative and asked who was speaking, he said, "Never mind, but if it wasn't for me you would be floating down the river today. Take my advice, don't go back to that pier," and he immediately hung up without me being able to obtain the identity of the speaker. Later on that same evening, the phone rang and when I answered it, the caller asked, "Tierney?" When I replied, "Yes," he immediately hung up. This happened at half-hour intervals, probably 4 hours until it reached the stage where each time the phone rang, I merely picked up the receiver and hung up without answering, and that went on until 2:30 in the morning and then ceased."

Conclusions and Recommendations

Remedies

Introduction

The foregoing description of conditions in this port shows that the time has come for drastic action. What we do now may well be decisive of the future of the port. Such a complicated problem requires, for complete solution, the cooperation of all concerned.

(*a*) The city of New York must actively and affirmatively address itself to the continuance and expansion of plans, such as have been suggested by the port authority and by Commissioner Cavanagh, for the physical improvement of the piers and their approaches.

(*b*) All steamship and stevedoring companies must insist that their officials shall act in accordance with fundamental standards of business morality, and must courageously cooperate with the public authorities to resist extortion and blackmail.

(*c*) The American Federation of Labor in the interest of organized labor, as well as in the public interest, should, to the extent of its power, continue its laudable efforts to stamp out the abuses which has fastened themselves on the International Longshoremen's Association. The A. F. of L. has evidenced a desire to accomplish this result and thus indicated that it will welcome the cooperation of public authorities in achieving it.

(*d*) But beyond these voluntary efforts, the legislature is urged to enact legislation designed to improve administration of the waterfront and to eliminate evils too long endured. The business of the port is affected with a fundamental public interest that is the constitutional sanction for such legislation. It derives added sanction from the right of the public to demand the eradication by law of these grave evils.

Proposed legislation

Accordingly the commission recommends the enactment of two statutes hereafter described:

First, a statute creating a division of port administration with powers hereafter enumerated to abolish the shapeup system and to remove other abuses from the docks.

The division of port administration should be a separate division of one of the civil departments of the State of New York, and should be headed by a commissioner of port administration to be appointed by the Governor.

The division should have charge of (i) the operation of employment information centers and the registration of all dockworkers; (ii) the licensing and supervising of all stevedoring companies; (iii) the licensing and supervising of all individuals whose responsibility it is to hire dockworkers; (iv) the licensing and supervising of persons engaged in the loading and unloading of trucks at piers and waterfront warehouses; and (v) the licensing of port watchmen.

The division should be empowered to make appropriate rules and regulations, sufficiently flexible to meet various waterfront problems, and particularly those arising out of the large number of casual dockworkers.

The division should have the power to investigate conditions on the waterfront. For this purpose and for the exercise of other functions, it should have the power to issue subpenas, administer oaths, and conduct hearings.

The district attorneys and other public officials of both State and local governments should be directed to cooperate with the division and furnish such assistance as may reasonably be required. Results of such investigations should be reported to the Governor and may be made public by him.

The division should be required to submit an annual report to the Governor with its recommendations, including a review of the conditions bearing upon the public necessity for continuing the registration of dockworkers.

The division should have power, as local conditions may justify or require, to exempt waterfronts outside the city of New York from the operation of such legislation in whole or in part.

A. Employment information centers

The shapeup system of employing dockworkers [8] should be forbidden. It should be required that all such labor be employed only through the employment information centers to be established in such number and at such places as the division deems appropriate. The division should be empowered to adopt regulations governing the operation of these employment information centers.

All dockworkers should be required to register at designated employment information centers. No unregistered person should be eligible for employment as a dockworker.

At the time of registration each dockworker should be required to give his name, address, social-security number, age, citizenship, length of time he has worked as a dockworker, criminal record, if any, and such other information as may reasonably be required.

No person should be registered as a dockworker (i) who has been convicted of a felony or certain named misdemeanors, unless permitted to do so by the division, or (ii) whose presence on the waterfront will endanger the public peace, safety, and welfare.

Any person's name may be removed from the dock registry (i) upon his conviction of a felony or certain named misdemeanors, unless waived by the division; (ii) if his continued presence on the waterfront will endanger the public peace, safety, and welfare; or (iii) if, under the conditions specified in the division's rules and regulations, he has failed either to have worked as a dockworker or to have presented himself for employment as a dockworker at an appropriate employment information center on such minimum number of days and within such period as may be provided for by the division.

Employers of dockworkers should be required to employ only registered dockworkers and this employment should be made only through an employment information center under such regulations as may be issued by the division. However, employers should be entitled to designate such registered dockworkers as they may desire. The removal of a person's name from the dock registry should disqualify him for such employment.

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[8] As here used the term "dockworkers" includes longshoremen and checkers but not watchmen, timekeepers, pier superintendents, or foremen in charge of the hiring of dockworkers, or clerical employees.

Any person refused permission to register or whose name has been removed from the registry may demand a hearing. The action of the division, however, should be effective from its date unless the division shall thereafter reverse its decision, or unless its action is subsequently overruled upon review by the courts.

Refusal to testify before the division or refusal to answer any questions relating to activities on the waterfront should constitute sufficient cause for refusing or canceling registration.

All dockworkers should be paid by check and facilities should be afforded at each employment information center for cashing payroll checks.

B. The licensing and supervision of stevedoring companies

All stevedoring companies[9] operating in the State of New York should be required to obtain a license from the division under conditions prescribed by the division's regulations.

Each stevedoring company, as a minimum, should be required to comply with the following:

First, a stevedoring corporation must file a statement showing the names and addresses of its officers, pier superintendents, hiring foremen, and all persons who are either record or beneficial stockholders. All other stevedoring companies must file a statement containing the names and addresses of all persons having a financial interest in the business, and of its pier superintendents and hiring foremen.

Second, stevedoring companies must maintain a complete set of books and records showing income and disbursements. The books and records must be available for inspection at any time by the division.

Licenses should be for 1 year, unless previously canceled, and be renewable for 1-year periods.

If a licensed stevedore fails substantially to comply with the statute or with the division's regulations, the division may cancel its license upon finding that such noncompliance adversely affects the public peace, safety, or welfare. A refusal on the part of an official of a stevedoring company to testify before the division or the refusal to answer any questions may constitute sufficient grounds for canceling a license or for refusing to issue or renew a license.

Cancellation of the license should become effective 10 days after notice of such cancellation to the stevedore, but the stevedore may request a hearing. Notwithstanding such request, the cancellation should remain effective unless reversed by the division or the courts.

C. Licensing of pier superintendents and foremen in charge of the hiring of dock workers

Upon the application of any steamship or stevedoring company (herein referred to as applicant) the division may license any person (herein referred to as licensee) to act as a pier superintendent or as a foreman in charge of the hiring of dock workers for such applicant.

The application should specify the name, address, and social-security number, criminal record, if any, and the period of time the licensee has been employed by the applicant. It should state that if the license is issued the licensee will be employed by the applicant as such pier superintendent or foreman.

No person should act as such pier superintendent or foreman without first obtaining a license, and no steamship or stevedoring company should permit anyone to act as a pier superintendent or foreman without first obtaining such license.

No license to act as such pier superintendent or foreman should be issued to any person who (i) is a member of any labor organization connected with, or in any way affiliated with, a labor organization whose membership is composed in whole or in part of dockworkers, (ii) is not of good moral character, (iii) has been convicted of a felony or certain named misdemeanors unless a specific exemption is made by the division, or (iv) whose presence on the waterfront will endanger the public peace, safety, or welfare.

The license should continue in force until the licensee ceases to be employed by the applicant or until canceled by the division. Grounds for cancellation of a license by the division should be set forth in the regulations and should include: (i) The receipt of payments or anything of value from dockworkers in connection with the obtaining or retention of employment as a dockworker; (ii) the coercion

[9] As here used the terms "stevedoring company" and "stevedore" include corporations, partnerships, and individuals engaged in stevedoring.

of dockworkers to make purchases from, or to utilize the services of, any individual, corporation, or partnership; (iii) the loaning of money to, or the borrowing of money from, dockworkers; (iv) the solicitation of funds from dockworkers; (v) the refusal to testify or the refusal to answer any question at any hearing conducted by the division; or (vi) the material violation of any of the division's regulations.

The cancellation of the license should become effective 10 days after notice of such cancellation to the applicant and the licensee. The applicant or the licensee may request a hearing. Notwithstanding such request, the cancellation shall remain effective unless reversed by the division or the courts.

D. Issuance of licenses for loading and unloading of trucks

No person other than a bona fide steamship or trucking company or licensed stevedoring company should be authorized or permitted to engage in the business of loading or unloading trucks on the waterfronts of New York without first obtaining a license so to do from the division. No steamship or trucking company may, without a license, engage in the transfer of cargo to or from trucks except cargo consigned to it or cargo passing over piers operated, owned, or leased by it. Except licensed stevedoring companies, all others engaged in the business of loading or unloading on the piers should be required to obtain a license. Notwithstanding the foregoing, waterfront warehouse and railroad companies may without a license load or unload trucks at their premises.

The division should determine and set forth in regulations the requirements for obtaining and retaining such licenses. The following should be the minimum requirements for the issuance of any such license:

No individual or organization should be licensed for the loading and unloading of trucks if he or any member of such organization (i) has been convicted of a felony or certain named misdemeanors, unless a specific exemption is made by the division, (ii) is not of good moral character, (iii) is a member of any labor organization, or (iv) whose presence on the waterfront will endanger the public peace, safety, or welfare. Applicants for such license must file a statement showing the names and addresses of those seeking to engage in the business of loading and unloading of trucks.

Licensed loaders should maintain adequate public liability insurance. They should also file with the division a bond with sufficient surety in an amount determined by the division, not in excess of $10,000, the face amount to be forfeitable to the State in the event the license be canceled for cause by the division.

All loaders should maintain a complete set of books and records showing income and disbursements. The books and records should be available for inspection at any time by the division.

No licensed loader should be permitted to coerce any person or persons to utilize the loader's services in connection with the loading or unloading of trucks as herein specified.

No licensed loader should be permitted to load or unload trucks on a pier without the specific authority, in writing, from the owner, lessor, or operator of such pier. Such authority will not become effective until filed with and approved by the division. The diivsion may refuse to approve such authority, or may revoke it where permission has been granted under coercion.

A loader's license may be canceled by the division for failure of the licensee to comply with any of the above requirements or the regulations of the division or the refusal to testify or the refusal to answer any question at any hearing conducted by the division.

Cancellation of a license should become effective after notice of such cancellation to the licensee. The licensee may request in writing that the division hold a hearing. Notwithstanding such request, the cancellation shall remain effective unless reversed by the division or the courts.

E. Licensing of port watchmen

The degree of pilferage and other lawlessness on the docks requires that, in the public interest, the independence and caliber of the men employed as watchmen should be substantially improved. We therefore recommend the statute require watchmen on the piers to be licensed by the division. In formulating this suggestion, we have borne in mind the distinction between the function of a watchman and those of a police force. The primary policing obligation should remain on the Police Department of the City of New York which should use every endeavor to discharge that duty. The watchmen on the piers should be men capable of preventing the commission of crime, and of cooperating with

the police when the occasion arises. The same consideration which has move the legislature to require licensing of private detectives and investigator as set forth in article 7 of the general business law, should in our judgme move it to enact a statute requiring licenses for port watchmen.

The statute therefore should contain the following:

No person should be employed as a watchman or detective on any pier un he has received a license so to act from the division.

The application of any person desiring to obtain a watchman's license shou set forth: (i) His name, residence, business address, place and date of birt citizenship, and social-security number; (ii) the details of previous occupatio with the names of all former employers; (iii) a list of all his prior crimina convictions and arrests, and the disposition thereof; or a statement that h has never been convicted or arrested for a crime; (iv) such further facts a may reasonably be required by the regulations of the division. The applicatio should include the applicant's fingerprints and his photograph.

No person should be so licensed (i) who is not an American citizen; (ii) wh has been convicted of a felony or of any of the following misdemeanors o offenses: illegally using, carrying, or possessing a pistol or other dangerou weapon; making or possessing burglar's instruments; buying or receiving sto property; unlawful entry of a building; aiding an escape from prison; unlawfull possessing or distributing habit-forming narcotic drugs; violating subdivisio 6 or 8 of section 722 of the penal law,[10] unless this disqualification is waive by the division; (iii) who fails to meet the reasonable requirements prescribe in the regulations of the division as to intelligence, physical condition, age, an moral character; (iv) who is a member of any labor organization, the membe ship of which is composed in whole or in part of dock workers, but this shoul not prevent him from being a member of any labor organization which represen only watchmen.

A watchman's license should be for a 3-year period, unless previously cancele and renewable for 3-year periods. Such license may be canceled for the sam reasons which would justify the denial of its issuance, or for the failure of th licensee to comply with the regulations of the division. Cancellation of suc a license should become effective 10 days after notice of such cancellation t the licensee. The licensee may request a hearing. Notwithstanding such re quest, the cancellation should remain effective unless reversed by the divisio or the courts.

Whenever a licensed watchman is on duty on any pier or approach to a pier he should have all the powers and privileges of a peace officer.

All licensed watchmen should register with the division, and the division should establish port watchmen labor exchanges at such places as it deem appropriate. The division should establish regulations governing the operatio of the port watchmen labor exchanges.

No person should employ any pier watchmen except through the port watch men labor exchanges.

All watchmen should be paid by check.

F. Penalties

Any violation of the provisions of the statute or of the regulations of th division should be subject to appropriate criminal sanction.

Second, a statute providing that labor organizations meet certain minimu standards.

While the purpose of this proposed statute is to safeguard the rights of th waterfront worker, it would have to be drawn in general terms applicable to al unions. The end sought is merely to give legal sanction to certain fundamen requirements now voluntarily observed by most labor unions, and to aid su an endeavor as has already been evidenced by the American Federation of Labo To that end we recommend a statute which would include the following su stantive provisions:

(1) Each labor organization must maintain a bank account or accounts which must be deposited all receipts. All payments to officers and employe must be made by check. All payments into any petty-cash account must made by check and disbursements therefrom should be evidenced by writ vouchers.

(2) Each labor organization must maintain adequate books of account refle ing receipts and disbursements and records showing the names of members a

[10] These are the disqualifications specified in sec. 74 of the General Business Law applicable to private detectives.

cers, and must keep minutes of all meetings. Such books and records must preserved for a period of 6 years.

(3) The financial records of each labor organization must be audited annually.

(4) All officers of each labor organization must be elected. Elections of officers be held by secret ballot at least once in every 4 years. An adequate notice such elections must be given in writing to each member. Upon timely request 10 percent of the members eligible to vote, a duly authorized representative the State Department of Labor shall attend at such election with duty to k and to file as a public record a report with the industrial commissioner ing to (i) the eligibility of the voters whose ballots were cast; (ii) the racy and propriety of the notice of election; (iii) the correctness of the count- of the ballots, and (iv) the secrecy of the ballots. Other than the ascertain- t of these facts and the filing of this report, however, the industrial commis- er should have no further power or duty with respect to the election. In this the complete autonomy of the labor union will be preserved.

(5) The same procedure outlined in the preceding section should be followed in respect to the voting by union members on the ratification of collective- aining agreements.

(6) Such a statute should also have appropriate sanctions imposing penalties violation of its substantive provisions.

We realize that it would be far better for the appropriate union authorities selves to effect these results which we believe are in line with their general on policy. Therefore, we recommend that this proposed statute not be sub- ed until the 1954 session of the legislature thus affording ample opportunity voluntary action by the unions concerned.

In considering the above-proposed statute, it must be borne in mind that there be some question as to the extent of the power of the State to enforce these isions on the theory that the area has been preempted by Federal legisla- It is a matter of common knowledge that the revision of the Taft-Hartley is now under consideration by the Congress. It is therefore recommended the appropriate authorities of the State request the Congress so to amend Taft-Hartley Act as to remove this issue of Federal preemption in the event 1954 legislature adopts this proposed statute.

CONCLUSION

The exercise of the full police power of the State substantially along the lines the foregoing recommendations is a necessary step. Only such exercise, with cooperation of all public and private agencies, and dockworkers and em- yers, will accomplish the elimination of the longstanding abuses and evils seriously affecting the welfare of the dockworkers and the peace and prosperity the port of New York.

Respectfully submitted.

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APPENDIX

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NSWER OF THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL, TO THE REPORT OF THE NEW YORK STATE CRIME COMMISSION DEALING WITH THE WATERFRONT OF THE PORT OF NEW YORK, SUBMITTED TO THE GOVERNOR AND THE MEMBERS OF THE LEGISLATURE OF THE STATE OF NEW YORK, JUNE 25, 1953

INTRODUCTORY STATEMENT

his is the answer of the International Longshoremen's Association, AFL, to e report of the New York State Crime Commission, dated May 20, 1953, dealing th the waterfront of the port of New York.

The International Longshoremen's Association, which for short is called the A, is an international labor organization, and has been in existence for upward half a century. It consists of approximately 400 local unions with an aggre- membership of over 80,000 workers engaged in longshore, dock, and harbor k of every variety and craft. It is organized on industrial lines. Its mem- hip is spread over hundreds of ports throughout the United States, Canada, the Territories. International president, Joseph P. Ryan, and the other rnational officers represent that entire membership.

The port of New York is only one of these hundreds of ports. It is an im- nt one to be sure, but the fact that the international headquarters and the rnational offices of the union happen to be located in New York should not ure the fact that the ILA is an international labor body, not a port organiza- When the international president and the other international officers act, r actions are guided by the welfare of the ILA as a whole.

The ILA recognizes, of course, that the port of New York is vitally important, to the Nation and to this international. It is therefore crucially interested the prosperity and welfore of New York and is ready and willing to cooperate very way in working out sound and practical solutions to the problems facing s port.

It is necessary for the ILA to make this public answer to the commission's port because of the vital issues at stake, not only to the ILA itself, but to the tire trade-union movement as well as to every liberty-loving citizen in our te and throughout the country.

THE REPORT OF THE STATE CRIME COMMISSION AND ITS RECOMMENDATIONS PRESENT A THREAT AND A GREAT DANGER TO THE DOCKWORKERS IN THE PORT OF NEW YORK, TO THE ILA AS A WHOLE, TO THE STEVEDORING AND SHIPPING INDUSTRY, AND TO THE PUBLIC

THE COMMISSION'S PROPOSAL WOULD ESTABLISH A PERMANENT DOCK CRIME COMMISSION TO CONTROL AND REGIMENT LABOR IN THE PORT OF NEW YORK

ter in this answer, when we come to analyze the proposed legislation of the ne commission, we shall show in detail that it is an attempt to control and ment the more than 40,000 ILA dockworkers in the port of New York through ermanent dock crime commission, euphemistically called a division of port inistration. This division would have "the power to investigate conditions he waterfront," and for that purpose would "have the power to issue sub- as, administer oaths, and conduct hearings." All district attorneys and other lic officials of both State and local governments would be directed "to co- rate with the division and furnish such assistance as may reasonably be uired" (report, 68). It is this division which is given the power, through istration and licensing, of economic life and death over the workers in the t of New York.

n effect this waterfront crime commission will be a supergovernment over the t of New York, which means that the port of New York will be carved out of territory of New York City and treated as a thing apart.

Stripped of all verbiage, the essence of the crime commission's report consists

1. A finding that the ILA ond its officers are "guilty";
2. A pronouncement of the death sentence upon this international and its local unions;
3. A recommendation of a legislative program to carry out this death sentence;

4. The establishment of a system of State control and regimentation of dockworkers under a penal statute in the port of New York;
5. The proposal to license stevedores;
6. A strengthening of the power of the shipping interests vis-a-vis their relationship with the union; and
7. The serious crippling, if not the total destruction, of collective bargaining by the dockworkers through the union of their own choosing.

This drastic report and its recommendations deal primarily with the problems of labor-management relations, though the commission was empowered and under the law was limited to an investigation of the field of crime and its relations to politics and government.

2. INQUISITION—1953 STYLE

(A) The crime commission report presents a challenge and a study in the technique, 1953 style, of the attempt to destroy an international labor union which has to its credit 50 years of growth, development, and solid accomplishments in the interest of its members and the public. If this attempt can succeed with the ILA, other unions and other industries can, and if these extraordinary procedures are allowed to stand, will be given the same treatment. Indeed, no social institution is safe from destruction without due process.

The steps taken by the commission leading to its report, no less than its drastic legislative proposals, constitute flagrant violations of the civil and legal rights of the dockworkers, their union, and the union officials involved.

Incredible as it may seem, the ILA was in effect tried and convicted without knowing the charges against it. To its knowledge, none were formulated nor served upon it or its officers. The defendant, ILA, found guilty by the commission and marked by it for destruction, was not given the opportunity to appear by counsel and defend itself. It was not accorded the ordinary, staple essentials of a trial confrontation, the right of cross-examination, and the right to present a defense and to subpena witnesses in its own behalf.

Ironically enough, the commission observed the outward trappings of a trial, a simulation which gave the impression to the uncritical mind of a judicial and impartial hearing. The public sessions were conducted in a regular courtroom in the supreme court. The commission occupied the elevated seats where the judges sit. The witnesses occupied the regular and normal witness chair. There were bailiffs, there was a stenographer; the administration of the oath was accompanied by the usual court formalities. All the outward appearances of a trial were copied.

But the heart of a trial, as far as the defendant's rights were concerned, was totally disregarded.

Widespread and unprecedented publicity was arranged for and carefully planned. This aspect of the hearings was so shockingly organized that the mere observer of publicity techniques could see that witnesses were so scheduled as to provide some new sensation for each deadline. The morning and early afternoon testimony gave the afternoon papers their brand of sensation; for the morning papers, a bit of newsy testimony, however brief, was reserved for late afternoon in order to provide them with a special lead, a new headline.

When an exhibit was deemed by the commission to carry with it an especially damaging accusation against the ILA or any of its officials or local unions, who, though phantoms at the hearing, were treated as if on trial, copies in large quantities were prepared in advance for distribution to the press at the proper time. At such proper time the exhibit was ordered admitted and simultaneously the copies were distributed to the press by the commission.

Nor did the commission limit itself in the evidence of an accusatory or damaging nature to the ILA and its officers to the kind which is legally qualified for admission in a trial, civil or criminal. Headlines were frequently based upon testimony which was clearly single, double, or triple hearsay—testimony on which not even a dog would be tried in a judicial proceeding.

This race for headlines continued day in and day out, as long as the public hearings lasted.

When the victim was thoroughly blackened, he was subpenaed as a witness. As such, he would be required to answer only questions put to him by counsel for the commission or the commissioners. By the time the witness was brought to the stand, his denials of wrongdoing—when some question opened the door to him to make such denials—lost all meaning and effect. For by the time the witness was testifying, his character and reputation had already been seriously damaged, if not destroyed, and no opportunity was given him to rehabilitate it.

Counsel for such a witness had mere nominal recognition and to all intents and purposes could be of little assistance in representing his client's interests. He was treated by the commission as an unnecessary appendage. Whenever he attempted, even to a minimum degree, to act as a lawyer, he was reminded by the commission that his position at the hearing was by sufferance. Counsel for a witness had no right to object to a question put to his client regardless of its impropriety. He could not himself put a question to his client even where, in his judgment, additional information was called for to elucidate an answer which may have been incomplete or inadvertently cut off by counsel for the commission or a commissioner. Counsel had no right to offer any exhibits. The net use an attorney could have for the witness was to advise him whether or not to plead the privilege against self-incrimination. The opportunities for consultation, though theoretically available, were practically impossible.

(B) We assume, as we must, that there are certain inherent limitations in the investigatory, as distinguished from the judicial, form of proceeding, limitations which we believe render these investigations a wholly improper means for the kind of condemnation and adjudication of guilt which the commission has here made. Despite this, however, such investigations may be conducted on a plane of relative objectivity. The record of the public hearings of the New York State Crime Commission does not show the fair and balanced presentation which other bodies have in the past exhibited.

It was plain, shortly after the public hearings had gotten under way, that they were not designed either to ascertain facts or to present facts in a balanced, impartial manner. The process of investigation had already taken place in the private hearings previously conducted by the commission. By the time the public hearings commenced, the commission had apparently already had come to its conclusions; it had made up its mind. The purpose of the public hearings, therefore—and it is only the public record which is available to us, to the legislature, to the labor movement, and to the public generally—was to present such evidence as would convince the public of the correctness of the views already held by the commission and to educate it into concurrence with the commission's conclusions. To accomplish this purpose, the evidence displayed to the public was carefully selected to prove the points which the commission wished to establish. A body, ostensibly factfinding and impartial, was throughout its public hearings essentially an advocate and, moreover, an advocate unhindered by rules of evidence, opposition witnesses, and opposing counsel, or cross-examination.

In these public hearings, every fault, failure, dereliction of duty, and misstep over a period of 20 years was presented. The good, the achievements, the accomplishments, the normal, unsensational, day-to-day operations were omitted. By the sheer weight of the telescoped and accumulated testimony of wrongdoing and error, with no attempt to give the setting, the circumstances, the emotional, economic, social, and psychological explanations for their occurrence or the corrective action taken, there has resulted a caricature of the truth, a distortion of the whole.

Even assuming, for purposes of argument, that each item presented may be true, taken selectively and out of context, they are in the aggregate untrue and a distorted basis for passing judgment on a labor organization, the ILA.

If one were to examine the entire history of a man's life, even the greatest of philosophers, such as Plato or Aristotle, the same thing can be done as the commission has here attempted to do to the ILA. Each foible, each error, each foolish or inconsistent statement, each act of cruelty and thoughtlessness, all of these, if taken together, and presented one by one, with no explanation and no attempt to show context or counterbalancing facts, would present a damning picture of a fool, an imbecile, and a brute.

The same thing might be done to a nation. In fact, our own country, the United States, is daily being subjected to this technique by its Communist enemies. Each wrongful act committed within the United States over a period of years, whether or not sanctioned by either State or National Government, is magnified and presented out of context, to give the impression that we are a nation of dolts, imperialists, lynchers, and warmongers.

The parade of witnesses before the commission was of two types, friendly and hostile. The friendly witnesses were those anxious or willing to testify to the facts which the commission wished to establish. The hostile witnesses were usually the objects of the investigation and naturally disagreed with the factual conclusions already apparently reached by the commission.

The methods employed by the commission in handling these two types of witnesses were entirely different. Friendly witnesses were given free vein. They received full opportunity to expand and amplify their testimony and were treated with deference and respect so that it soon became obvious to all that what they said was believed by the commission. They were permitted to intersperse their factual narrative with the opinions and conclusions already apparently shared by the commission and, if these did not come forth naturally in the course of the narrative, they were often expressly the subject of inquiry. Hearsay and conclusory evidence abounded throughout their testimony, and once the desired answer was forthcoming the ultimate source of knowledge and its reliability were rarely pursued.

"Hostile" witnesses, on the other hand, were closely questioned, limited to direct answers and seldom permitted to explain fully the situation under inquiry. Having usually ascertained the witness' version in private hearings, the commission was able to examine him carefully, drawing out the apparently damning facts and failing to ask the questions which might yield the explanatory circumstances.

In some cases where the private hearings showed a conflict of testimony concerning a certain event, the friendly witness was questioned in public so as to elicit this version. The hostile witness, who was the subject of adverse testimony, was then either excused from public examination entirely or, if called, was not interrogated about the particular incident in question. In either event, the public received the impression that only one side to the story exists, and this the side held by the commission.

Similar differentiation in treatment was given to the backgrounds of the two types of witnesses. In the case of the hostile witness anything that might reflect discredit on him was brought out, down to the simple arrest which result in no further criminal proceedings. No mention was made of any favorable aspects of his personal history.

With the friendly witness the process was precisely the opposite. All creditable features, such as military service, whether or not relevant to the inquiry at hand, were brought out. These very features were often part of the background of the hostile witness, but were completely ignored in his case. Moreover, if there were any discreditable personal incidents in the past of the friendly witness, they did not come out in the hearings except where they made more graphic and believable his story. Criminal records more serious than those of the hostile witness were on occasion passed over in silence. And other factors, not necessarily discreditable to the witness, but showing an interest on his part in having a certain point made or otherwise casting doubt on his credibility were likewise ignored.

In a judicial proceeding, techniques such as these may readily be parried. Here no such opportunity existed. It was thus, that the five-volume record of the public hearings was compiled.

3. THE ILA WAS NEVER GIVEN AN OPPORTUNITY BEFORE THE COMMISSION TO PRESENT ITS POSITION

In view of the fact that the ILA and its officers have in effect been tried and convicted without charges and without an opportunity to be heard, this public answer to the commission's report, brief as in the nature of the case it must be, is essential, in fairness and justice to all those concerned.

In the preceding pages of this part of the ILA's answer, we have attempted to describe the manner in which the five-volume stenographic record of the public hearings of the commission was built up, the selectivity of its material, and the quality of its contents. We have done so because this stenographic record was submitted by the commission to the governor in support of its report.

Not only has the ILA been convicted without a trial, but its position on proposals for the solution of problems, which admittedly exist, has not been sought nor allowed to be presented publicly.

When counsel for the ILA stated at the 2-day hearing conducted by Governor Dewey on June 8 and 9, 1953, that that was the first time the ILA had been given an opportunity to present its position, it was at first vehemently denied by the commission's chairman. In the subsequent discussion, however, the chairman, in effect, admitted that he had informed ILA counsel that the ILA would not be given an opportunity, as he put it, "to get up and make the kind of stump speech which I've heard here today."

This was the chairman's way of admitting the central fact of the denial to the ILA of an opportunity to present its position, while at the same time seeking to

take the edge off the unjustness of his ruling by hurling what he thought was a public insult at ILA counsel. Incidentally, it was a typical and public display of the chairman's "courtesy" to a fellow lawyer who dared disagree with his and the commission's infallible judgment.

Since at the time the ruling was made there was no question of "stump speech" or any other kind of speech, it is clear that what the chairman said to ILA counsel, which was reported by him to the ILA immediately after the ruling was made, was that the chairman would not allow the ILA to use the commission's public hearings for ILA "propaganda." This statement was made when counsel for the ILA specifically requested an opportunity to present the ILA's position at the public hearings.

This ruling was made in spite of the fact that the public hearings were used for one round after another of propaganda against the ILA. And, in spite of the further fact that the New York Shipping Association, shipping company executive after executive, stevedoring company officials, the commissioner of marine and aviation, representatives of the New York Port of Authority, and even notorious criminals were asked their views on the areas under investigation by the commission. In fact, the recommendations and position of the New York Shipping Association, the employer counterpart of the ILA takes up some 15 full pages of the record (record 3499–3514).

Certainly, the blanket statement to all that at the conclusion of the commission's hearings written recommendations could be submitted, which in effect would be secret and never would reach the public ear, could hardly be considered in the same breath as the opportunity to present a position at the public hearings. It was this opportunity which the commission throughout denied to the ILA.

We submit that no full, unbiased investigation of conditions in the port of New York could possibly have been conducted without seeking the views, opinions, recommendations, and position of the trade union which represents all the workers involved—those very men whom the commission now purports to have so much at heart.

The commission's report, as well as the public stenographic record on which it rests, is not a scientific, objective study of facts. Rather it is geared to be a lawyer's brief, designed to give weight and support to legislative programs which are drastic, discriminatory, and unconstitutional.

II. THE ECONOMIC AND COMPETITIVE POSITION OF THE PORT OF NEW YORK DOES NOT JUSTIFY THE COMMISSION'S EXAGGERATED CONCLUSIONS AND PREDICTIONS OF COMMERCIAL DISASTER FACING THE PORT

At the outset, and in order to whip up public feeling against the ILA, and create support for its admittedly drastic and unprecedented recommendations, the commission creates an impression that the port of New York has suffered severe commercial setbacks and is in imminent and grave danger of crushing collapse. After an offhand reference to the physical condition of the piers and the handicap of discriminatory freight rates, both items being covered in less than 1 page, the commission concludes on page 9, that "the most important factor threatening the welfare of the port" is the existence of "deplorable conditions involving unscrupulous practices and undisciplined procedures, many of which are criminal and quasi-criminal in nature." It then proceeds to devote the remainder of its report, some 66 pages, to this single factor.

Neither the commission's fears nor its attempt to attribute them to the matters discussed in its report, finds any support in its own record. In fact, the contrary is clearly shown.

Dennis Walsh, the expert from the firm of Sanderson & Porter, retained by the commission itself, despite cross-examination by the commission chairman so intense as to draw comment from even friendly newspapers, maintained that New York was not losing out economically among the ports with which it is in competition (record, 2005–2041). Having started with an immense competitive advantage, both historically and geographically, New York is holding that advantage despite the huge industrial, economic, and mercantile strides of areas which formerly were virtually undeveloped. Even in the case of coastwise traffic, the one type where the report refers to some loss, Mr. Walsh explained that New York's receipts for competitive coastwise cargo have retained their substantial lead over those of other ports, not only absolutely, but competitively and percentage-wise as well (record 2033–2034).

Thus, in answer to the chairman's assertion that "our job is to see that we get a situation developed by which New York is going to hold the advantage which

it gains from its great natural prestige," Mr. Walsh replied: "Apparently, from our analysis of the records, it is still doing a pretty fair job in holding it already" (record 2030).

To corroborate the evidence of the continued prosperity of the port of New York, as well as the important part played by the ILA in maintaining it, we should like to call one witness who did not appear before the commission. The Honorable Vincent R. Impellitteri, mayor of the city of New York, said in July 1951:

"The inescapable fact remains that the International Longshoremen's Association, through its leadership and membership, has made a very real contribution to the greatness of the port. The statistics revealing the huge volume of cargo moved in and out of the port are alone proof of this fact. Thus, in June of this year it was reported that the volume of cargo handled in 1950 in the port of New York established an all-time high in import volume alone, showing, too, that New York handled more than 45 percent of the entire national volume of general cargo.

"It takes many men at work to move this mountain of goods. On our docks and piers the International Longshoremen's Association represents these men and strives diligently to keep them at work." *

The commission emphasizes that New York is holding its own while other ports are gaining (report 1 and 3). It is true that two of the southern ports, Baltimore and New Orleans, have increased their cargo percentages relative to New York. The commission fails to note, however, that the other four ports analyzed by Sanderson & Porter have not done as well as New York competitively and that their cargo percentages have suffered relative to New York. The fact that New York has not quite kept pace with 2 ports, while exceeding that of 4, scarcely seems to justify the panic generated by the commission, especially since the port's tremendous absolute superiority remains unimpaired.

But if the commission went far off base in its anxiety to frighten the public, the legislature, and the labor movement, it departed even farther from its own record and from the facts when it attributed the alleged competitive losses of New York in the main to "unscrupulous practices" largely "criminal" in nature, which it claims require unprecedented drastic action.

Dennis Walsh, the most painstaking analyst of the port's competitive economic status, did not even refer to these "practices" in explaining New York's competitive problems. Instead he emphasized physical deterioration and discriminatory freight rates (record, 2023, 2026).

Similarly, the reason for the success of Baltimore and New Orleans is not hard to find. It has nothing to do with the commission's "most important factor," but is a matter of superior physical plant and favorable rail rates (record 2026, 2061, 2073).

Marine and Aviation Commissioner Edward F. Cavanaugh, Jr., disagreed with Mr. Walsh principally with respect to so-called noncompetitive cargo, which he considered more important than the Sanderson and Porter firm (report 2–3, record 2058). But he made it very clear that the explanation for the diversion of this class of cargo, which he felt New York must make every effort to reclaim, lay, primarily, in the rail-rate differentials which discriminated against New York, and, secondarily, in certain physical advantages favoring other ports (record 2060–2061).

In fact, Commissioner Cavanaugh estimated in percentage terms the importance of the various factors which he felt should be corrected to insure continued port prosperity. He stated as to "the loss of business in general, that probably 50 percent of the cause was rail-rate differentials and transportation rates" (record 2073). Twenty-five percent he attributed to cost of occupancy; and the final 25 percent to "crime, racketeering; all of the crime, extortion, pilferage, all of them; traffic congestion, outmoded facilities, poor public relations, destructive criticism of the port by irresponsibles, failure of the city to lease piers to stevedores or marine terminal operators and 1 or 2 other things" (record 2075). Thus the "most important factor" to which the commission devotes over 90 percent of its report and the whole of its recommendations is reduced by a witness, particularly friendly to the commission, to a fraction of 25 percent of the problem, sharing even that quarter with many other specified and unspecified times of at least equal importance. And this testimony, moreover, comes from a witness who himself showed greater alarm than Mr. Walsh, and whose principal

*All quotations appearing herein and identified by asterisks (*) are taken from the printed proceedings of the 1943, 1947, and 1951 ILA conventions and the 1951 and 1952 ILA Journals.

knowledge of alleged "unscrupulous practices" came from the exaggerations of the commission itself and similar bodies.

Walter Hedden, the third witness on whom the commission relies to build up a sense of urgency and desperation around its report (report 8) testified merely that the press reports of the crime commission hearings were discouraging out-of-State shippers. In view of the distorted picture of conditions in the port built up in those hearings, that fact can hardly be considered surprising.

III. The Commission's Conclusion That the ILA Has Failed To Serve the Public Interest or Represent Adequately Its Own Members Is Wholly Unwarranted by the Facts and by Its Own Record

The International Longshoremen's Association is accused in essence of two major failures: First, that it has shamefully disregarded the public welfare, and, second, that it has failed to represent its members and secure for them the advantages and benefits which constitute the principal reason for the existence of trade unions. Members of the commission, indeed, have stated publicly that the ILA is not a trade union at all. All this is obviously designed to create the impression that the ILA has made no contributions, either to its members or the public, and that its elimination or destruction would be no loss to anyone.

We shall answer these charges below by setting forth the pertinent facts, but we need not rely on our own statements. An imposing array of public figures have already set forth their opinions of the ILA. Since only one of these was called as a witness in the public hearings, and since the ILA had no opportunity to call these men and present their testimony to the public, we should like, in effect, to call them as our witnesses now.

1. The ILA has served well the public interest and has made great contributions to the national welfare

On the score of devotion to the public welfare, our first witness is Vice Adm. Russell Waesche. In 1943, while head of the United States Coast Guard, Admiral Waesche recounted the great achievements of the ILA on behalf of the stupendous war program then at its peak.

"You are playing," he said, "a most important part in this whole effort, and when the history is written what (Admiral) Parker said about the record of you gentlemen not ever being surpassed I believe it is true. The Coast Guard would not be able to do our job well if we did not have not only the wholehearted cooperation of you people, but if you people yourselves did not take the initiative in the matter of the security of ships and docks and piers, and that is a record which will long stand to your honor and credit.

* * * * * * *

"In closing, I want to express my appreciation for the cooperation and assistance which the members of your organization have given to the Coast Guard. You have done your part well, and I know that we can continue to count on you 100 percent until the day of ultimate victory. * * *"*

In a similar vein, Rear Adm. Stanley B. Parker, Coast Guard Chief for the port of New York, said in the same year:

"How seriously the men of the ILA take their work is evidenced by the splendid record for safety and security which the past year has produced.

"I extend to you who are present and those whom you represent my personal and official thanks for such fine work."*

A personal tribute to International President Joseph P. Ryan for his own achievements in connection with our Nation's war effort was rendered by Commodore Frederick G. Reinicke, naval commander of the port of New York, when he publicly congratulated Mr. Ryan, and stated:

"I want to acknowledge his fine leadership that he has shown in this very vital war effort. Likewise, I want to thank you all for your contribution in the winning of the war."*

In 1947, after the end of the war, President Ryan's contributions to the welfare and success of our Armed Forces in the tremendous and vital supply operations which went through the port of New York were recognized by General Plank, chief of the New York port of embarkation. In July of that year General Plank stated:

"May I be permitted to tell you, first of all, how much I think of your distinguished president, Mr. Ryan? He is a great man, and I am proud to look upon him as a personal friend. In all of our official relations he has been most coopera-

tive and understanding, and I more than appreciate his unfailing friendliness and helpfulness. I am proud to say that he has always kept his word with us at the port."*

None of these military leaders, nor any of their colleagues, was called to testify before the commission, although each was intimately familiar with conditions in the port. Each occupied a position of grave responsibility and was charged with administering crucial statutes closely affecting security and national welfare. Their organizations were not temporary bodies, here today and gone tomorrow, whose knowledge of the causes and development of conditions could be not better than second hand.

One of the major contributions in the public interest in the port, made by the ILA and its leaders, both during the war and in the prewar and postwar periods, has been a vigorous, active fight against strong Communist efforts to capture the waterfront and the maritime industry as a whole. Eloquent tribute to President Ryan and his great services in this fight was paid by Harry M. Durning, the collector of the port of New York, who stated publicly in 1948:

"* * * If there is one man who deserves credit for the movement of merchandise and materials that went forward to the fighting front, that belongs to Joe Ryan and the association he represents."

* * * * * * *

"During that period it was not easy for Joe Ryan. Unfortunately there are some sinister influences in this country that are not American, that do not believe in our form of government, who are trying to undermine a man who is doing a job. When I say 'sinister influence' I mean communistic influence, men who have not got the best interests of our country at heart. Joe Ryan had to take those men and fight them." *

Mr. Durning's full statement, including portions which are not here quoted, indicates full awareness of the Communist threat to port security and the great efforts required of the ILA and its officials to meet and conquer this over-riding danger. This was a factor also recognized by all the leading military figures who had contact with the affairs of this port. Unfortunately, however, it is a factor which has been entirely overlooked by the crime commission, despite its most real relationship to some of the conditions and events which the commission has professed to investigate so thoroughly.

More recent recognition of the accomplishments of the ILA, both in the public interest and on behalf of its own members, was given in the summer of 1951 less than 2 years ago. Thus, Commissioner of Marine and Aviation Edward F. Cavanaugh, one of the experts relied upon by the crime commission, stated to the delegates at the ILA convention:

"* * * You gentlemen, who in addition to the great honor you have brought upon yourselves and your own industry throughout the country, have earned a very high place in the minds of the world for the forefront position you have taken in the defense of democracy and national security and your unceasing fight on foreign isms." *

Mr. Cavanaugh concluded his address with a reference to the "continued assistance and cooperation of your fine president, my friend, Mr. Ryan." *

The ILA's leadership in the fight against communism, when others were unaware of the dangers, has been praised by important officials of the State of New York, Thomas Curran, New York's secretary of state, said this to the 1951 ILA convention:

"Now I want to talk to you today as citizens. You are members of a great organization that led this fight on communism. Today you have people all over this country who want to forget the past, who want to tell you they are as good as the other fellow even though they came lately into this fight, and this fight was the greatest fight of a thousand years, and the people who saw what was coming first are entitled to some of the credit even this late in the day."*

Contrast the attitude expressed by Mr. Curran with that exhibited by the crime commission, which gives the ILA credit for nothing and blames it for everything.

The immeasurable contributions of the ILA to the national welfare and world peace, through the doughty and steadfast opposition to Communist infiltration tactics has likewise earned the tribute of other American labor leaders who themselves know well the meaning and significance of the fight. In 1951, George Meany, now president of the American Federation of Labor, had this to say:

"Because of the successful fight by the ILA and other American Federation of Labor maritime unions, America can ship its cargoes of supplies and armed might to all its friends everywhere in the world unhindered by waterfront sabotage or interference from Communists.

"America's free and organized longshoremen—not the Armed Forces, not the diplomats—prevented Communist infiltration of port workers' ranks. They drove off the few who attempted to gain a toehold. They guarantee that American shipping will move when and where needed for the defense of this country and the free world.

"That is a contribution to world peace which cannot be measured."*

Also in 1951 Thomas A. Murray, president of the New York State Federation of Labor, had this to say on the subject of the ILA and the fight against communism:

"You are to be congratulated on another score, a most important one, especially in these perilous times—your fight against communism. The International Longshoremen's Association has been most courageous here on the homefront in its efforts to stem the tide of this enemy of all freedom-loving people.

"The officers and members of your organization have long recognized the bitter struggle we are engaged in with the forces of communism and totalitarianism, which threaten destruction of the free way of life to which we as Americans are definitely committed. You are playing a most important part in this struggle for the preservation of human freedom and dignity, without which America cannot survive. Because of efforts such as yours, the Communists are failing in their efforts to wage their entire unholy fight under the flag of world labor. It has always been uppermost in their minds that they must first capture labor before they can seize power in any country. They are right in their supposition, as they cannot destroy our economic system without first capturing and ruling our unions. Our democratic form of government has nothing in common with communism, and without democracy there can be no free trade unionism and without free trade unionism there can be no genuine democracy. Therefore, labor is the first target of communism."*

One of the major ILA accomplishments in the anti-Communist crusade has been the dissemination and distribution of untold numbers of leaflets placed in the holds of ships and directed at longshoremen throughout the world, with the object of countering Communist propaganda with the truth. Just as the United States Government has devoted millions of dollars to this task, so the American Federation of Labor, in cooperation with free trade unions throughout the world, has aided in the task, and the ILA has played a major part in this work.

Evidence before the commission indicates that in at least one instance there has been a betrayal of ILA anti-Communist policy through an attempted extortion of money as a price for unloading Russian goods which ILA locals and members had refused to discharge. But to treat this as proof of insincerity and futility on the part of the ILA in its anti-Communist fight is to ignore the mountain for the molehill.

AFL President George Meany on another occasion in 1951 detailed the ILA contributions both in eliminating Communist control from the maritime industry of Canada and disseminating facts to the European and Asiatic longshoremen. He said:

"Our maritime unions were among the first to realize that this was a struggle of worldwide significance. Their convictions were confirmed when the Communist-dominated World Federation of Trade Unions and particularly its maritime division, stopped shipping all over the world: Australia, Italy, France, England, Canada. Our men accepted the challenge through bodily combat and through international negotiations. The situation became so serious that the American Federation of Labor as a whole became active in the fight.

"The American Federation of Labor's free unions and the free unions of Western Europe won that battle. American arms and military aid are flowing into those countries facing the immediate threat of Soviet Russia's imperialistic Communist aggression.

"As one of the beneficial results, the International Longshoremen's Association and Seafarers' International Union, affiliated with the American Federation of Labor, together with the Brotherhood of Railway Clerks, were instrumental in eliminating the Communist-dominated Canadian Seamen's Union in Canada.

"On all fronts the anti-Communist forces win in this fight. Our labor movement, our Nation, owes much to these men from the maritime unions.

"The International Longshoremen's Association has not been content to fight merely a defensive war against communism. It has gone over to the offensive by putting aboard ships it has been loading leaflets addressed to the workers behind the Iron Curtain as well as those in the still free democratic countries. In these messages the ILA has been countering Communist propaganda about the downtrodden, exploited American worker with the truth.

"These leaflets describe how our trade unions are organized, not by Government decree from above but by the workers themselves. They show how American workers are free to bargain for wage increases and better working conditions; they explain how the American worker enjoys the fullest freedom of speech, religion, and assembly; they summarize how all these add up to the greatest standard of living and the fullest democracy in the world.

"This, I think, is one of the most outstanding performances on record of free trade-union activities against Communist expansion.

"The strength and the vigor of the International Longshoremen's Association fight against communism has been possible only because it has kept itself strong at home by mainatining a united front to win steadily—improving wages and working conditions for its members. It has established a pension and welfare fund."*

2. THE ILA HAS SERVED WELL THE INTERESTS OF THE WATERFRONT WORKERS—BOTH AS COLLECTIVE BARGAINING REPRESENTATIVE AND OTHERWISE

There is no dearth of witnesses who have praised the trade-union accomplishments of the ILA as well as its record of public spiritedness. George Meany, while secretary-treasurer of the AFL, said in 1951:

"* * * I am happy to be here this morning, to salute your organization, to salute my friend Joe Ryan who has maintained that organization along the proper lines so that every American can be proud of him, proud of the ILA, proud of its affiliation with the American Federation of Labor, and I am sure in the trying days to come the longshoremen will make a record that is consistent with the record they have made in the past, a record of American citizens, of American trade unionists, putting their country first, last, and all the time."

Mr. Meany, a native New York trade-union leader and secretary-treasurer of the AFL for many years, was particularly familiar with labor conditions in the port of New York and the progress made by the ILA.

Further corroboration of the informed opinion concerning the ILA and its president was given by Mr. Ralph Wright while Assistant Secretary of Labor, who said in 1951:

"I am happy to see my good friend Joe Ryan who commands tremendous respect not only here in New York, but in Washington, and in top circles all over the country, as one of the colorful, strong, and effective American labor leaders, a labor leader who, as George Meany and others have said, has never at any time compromised with the anti-American element in our population; a labor leader who has produced results for his members, and for whom everyone who believes in the cause of the common man can have admiration and respect." *

William Green, veteran president of the AFL, paid resounding tribute to the ILA as a potent trade union which had overcome great obstacles to obtain impressive benefits for its thousands of members. Mr. Green said, in 1951:

"Furthermore, I am deeply conscious of the fact that the membership of the International Longshoremen's Association, and its officers, have traveled along the hard road, and marched forward in the face of tremendous opposition and difficulties in order to establish a workable, strong, sound organization. The record shows that there is no movement in America that traveled over a harder road in order to establish itself than the International Longshoremen's Association. In the face of what seemed to be insurmountable difficulties. It faced rivalry on every stage and on every period along its march. And then it faced a tremendous opposition of hostile organized employers. But out of it all came a good strong, aggressive, uncompromising organization. And so today I am proud of the fact that the International Longshoremen's Association is a part of the American Federation of Labor."*

As late as Labor Day 1952, only a few months ago, Mr. Green's successor as AFL president, George Meany, again reviewed the accomplishments of the ILA, both in the public interest and on behalf of its own members. He stated:

"The International Longshoremen's Association has been a vital factor in our American economy throughout this whole quarter century period, which, coincidentally, covers the presidency of Joseph P. Ryan.

"ILA members bore the brunt of the collapse of world trade in the awful depression—and they contributed to the revival of our national economic life.

"ILA members were fighters for victory in World War II—along with our Armed Forces and industrial workers—for they helped to load the materials and supplies that won the decisions for freedom on the far-flung battlefields of the world.

"And ILA members are in the front ranks battling the present daily threat to our way of life—communism. There is no room for Communists or their fellow travelers on our vital waterfront. The ILA has made that plain. It has gone even further with its distribution of anti-Communist literature on ships sailing to foreign ports and its conduct toward cargoes of slave-labor products.

"The members of ILA are assured that their efforts in behalf of true liberty and democracy have not gone unnoticed.

"This quarter-century of crisis has been characterized by a striking improvement in the working conditions of organized labor.

"And ILA members have shared in that progress. They now enjoy the highest hourly wages in history. They have their own health and welfare funds, workmen's compensation, and other benefits." *

In the longshore industry favorable legislation and contractual guarantees which insure safe working conditions are of major importance to the workers whom the ILA represents. Speaking further of the ILA's constructive accomplishments for the dockworkers in the field of safety on the job, Mr. Meany said:

"Through the persistent demands of ILA, some gains have been made in efforts to make longshoring a safe occupation. You have written into your contracts such things as limits on the size and weight of sling loads, the number of men in a gang, the use of safety gloves in handling certain loads.

"You wage an unceasing educational program for safer work practices by ILA members and you have won the cooperation of the New York Shipping Association in setting up a safety bureau to observe, report, and halt or change unsafe conditions and practices.

"Despite these steps voluntarily taken, despite the pleas of ILA, some segments of the industry remain deaf and blind to the worst conditions. And only the power of the Federal Government seems to be great enough to bring these offenders into line.

"The American Federation of Labor, through its legislative committee, is lending all of its strength to getting congressional approval for the ILA-sponsored safety bills. AFL representatives have testified in support of these ILA measures and they have urged individual members of Senate and House committees considering the bills to vote for them. American Federation of Labor conventions have endorsed this legislation and the fight for its passage will continue until the objective is gained.

"The weakness of the existing Federal safety program is that it is wholly advisory and fails to give the Secretary of Labor authority to develop safety standards and require compliance.

"Under ILA proposals, Federal law would require every employer to provide a reasonably safe and healthful place of employment; give the Secretary of Labor power to promulgate rules and regulations and conduct investigations; and would make violators subject to severe punishment." *

President Thomas A. Murray, of the New York State Federation of Labor, also congratulated the ILA for its work in the field of legislation. In 1951 he said:

"As President of the New York State Federation of Labor I wish to acknowledge the most important part your organization has played in the passage of beneficial legislation in this State and throughout the Nation. Again congratulating you and wishing you a very successful convention." *

Finally, the Governor of the State of New York, the Hon. Thomas E. Dewey, has himself recognized on more than one occasion the contributions and achievements of the ILA. Thus, in a letter to President Ryan in 1947, the Governor said:

"It is a pleasure to congratulate you on the progress achieved by your association since your last convention." *

Three years later, in 1950, Governor Dewey again paid tribute to the fight waged through the years by the ILA. In a letter to Mr. Ryan, which we are setting forth in full, the Governor said:

MAY 9, 1950.

Mr. JOSEPH P. RYAN,
265 West 14th Street, New York, N. Y.

DEAR JOE: I would surely be delighted to come to the annual affair of the Joseph P. Ryan Association on Saturday, May 20, if possible. As it happen, Mrs. Dewey and I have accepted an invitation to the marriage of Lowell Thomas' only son that weekend and we just cannot possibly make it.

It is mighty nice of you to ask me and I wish you would give my best regards to all the fine people at the dinner.

On behalf of the people of the entire State, I congratulate you and thank you for what you have done to keep the Communists from getting control of the New York waterfront. Be assured that the entire machinery of the government of New York State is behind you and your organization in this determination.

With warm regards,

Sincerely yours,

(Signed) THOMAS E. DEWEY.

Governor Dewey, it should be noted, had exceptional opportunities to learn about the conditions that existed on the New York waterfront and the fight waged by the ILA, not only for its members but for the national welfare as well. Prior to his election as Governor he was, first, special prosecutor and then district attorney of New York County for several years. During that time, one of his principal jobs was to ferret out and prosecute labor racketeers in New York City, and he did convict racketeering officials in other labor unions. During this entire period, however, he prosecuted no officials of the ILA. We do not say this in criticism of the Governor, or imply that he was delinquent in his duties. On the contrary, he was a most determined, industrious, and capable district attorney.

We do bring out this fact to show the exaggerations of the crime commission in picturing conditions on the waterfront and in the ILA as so drastically different from those in other industries and other unions and as so much worse. Certainly, had conditions been as the commission asserts, and the commission's investigation and report extend back to the time when Governor Dewey was district attorney, then as prosecutor he would have taken action and as Governor he would not have praised the organization and its president as he did in 1947 and 1950. Or, if conditions did exist that even the district attorneys with their staffs of investigators and accountants and their power of subpena could not discover, how can the ILA be held responsible for not eliminating these very same conditions.

3. THE COMMISSION'S CONCLUSION THAT THE ILA FAILED AS BARGAINING AGENT FOR ITS MEMBERS IS UNWARRANTED AND UNTRUE. THE GAINS AND BENEFITS WON BY THE ILA FOR THE DOCKWORKERS OF THE PORT OF NEW YORK COMPARE FAVORABLY AND WELL WITH THOSE OF THE BEST AMERICAN TRADE UNIONS

The report charges that "the ILA has failed in its obligations as the bargaining agent of the dockworkers and that the officials of the ILA, on both the international and local level, have exploited and betrayed the workers on the docks and flagrantly disregarded their welfare" (report, 19). The ILA denies these charges and declares them to be false and baseless.

The facts which we state and the achievements which we proclaim are matters of public record.

The great economic advantages and improvements secured for the ILA members by their union are available for all to see in the collective agreement between the ILA and the New York Shipping Association. No one can fairly claim that these benefits—high wages, vacation payments, welfare and pension benefits—are not being received and enjoyed by the longshoremen of this port, and nothing in the record so indicates. In some cases, groups within the port have sought more than they are entitled to under the contract. The ILA opposed these attempts, believing that an agreement should be observed until a new and better one has been attained. But, in any event, an improper attempt to secure more than the members are entitled to under a fine contract cannot be twisted into betrayal, exploitation, and lack of representation.

Under their collective agreement, the pier workers of this port enjoy a wage rate which compares favorably with that in any other analagous basic industry, plus exceptional overtime and premium pay guaranties. This fact has even been recognized by the commission (report 20). It is treated, however, as something fortuitous, a factor to be taken for granted, as though inherent in the working relationship or perhaps a manifestation of employer generosity. Nowhere is there any recognition of the struggle waged by the ILA to win these increases through collective bargaining, through arbitration, and through strikes, all of the traditional processes and weapons of organized labor.

But, says the commission, the concededly high wage rate is not significant, because average annual earnings have not improved (report 20). This assertion is sheer nonsense and simply untrue. The exhibit on which it is sought to be

justified, even if taken at face value, yields no such conclusion. Moreover, throughout its investigation, the commission has relied upon employment and earnings figures which, unless understood, are meaningless and misleading. These statistics show in substance (1) some 15,000 workers earning good wages, and (2) approximately 25,000 earning relatively low amounts, including many thousands with less than 200 or 300 hours of employment a year. As everyone in the industry knows, and as the chairman of the New York Shipping Association emphasized in the waterfront hearings before Governor Dewey, approximately 90 percent of the work on the port is performed by between 15,000 and 20,000 men. These are the real, full-time waterfront workers and their wages are substantial and steadily increasing. The remaining 10 percent of the work is performed by 20,000 to 25,000 casuals, the figure being based on years of heavy war and defense work. The great majority of these do not depend on the waterfront for their living and obtain employment during peak periods or during undesirable, inconvenient hours of the day and week.

Yet, all 40,000 including men employed for as little as 4 hours a year, are lumped together to yield the conclusion that despite a doubling of wage rates in the past few years "there has been no marked improvement in the average yearly earnings of the individual longshoremen" (report 20). Any study of the earnings of many thousands of workers regularly attached to the industry will belie that assertion.

Vacation pay, too, represents a marked gain won for the dockworkers by the ILA. The amount of vacation pay has steadily increased while the eligibility requirements have been lowered.

In the field of welfare and pensions, the ILA has been the pioneer in the maritime industry. A very fine welfare system is now in existence and has been for the past several years, providing substantial and varied benefits to the dockworkers and their families. We hope and expect to increase these benefits to still higher levels in the next collective agreement.

Pension benefits have been established which enable veteran workers to receive $50 a month upon retirement, in addition to their social-security payments. Similar benefits are available to those who become permanently disabled.

Those retirement and disability pensions, like the welfare benefits, are financed wholly by the employers with no contributions required from the workers. They are jointly administered, however, by both the union and the employer association through collective-bargaining arrangements.

Do these vast improvements won for the dockworkers of New York by the ILA look like a "betrayal," an "exploitation," a "flagrant disregard of the welfare of the members"? Can these solid facts be squared with the commission's unsubstantiated assertion that "The ILA has failed in its obligations as the bargaining agent of the dockworkers" (report 19)?

We do not claim that there may not be an isolated instance of betrayal of members of a union official. Any such betrayal deserves the strongest condemnation and punishment. But it cannot be used to obscure the tremendous accomplishments of the ILA on behalf of the members, achievements which redound to the benefit of thousands of workingmen day in and day out.

As to the working conditions provided for in the collective agreement, they were written by one of America's most distinguished labor experts, the Honorable William H. Davis, former Chairman of the National War Labor Board. The only changes made in the contract since it was written by Mr. Davis in 1945, following an arbitration proceeding between the employers and the ILA, have represented new gains won by the union. These facts, which required no elaborate investigation to ascertain, have been totally ignored by the commission in its report.

Official confirmation, readily available to the commission, of the consistent, impressive progress of the ILA in its collective-bargaining achievements, appears in a detailed wage chronology, issued by the United States Bureau of Labor Statistics (August 1951, serial No. R-2048), covering the years 1934–51, and showing the substantial economic gains won for dockworkers by the ILA. The story of these achievements has also received telling and striking corroboration from the New York State Industrial Commissioner, Edward Corsi. The commissioner's summary of ILA accomplishments, made in July 1951, we regard as particularly significant because it shows a detailed knowledge of the specific gains won by the ILA for its members by a man peculiarly qualified to evaluate these gains in the light of general labor conditions and the accomplishments of other unions throughout the State. After first referring to the International Long-

shoremen's Association as 'one of the st'rongest unions of the American Labor movement," Commissioner Corsi went on to detail the record of this union:

"We have fewer strikes in this State, less loss of manpower on the job than any State in the Union. We have had that record for over 7 years. The dock industry and the International Longshoremen's Association have played an important part in maintaining this State record. The establishment of pension and welfare benefits, the increase in wage rates from $1.50 to $2.00 in the past 4 years are achievements in your industry which offer complete proof of the excellent relations that exist between your organization and the shipping industry. The International Longshoremen's Association collective-bargaining agreements in the past year have brought to its members average increases ranging from 5 to 12½ cents an hour plus pension benefits. This average set rates of about 10 cents an hour which compares with 7 cents an hour for all industry in the State. The cash disability insurance of $26 a week provided for your members who are disabled as a result of sickness or nonoccupational injury is the same amount as the maximum required under the terms of the New York State Disability Benefits Law. Furthermore, cash disability benefits were started by the longshoremen January 1, 1949, a year and a half before the State law went into effect. In addition the longshoremen disability benefits are more generous than those required by the State law, and their benefits begin on the 1st and not on the 8th day in case of injury due to accident.

"Studies showed that the hospital benefits provided by the International Longshoremen's Association agreements are superior to those provided by more than 70 percent of the union-management health insurance plans in New York State, which provided such benefits at the beginning of the year. The accomplishment of your union in providing health insurance program, pension benefits, as well as $1,000 life insurance policy, is a great contribution to the welfare of the workers and incentive of the workers to keep commerce moving in this metropolis. Only a powerful organization such as yours is able to combine contributions based on the earnings of thousands of workers who work for numerous employers and divide those benefits equitably as you do. These gains are the best affirmation of the ability of free trade unions to work for the good of all."*

If, as Commissioner Corsi correctly observed in 1951, the gains admittedly won by the ILA "are the best affirmation of the ability of free trade unions to work for the good of all," we can hardly see the sense, 2 years later, when even greater gains have already been won, in the proposal or adoption of measures which would have the effect of crippling or destroying this union.

IV. The Commission's Enumeration of Shortcomings in the ILA and Its Locals Is Exaggerated and One-Sided. The Facts Do Not Justify the Catalog Made or the Conclusions Drawn

Having shown the complete baselessness of the commission's charge that the ILA as such has done nothing for its members or the public and has flagrantly disregarded the welfare of both groups, we shall now deal with some of the individual factual accusations made in the report and show that they, too, are largely unsupported and unsubstantiated, not only by the facts as they exist but even in many instances by the evidence in the commission's own record. We shall show the many exaggerations and distortions in the picture which the commission has so carefully built up in order to justify its drastic, unprecedented recommendations and its attempt to destroy this union.

1. THE ILA AND ITS RELATIONS TO ITS LOCALS

(1) On page 19 of its report, in the section dealing with the alleged failure of the ILA, the commission states that "responsibility for the operation of the ILA rests in the hands of its president, Joseph P. Ryan." This is so only in a limited sense. It apparently represents an attempt to pin on Mr. Ryan the blame for all wrongful acts that may have been committed by any member or officer of the ILA whether or not he had opportunity to know of its existence or to prevent its commission. We need not belabor the point that the ILA is an organization governed by a constitution and bylaws, and responsibility for its various operations rests in the officers on the various levels of the union who are entrusted with those operations. The international president obviously does not and cannot do everything in the ILA, just as the Governor cannot and does not do everything in the administration of the government of the State of New York; and just as the Governor is not considered unfit for his office because of the unfitness or malfeasance of individual members of the State government or unfit to head

the Republican Party in this State because of the demonstrable unfitness of certain Republican leaders (see prior crime commission reports), so Mr. Ryan cannot be condemned as unfit on the basis of alleged acts committed by a very few local officials.

As we have shown above, the commission's charge, at page 19 of its report, that the ILA has failed as the bargaining agent of the workers is utterly untrue. It is likewise incorrect, as the report goes on to assert, that the ILA in its negotiations is represented by its president, assisted by delegates from the various locals (report 19). The ILA is represented in its negotiations by a wage-scale conference committee consisting of members elected from all locals in the Atlantic coast district extending from Maine to Cape Hatteras. Many of these representatives are working longshoremen.

In its desperate attempt to show failure when only success is established by the facts, the commission refers to "constant criticisms that the delegates to the wage-scale conference committee have been handpicked by Mr. Ryan," and concludes that "the very existence of widespread accusations made by longshoremen that Ryan and his associates are not primarily motivated by interest in the welfare of the rank and file is a fact to be taken into account" (report 20). The commission shows no basis for its statement that longshoremen have made these accusations, although in a port with many thousands of union members the absence of criticism would be both surprising and disturbing. But if the mere existence of criticism, whether by Communist agitators, political rivals, or plain malcontents, is itself to be taken as grounds for condemnation, even though unsupported by evidence and contradicted by the proven success of the collective-bargaining negotiations, then we have truly exalted the unsubstantiated charge and the outright lie to a height which they have never heretofore known.

The commission also claims, on page 20, that this alleged dissatisfaction on the part of many longshoremen has precipitated numerous wildcat strikes. Here, apparently, the commission seeks to justify these wildcat strikes, which the ILA has consistently fought, and which are in truth one of the major problems facing the industry. The commission cannot face this both ways. Here is yet another example of a public body failing to support the ILA in its attempt to eradicate an industrial evil.

(2) The report next attempts to demonstrate that the international president, Joseph P. Ryan, is unfit for his post. This is based on certain alleged evidence referred to on pages 12 and 20. The purported findings of the commission have no basis, either in the facts or in the record.

On page 12, the report sets forth that Mr. Ryan secretly received cash payments from the head of a trucking and stevedoring company. There is absolutely nothing in the evidence to warrant the implication that these contributions were secret. Both Mr. Kennedy, the company executive, and Mr. Ryan, testified that Mr. Kennedy came to Mr. Ryan's office at the ILA headquarters and gave him the money. What is secret about that? Mr. Ryan explained that the sums represented a long standing contribution by the firm to his confidential anti-Communist fund. These sums, he testified, were donated directly in lieu of the placing of advertisements in the ILA Journal, the proceeds of which were used for the same purposes as the Kennedy contribution. The commission complains, however, that "No record was supplied by Ryan and no evidence was found by the commission's accountants to support Ryan's explanation."

The commission had in its possession the printed record of the 1951 ILA Convention where the convention, the supreme governing body of the union, ratified and continued the union's prior decision to place complete custody and control of this confidential fund in International President Ryan, the proceeds to be used by him as he saw fit "without any accounting or auditing requirement." It is not unusual or unsound where disclosure of receipts or expenditures from a confidential fund might seriously hinder its purposes or even endanger lives, for the organization establishing it to dispense with any written records. In the light of this resolution and the salutary reasons for its injunction of secrecy, it seems pointless for the commission to complain "that no record was supplied by Ryan."

The commission remarks that it could find no evidence to support Ryan's explanation that the funds were used to oppose Communists, making plain its own disbelief that he spent moneys for this purpose. The commission's own exhibits, however, show that substantial cash withdrawals were made from this fund, and Ryan testified that his expenditures for anti-Communist purposes necessarily had to be made in cash. Moreover, throughout the extensive examination of Mr. Ryan, in which the commission repeatedly insisted upon brief

"yes" or "no" answers to questions, with no opportunity for explanation, counsel for the commission pointedly refrained from asking Mr. Ryan how he had spent his anti-Communist funds. In fact, when the subject of his use of the confidential fund for anti-Communist purposes arose in the interrogation, Mr. Ryan volunteered "I could take up your whole afternoon and tell you about these people [through whom the money was expended], if necessary, and I'm prepared to do it" (record 3718).

At this point counsel for the commission switched to another line of questioning. In the light of its own pointed failure to pursue this line of inquiry, the commission cannot now claim that no evidence was supplied by Ryan to establish how the money was spent. They simply never asked him the question.

It is common knowledge among those familiar with the labor movement that most international labor organizations publish journals or other printed periodicals, and that advertisements are frequently placed therein by the employers in the industry. In some cases the proceeds of these journals are also used for antisubversive purposes.

After apparently concluding that the mere existence of the ILA Journal and the confidential fund derived from advertisements therein constituted grounds for condemnation of Mr. Ryan, the commission then refers to certain alleged withdrawals by the ILA president. These withdrawals are the subject of the indictment now pending against him and, of course, cannot here be considered in detail. Suffice to say, we are convinced that at the proper time Mr. Ryan will establish the authority for all expenditures made by him and his own innocence of the charges made.

As to the summary on page 20 of the report of the total funds expended and received by President Ryan within a 5-year period, we can only comment that the bulk of them were spent on legitimate union activities and the remainder constituted salary earned by him. The total is far less than the moneys received by other international presidents of comparable unions for salary and union expenses.

(3) On pages 21–22, the commission considers the fitness of certain organizers appointed by President Ryan. In view of much loose talk as to the criminal records of the ILA organizers in the port of New York, and the commission's own conclusion on page 36 that a "serious police record should [not] be a prerequisite for an important position in the union," implying that it now is, we wish to point out this fact: Of the 7 organizers appointed by President Ryan, and now serving in the port of New York, only 1, on the basis of the ILA's present knowledge and the record of public hearings of the crime commission, has had any previous conviction of any type. That one organizer, Alex DiBrizzi, was selected as such because he had been the elected president of the only longshore local in the area of his jurisdiction. This man has had six convictions, none involving the commission of a serious crime, and none involving his duties or responsibilities as a union representative. His last conviction, for shooting dice, occurred in 1926, 27 years ago, before he even became a figure on the waterfront.

(*a*) Edward J. McGrath (report 21) has not been an organizer or official of the ILA or any of its locals since 1951. President Ryan testified that he had no knowledge of McGrath's criminal record at the time of his appointment as organizer (record 3636).

(*b*) Alex DiBrizzi's criminal record has been discussed above. He did not take the position, as the report erroneously states (p. 21), that he felt no personal responsibility for the maintenance of union records or for the funds of the union. Rather, he testified that the records were in the custody of the local's secretary-treasurer and not in his own possession. He said that during the period when the secretary-treasurer was only a part-time official, and he, himself, did handle certain of the funds and records, he kept written records of his receipts and expenditures and delivered both the funds and the records to the secretary-treasurer at the end of each week (record, 1914–1922). This was corroborated by the secretary-treasurer who testified that records were received from DiBrizzi and transcribed into the local's books and records which were kept by the secretary-treasurer (record, 1867–1870). This evidence also shows the baselessness of the assertion at page 29 of the report that DiBrizzi turned over the funds "without accounting for receipts and disbursements."

(*c*) Edward Florio was removed as ILA organizer immediately after his conviction. At that time President Ryan, with the concurrence of the entire ILA executive council, stated that Florio would never be reappointed to any ILA office.

(*d*) Costantino Scannavino, who to the best of our knowledge has no police or criminal record, did not admit to being an associate of Albert Anastasia and Jack Parisi, as the report asserts. In the case of Parisi, for example, he said merely that they both kept their cars in the same garage, and he therefore knew who the man was (record, 1591).

(*e*) Under the ILA constitution, the international president has the power to employ such representatives and other employees as may be required. It is by no means constitutionally necessary or even sound practice for all such employees to do organizing work. There is nothing unreasonable about an international president having a single personal assistant, just as he might need a personal secretary. Nor is there anything improper, as the report implies on page 22, in Mr. Joseph Schultz being one of the advertising solicitors for the ILA Journal. As we have said above many, not most, other unions have similar publications and it is commonplace for the advertising solicitors of these publications to receive commissions for advertisements sold either to employers or others. The same, of course, applies to solicitors for any other kind of publication. There is absolutely no basis for calling these commissions sheer graft (report, 22).

(4) The final complaint by the commission against the international is that it has "failed to supervise its locals," and "has done nothing to protect the members of the ILA locals." This statement is utterly untrue and contradicted time after time in the record of the commission's own hearings. Substantial efforts have been made by the ILA to supervise and improve the administration of the affairs of the various locals in the port, and, even more important, substantial accomplishments have already been recorded.

In virtually every case where improper practices were adverted to both in the hearings and in the report, the evidence was confined to the period prior to the year 1952. Virtually every witness who testified as to such conditions stated that these improper practices had been corrected and that they no longer existed in the locals referred to. In virtually every such instance counsel for the crime commission recognized the reforms which had been instituted and confined his questioning to the period prior to 1952.

Therefore, the impression created by incomplete accounts of the hearings and fostered in the report that undemocratic conditions, in instances where they formerly may have existed, were carried down to the present time, is substantially incorrect. The explanation is this:

"Prior to the commencement of the waterfront investigation by the New York State Crime Commission, the ILA had already taken steps to institute its own internal reform. At the 1951 quadrennial international convention, before the probe of the waterfront had even been mentioned, the constitution of the ILA was amended so as to give the international president power to examine local books and records, a step which could not previously be taken without the danger of a court fight, and which in fact had already resulted in litigation.

"Thereafter the international president requested and authorized counsel for the ILA to institute a survey of the locals in the port of New York with a view toward determining whether they abide by democratic standards and in what respects, if any, their local administration was deficient. Such a survey was conducted by counsel for the ILA throughout the first half of 1952. The more than 70 locals in the port of New York were individually examined. A report was prepared on the conduct of the affairs of each local containing the findings made and the recommendations for improvement. This report was sent to the individual locals concerned. In addition, copies of the reports prepared for each local were sent to the international president in a single volume together with a general report summarizing the findings and recommendations made. This volume of reports aggregated nearly 400 pages.

"In the case of those locals where immediate action was deemed necessary, special membership meetings were called by the international, even before the completion of the survey in 1952, and reforms instituted by the members. Other locals, as revealed by the crime commission testimony, instituted reforms on their own after the receipt of the reports concerning them.

"A special committee has been appointed by the international to reexamine the administration of the locals in the light of the survey conducted last year to insure that the recommendations have been followed and the necessary reforms instituted. This was done pursuant to direction of the international executive council made at a meeting on January 9, 1953, which was as follows:

"'As soon as practicable, President Ryan should appoint a special committee jointly with the New York district council to see to it that no local in the port

of New York falls short of the minimum standards set forth in the report as necessary for the democratic administration of a local trade union."

Progress has already been made by this committee. More, in the way of specific action as to specific locals, has already been charted. The full set of standards made obligatory on all locals by the ILA is set forth in the ILA's letter to the AFL, annexed as an appendix to the record of the hearings conducted by Governor Dewey on June 8 and 9, 1953.

Even as to the pre-1952 conditions in the locals, however, and the role of the ILA in eliminating abuses, the report is exaggerated.

The principal example of alleged failure of ILA reform, relied upon by the commission, is a series of six Brooklyn locals, treated in the report under the misnomer of Camarda locals. It is largely on the basis of its consideration of these locals that the commission concludes at page 35 of its report that reformation of existing inadequacies by the ILA is impossible. In fact, however, an understanding of the real situation in these six locals shows precisely the opposite. Substantial reforms have been accomplished by the ILA in locals which 15 years ago were under domination by notorious racketeers. The conclusion that nothing has been done to remedy the former conditions is incorrect.

As the evidence indicates, in the year 1940, at least 3 of these 6 locals were under the domination of 2 criminals, Albert Anastasia and Anthony Romeo. Romeo coerced the secretary of one of these locals, Anthony P. Guistra, into turning over to him all surplus moneys from the union treasury under threats of injury and death.

This fact was called to the attention of International President Joseph P. Ryan. Reorganization of the three locals took place and new, uncoerced elections were held under police supervision, with officers of the New York City Police Department present at the election meetings (record, 1552). After the election, Romeo was no longer an officer of any local (record, 1572). In these uncoerced elections, the members of the locals returned to office many of the former officials who had themselves been coerced and threatened by the criminal elements.

It is the mere fact that these officials are still in office, through periodic reelection by the members of their union, which induced the commission to conclude that no reform has taken place. The commission, however, ignores the really significant fact, which is that the Anastasia and Romeo influences have been eradicated and that the extortion of union funds and domination of union activities by these racketeers ceased in 1940 at the time of the reorganization.

The removal of the Anastasia influence from these locals can be established by record evidence to which the commission has never referred.

In local 1199–1, Anthony Anastasia himself, a member of the local, was defeated for the crucial office of secretary-treasurer in the 1950 election, held by secret, written ballot through the use of voting machines under the supervision of the Automatic Voting Machine Corp. He was defeated by one of the men whom the commission is now condemning and whose present tenure of office shows, according to the commission, the failure of the ILA to remove the Anastasia influence. Anthony Anastasia was also defeated for other offices of that local by the present incumbents in elections going as far back as 1942.

In local 338–1, the very union in which Anastasia's partner, Anthony Romeo, extorted money from the secretary-treasurer prior to the 1940 reorganization, a third Anastasia brother, Gerardo, was defeated for the office of business agent in an election conducted by secret, written ballot in 1949. This fact is adverted to on page 30 of the commission's report where it is correctly stated that, the following month, at a membership meeting, a motion was adopted that Anastasia be employed as the third business agent for the local. This subsequent event was not known to the officials of the international until the ILA survey in 1952.

The significant facts, however, are: (1) That elections were held in both locals by secret ballot; (2) that from their results it is clear the Anastasias and their allies do not now control these locals; and (3) that the present local officers, far from being under the domination of the Anastasia racketeers, are, in fact, in active opposition to them. Would the commission have preferred these local officials, whose incumbency presumably indicates lack of reform, to have been defeated by their opponents, the Anastasias?

Further evidence of the fight waged by the ILA against the Anastasias has been its difficult and successful struggle to keep these six locals from being dominated and controlled by the so-called longshoremen's, checkers' and clerks' social club, recently organized by Anthony Anastasia. This struggle has been widely reported in the press within the past year or so.

2. THE COMMISSION'S TREATMENT OF THE ADMINISTRATION AND CONTROL OF THE ILA OVER ITS LOCALS IS OVERGENERALIZED, OVERSIMPLIFIED, AND IN SOM INSTANCES A MERE COLLECTION OF HALF-TRUTHS

The ILA does not claim that all of the seventy-odd ILA locals in the port are free from defects or that no weak spots exist in any of them. We do claim, however, that the ILA has taken substantial steps, as outlined above, to improve these locals, particularly through the survey and reform program conducted within the past 2 years following the 1951 convention. This is more than a matter of words. It is action and proven results.

We also claim however, that the commission in its discussion, pages 23–32, of certain of the locals in the port of New York, both exaggerated the conditions existing and followed the technique of seizing upon a single instance of misconduct and generalizing it into a condition assertedly found on a widespread scale throughout the port. Some of these exaggerations and unwarranted generalizations are as follows:

(1) As to the "operations" on the upper West Side of Manhattan, the bulk of the testimony on which the commission relies was given by one, Dominick Genova. Genova is a man who has himself been convicted of many crimes and has spent much time in prison. The very day following his testimony before the State crime commission, representatives of the commission appeared in the criminal court of Brooklyn where a charge of assault was pending against Genova, to which he had admitted guilt, and recommended that the charge be withdrawn and Genova freed. Upon the commission's recommendation, this was done.

Apart from the bearing that this may have on Genova's credibility and the truth of the testimony given by him before the commission, we think it significant in another respect. Apparently, it is quite proper for the New York State Crime Commission to secure the cooperation of notorious criminals in aid of ends which it deems worthy and to reward them for such cooperation, even to the extent of obtaining their release from criminal prosecution. ILA leaders, however, are to be condemned for doing precisely the same thing: That is, obtaining the cooperation of persons with police records in fighting the Communist effort to capture the New York waterfront. For it was this very purpose, to aid in the fight against the Communists, that brought many of the individuals referred to by the commission, into the New York waterfront picture, and we may add, they were brought in not only by the ILA but more often by the employers. This was a time when the fighting between the Communists and the anti-Communists on the piers was often more physical than verbal, and tough, strong allies were an asset absolutely necessary to combat Communist goons.

(2) The commission claims that a portion of the North River waterfront is controlled by McGrath, Dunn, Sheridan, Gleason, and Noonan, through local 1730 (report 24). We think this fact should be recognized. Dunn and Noonan, and with them the others, did not gain their power through the ILA. They were inherited directly by the ILA from the American Federation of Labor. These two men were officials and leaders of a federal local, chartered directly by the American Federation of Labor. The ILA merely recognized the officers already heading that local, with no knowledge of the illicit activity allegedly carried on by them.

(3) The commission again implies on page 25 that Albert Anastasia and his associates operate or control 6 Brooklyn locals. As we have shown above, the facts are directly to the contrary and have been so for the past 13 years.

(4) The situation in New Jersey referred to on page 25 of the report is a particularly knotty one. It is complicated by the fact that New Jersey politicians have viewed the waterfront as a source of patronage and have wielded their great political power and influence to place their favorites in pier jobs and to seek domination of waterfront unions. The commission refers to the struggle for control of local 1247 and the bombing of the headquarters of that local. It is silent, however, on the steps taken by the ILA in connection with that local, facts which are a matter of court record.

Immediately after the bombing, the officers of the local were removed by president Ryan and the local was placed under a trusteeship. For many months, it was operated by Patrick J. Connolly acting as trustee and as the direct appointee of the international president. Mr. Connolly took firm and decisive steps

to reorganize the local and remove it from the control of those who had formerly dominated it. To assist him, he appointed a longshoreman named Anthony Marchitto who was recommended strongly and urged upon him by Mayor Kenny of Jersey City as a man with no police or criminal record of any kind and an excellent reputation on the waterfront for honesty and capability.

After he felt that the affairs of the local had been put into order, Mr. Connolly arranged for an election of new local officials to be held by secret written ballot. At the nominating meeting, he announced that he had disqualified as candidates the three former officials, Brown, DeLorenzo, and Lucy, whose struggle for power had led to the bombing. Lucy and DeLorenzo, who had sought to be nominated, then brought a court action against Mr. Connolly, President Ryan, and the ILA to force their names upon the ballot. The ILA stood firm and finally the action was withdrawn. Thereupon, Mr. Marchitto, who was one of the candidates, was elected as the chief officer of the local.

The conditions in local 1247, both prior and subsequent to the bombing, are but one example of how political influence and political maneuvering have plagued this industry and this labor union. From the lessons which the ILA has learned, we feel that we are entitled to draw the inference that less politics, and not more, is in the true interest of our industry and union.

(5) As to the 3 examples of extortion testified to by witnesses before the commission and referred to at pages 25 and 26 of the report, they constitute, if established by the evidence, shocking examples of crime which should be promptly and severely dealt with by the prosecuting authorities.

It is by no means clear from the evidence, however, that these acts, particularly those in 2 of the 3 situations described, were committed by any officials of an ILA affiliate.

The commission states quite correctly that wildcat strikes were used as leverage to exact the tribute in these cases. It is for this reason, among others, that the ILA has fought bitterly the wildcat strikes which have plagued our industry. In this fight the union has received all too little support and even actual opposition, from public bodies which do not seem to realize their true nature. It was with recognition of the real problems involved that President Ryan in his report to the 1951 convention stated:

"Whatever the cause the existence of unauthorized stoppages is an unhealthy condition *often leading to other abuses besides the immediate economic losses suffered during the stoppages.*" [Emphasis added.]

(6) Anthony V. Camarda (report 26) was financial secretary of local 1199 for a relatively short time. As soon as the shortage of funds was revealed his resignation was required by the local itself prior to the finding of any indictment against him.

(7) On page 26 of its report, the commission refers to salary payments to the elected business agent of local 327-1. In the late forties this man, who had served as business agent for many years, was required for reasons of health to move to Arizona. With full knowledge of this fact, the membership of the union voted that he continue to receive a salary. We can find no evidence in the record that this decision did not, in fact, represent the will of the membership.

(8) The statement at page 27 that the officers of local 920 of Staten Island have "made large expenditures for their own benefit" has no basis whatsoever in the evidence or in the facts. The moneys withdrawn by Mr. DiBrizzi, the president of the local, aggregating some $1,400 were spent entertaining out-of-town delegates from all over the United States, Canada, and the Territories, at the ILA's quadrennial convention. They were not spent for his own benefit or his own use. In fact, if the commission had read the printed record of the 1951 ILA convention, which it had under subpena, it would have seen repeated expressions of gratitude from out-of-town delegates to Mr. DiBrizzi and the Staten Island local for the hospitality shown them during their stay at the Hotel Commodore. Some of these expressions came from delegates in areas newly organized by the ILA whose good will, cooperation, and unity of spirit and purpose was and is of the utmost importance to all locals of the international.

The evidence, moreover, is that the payment of these expenditures for entertainment of delegates was ratified and approved by the membership of local 920 (record 1884). Similarly, the payment to DiBrizzi's son was for services rendered, was an emergency requirement during a chaotic wildcat strike, and was ratified and approved by the union membership (record 1877). The implication in the report that these two expenditures were never authorized by the members is unwarranted.

inference" of wrongdoing is neitheir fair nor just. In virtually every case the unavailable books were no longer in current use and had not been active for some time. In some cases the local had moved to other offices since the time when those books were used. In at least one instance a rival, dual union was in process of organization. In all cases a dedicated, devious, and shrewd Communist apparatus has been seeking to capture both membership and union. Political rivals and unofficial investigators also were interested in the contents of these records. In some cases records were stolen during the wildcat strike of 1951 when the union, as well as the waterfront generally, was plunged into bitter, internecine strife. And where thefts were claimed, they had generally been reported to the police.

(10) The references at pages 28 and 29 of the report to some locals where inadequate financial records were kept or where no bank accounts were maintained deals with conditions prior to the survey conducted by the ILA within the past 2 years. These conditions have, in virtually every case, already been remedied. And this was done prior to the commencement of the commission's investigations of any of the ILA locals. If there remains any instance where the necessary improvements have not yet been instituted, they will be made within the very near future under ILA supervision and direction.

We note, for example, the statement in the report that seven locals had no bank accounts "prior to March 1952." The commission's investigations of these locals did not commence until May of 1952, but in March, during the ILA survey, all locals without bank accounts were required to open them and did so.

(11) The commission's statement on page 29 that financial reports are not made, and that where made, they are superficial and perfunctory is in some instances not borne out by the very references to the record on which the commission relies. Thus, as to local 920, the testimony is not that the reports were perfunctory but, on the contrary, that they were detailed and complete (record 1921-1923).

(12) The commission has adduced no evidence to show that a "virtual disenfranchised membership has been unable to participate effectively in the conduct of union business" (report 29). In the case of practically every local, regular union membership meetings are held on a fixed day of either the month or the quarter, and at a fixed place. In addition, as the commission states, circulars and throw-aways are distributed on the piers. In many locals, written notice is mailed to all members, and in the case of a great many others, the fixed time and place of regular membership meetings are not only set forth in the bylaws, but are also printed prominently on the union dues books carried by each member.

The fact that a small number or percentage of the union membership attends these meetings, and that this number is often insufficient to constitute a quorum, is no proof that the members are disenfranchised or that they are not given full opportunity to exercise their rights. The problem of small membership attendance is faced by nearly all unions. It is common knowledge that in many large unions with a membership of about 25,000, only three or four hundred attend meetings and make the decisions for the entire 25,000. Similar proportions of attendance are recorded in smaller unions representing a great variety of trades and industries throughout the country.

Even in Great Britain with its long tradition of trade unionism and participation in democracy and without any of the alleged abuses attributed by the commision to the ILA, the dock unions are unable to obtain any real turnout of members at their union meetings. Professor Jean McKelvey, of the New York State School of Industrial and Labor Relations, Cornell University, in her study of dock labor disputes in Great Britain records the following debate between two dockers on a motion ot make attendance at union meetings compulsory:

"One explained that he favored the resolution because out of a membership of 2,100 in his branch, the attendance was often 20. The other reported that with a branch membership of 5,564 'I have had 6 people attending a meeting and 4 of these have been paid tellers to count the other 2 votes' " (p. 56).

A reading of Professor McKelvey's full and impartial study discloses beyond doubt that many of the alleged problems charged to exist within the ILA and in the port of New York are paralleled to an amazingly high degree in the unions and on the docks of Great Britain. And in Britain no charges of abuse or corruption have been raised, none in fact exist, and the head of the labor union to which the dockworkers belong is not Joseph P. Ryan, against whom so much criticism is being leveled, but Arthur Deakin, the successor to Ernest Bevin as the leader of the British trade-union movement.

(13) Nor does the fact that officers of some locals have been elected by motion at membership meetings, in instances where their candidacy was unopposed,

raise any inference of impropriety or disenfranchisement (report, 30). The same practice exists not only in a multitude of other trade unions, but in fraternal, church, political, and business organizations of every kind and character. In fact, it is significant that in many cases where officers were elected by motion in the absence of contest, the same locals held elections by secret ballot on other occasions where a contest did materialize.

(14) The evidence on which the commission relies for its statement that some local "do not even go through the motions of holding elections" is of interest (report 31). We first note that only two locals of the 70 in the port are even mentioned. The witness, DeVincenzo, who stated categorically that local 881 has not held an election in 30 years testified also, curiously enough, that he had been a member of that local for only 8 years (record, 764). The testimony further indicates that local 901–1, the other local referred to, had an election as recently as November 1952 (record, 2,000).

(15) The charge that certain family groups have acquired domination of locals and have inherited the local offices is not substantiated in the record. As to the Camardas who are charged with controlling several Brooklyn locals, no Camarda is an officer of any ILA local except one, No. 327, and the evidence is that the officers of this local were duly elected (record, 1627–28).

As to the other local cited on page 31, local 338, there is again no showing that the officers have not been duly elected by the membership. Salvatore Mangiameli, the unsalaried president of the local, was a charter member more than 30 years ago. The fact that 3 members of 1 family may hold positions in a union is no more reason for condemning the ILA or local 338 than is the fact that the 3 Reuther brothers hold key positions in the United Automobile Workers, CIO, a reason for condemning that union.

(16) The summary on page 31 of the incident involving the witness Mario Frullano neither correctly sets forth the record nor is fair to the union official involved. In the first place, Mr. Frullano did not testify that he objected to a lack of union democracy. He stated that he wanted to know why the members were being charged $3 a month in dues and were not getting benefits from it (record, 1825–1826; report 31). If the commission had investigated, it would have ascertained that wage increases, premium pay improvements, vacation payments, and welfare benefits have been won for the maintenance men by the ILA maintenance locals. Instead, it has chosen to leave on the record the implication that the union has done nothing for the men.

As to the alleged assault, the evidence in the record establishes that business agent Crissali was charged with assault by Frullano and was acquitted after trial (record, 1823). Even Frullano, in testifying before the crime commission, was forced to state that he could not say whether Crissali so much as touched him (record 1826–1827).

The commission also records Frullano's statement that he has been notified of only 1 membership meeting of his local within the past 4 years and has never received any reports concerning the local's finances (report 32). Had the commission asked the witness to produce his union-dues book, which he undoubtedly was carrying with him at the time he testified, it would have seen notice of the regular quarterly meeting printed prominently on the front of the book.

(17) The commission reports on page 32 that there are inactive locals in this port, 4 out of a total of over 70. Since the ILA survey last year, some of these inactive charters have already been revoked, and the jurisdiction of the inactive locals is being consolidated with that of active locals.

The commission's assertion at the bottom of page 32 that 6 Brooklyn locals should be consolidated into 1, while perhaps sound as a matter of abstract principle, represents the very suggestion advanced publicly last year by the notorious Anthony Anastasia. The members of these locals registered in writing their overwhelming disapproval of this proposed consolidation. In the case of many locals, however, the ILA has already made plans for consolidation and merger, and these plans will be carried out.

V. The Receipt by Union Officials of Gifts and Gratuities From Stevedoring and Shipping Companies Is a Practice Which Has Now Been Outlawed by the ILA and Which Does Not in Any Event Establish That the Dock Workers Have Not Received Their Full Rights and Contractual Benefits

In the first section of its report, the commission devotes much attention to the subject of gifts and gratuities from stevedoring companies to officials of the ILA and its locals. We might point out that no reference is made by the commission to the testimony of similar gifts from employers to officials of local unions affiliated with the International Brotherhood of Teamsters and other American Federation of Labor internationals (record, 93–106).

Contrary to the commission's assertions and innuendoes that these gifts have been made to buy the union officials and to cause them to betray the men they represent, the testimony of both employers and union officials indicates that the gifts were made during the Christmas season and occasionally at other holidays and were merely gifts and nothing more. They were not intended to influence any officials to overlook breaches of the collective agreement. They were not considered by the union officials as attempts to influence them, and they did not in fact influence the union officials in any action which they took.

It is a commonplace occurrence for union officials in many other unions and industries to both receive and make gifts to and from employers during the Christmas season and at other holidays.

As to the future, however, the ILA has determined upon a change of policy and the situation will be a different one. On January 8, 1953, the executive council of the ILA, its supreme governing body in between conventions took action to outlaw the acceptance or receipt of any such gifts by any official of the ILA or its locals and to make such receipt grounds for removal from office. The executive council decreed:

"1. That hereafter it shall be forbidden for any officer of the ILA or any local to receive any gifts or gratuity from any employer with whom the ILA does business. Violation of this rule shall constitute conduct unbecoming an ILA official and upon conviction thereof shall subject him to removal from office.

"2. This resolution shall not apply to any local officer who earns his living in whole or in part by employment in any craft for any employer who receives a Christmas bonus or gifts from such employer comparable to the bonus or gift received by other employees of that employer."

Gifts, however, must be distinguished from bribes and extortions. In any instance where the facts indicate that an ILA official was on the regular payroll of a company or that he obtained money either by extortionate means or under circumstances which inhibited and prevented him from properly representing the dockworkers, charges will be brought against him by direction of the executive council of the ILA and appropriate disciplinary action will be taken.

In some cases referred to in the commission's report (p. 13) the receipt of gifts was categorically denied by ILA officials. Nevertheless in its general summary of conditions the commission assumes that all payments or gifts testified to by anyone were in fact made.

Nor is there any support in the record for the commission's assertion that "labor leaders on both the international and local level made themselves available to the employer for cash." Even the single example on which this generalized statement was based does not bear out the commission's conclusion. The witness Palihnich, as the report itself indicates, said merely that the particular business agent in question was available on the piers to settle disputes which arose. This by no means meant that he was "available" to the employer for cash. On the contrary, the implication placed on the testimony by the commission was expressly refused by the witness in the following words:

"Q. Weren't these payments really made to this delegate so you would have his influence on your side when you needed it, and to have him available for that purpose?

"A. I don't think so. I don't think Mr. Gent would do that. I think the men would get whatever was coming to them" (record, 80).

We use this merely as an example of the commission's exaggerations.

We are confident that the testimony given would be equally applicable to virtually all, if not all, ILA officials on both the international and local level. Whether or not they received any Christmas or holiday gift from any employer in the past, they would not allow this to influence their decisions on disputes arising under the collective agreement and they would see to it that the men receive all that they are entitled to.

The commission, on page 15 of its report, refers to the existence of "phantoms" and describes their use as "another device for passing money to union officials and persons influential in union affairs." To the best of our knowledge, the entire series of commission hearings produced only one charge that a union official was a phantom on a company payroll. Certainly this does not justify the commission's assertion that the use of phantoms was a device of practice, implying that it was engaged in on a widespread scale.

The second example of a "phantom" referred to by the commission involves a man who is not an official in any union and whose alleged influence in union affairs is wholly unsupported.

The commission next goes on to charge that various occasions were used by employers to make payments to labor leaders. The only occasion cited by the commission, other than Christmas and holidays, was the marriage of the daughter of one union official at which time he received an alleged loan from a company executive. Whatever the implications of this incident, it in no way justifies the commission's broad generalization.

The further charge that International President Ryan testified that it was the practice to receive gifts from employers at Christmastime and therefore he was entitled to participate in the custom is simply baseless. Mr. Ryan said no such thing.

VI. The Alleged Private Business Interests of Corrupt Labor Leaders Do Not Relate in the Main To ILA Officials and Do Not Justify the Commission's Anti-ILA Program

Section III of the report concludes with the statement that "our recommendations for drastic action should be weighed in the light of the lesson of this section."

We submit that the "lesson" of that section can in no way support any of the drastic recommendations made by the commission.

Only two examples are given where ILA officials allegedly participated in improper business endeavors. Even if we assume the complete correctness of the testimony adduced and the commission's summary of their import, we believe that two instances, out of the dozens of ILA officials in the port and the hundreds of millions of dollars of business transactions carried on, provide no support for the drastic action recommended.

But even as to the evidence in the record, it is by no means clear, as the commission asserts on page 33, that Florio and Moody used "the leverage of their union positions to engage in improper activities."

The witness Yeats denied that Florio tried to sell him equipment (record, 72) and further testified that the rates charged by the official's relatives were standard (record 73). Nothing indicates that the business activities of these men were in any way improper or based on improper use of union authority by their relatives.

As to Noonan, Gleason, and local 1730, we have set forth above that this group is an inheritance by the ILA of a federal local chartered directly by the American Federation of Labor and the officials who were formerly in charge of that federal local.

The bulk of section III of the report deals with extortionate activities by officials affiliated with the International Brotherhood of Teamsters, AFL, whose graft, according to the commission's evidence, far exceeded any sums charged to improper activities by ILA officials.

VII. The ILA Has Ordered the Abolition of the Shapeup Method of Hiring in the Port of New York; It Insists, However, in the Right to a Say in the Hiring Process Which Should Not Be, as the Commission Asserts, a Unilateral Matter for the Employer

Certain things should be made clear concerning the much publicized and much misunderstood method of hiring in the port of New York.

In the first place, it is incorrect to say that all men are selected by the hiring boss at his sole whim. Over the years a system of priority has emerged whereby men are hired in gangs with a definite, although unwritten, seniority status. Certain gangs known as regular gangs are entitled to initial priority in the event that there is work on their particular pier. Other gangs have a secondary status of priority after the regular gangs have received employment, and only when they are hired may extra gangs or extra labor be employed.

This means that the bulk of the regular longshoremen have a fair degree of assurance of work in the event that there are ships to be loaded or discharged on the pier where they customarily seek employment. It means also that their earnings are relatively stable and high and that any attempt to determine average earnings on the basis of the thousands of casuals who seek a few hours or days of employment on the waterfront each year is totally unrealistic and misleading.

But in any event the commission's detailed discussion of the shapeup and the alleged abuses flowing from it is academic. The executive council of the International Longshoremen's Association this past spring directed all ILA affiliates in the port of New York to abolish the shapeup on pain of drastic discipline. Since the employers, who formerly were the great champions of this method of employment, have also indicated their willingness to abolish the shapeup, it is a foregone conclusion that the next collective bargaining agreement, to take effect October 1, 1953, will include a new method of hiring which will not have the shapeup's potentialities for abuse and which will explicitly protect the security and priority rights of the longshoremen.

In fact, the ILA has already asked the New York Shipping Association to begin negotiations for the new contract early this summer with the first item on the agenda to be the abolition of the shapeup and its replacement with a new method of hiring. As a result of conferences held on this subject, negotiations will undoubtedly commence on or about July 15, 1953.

A principal complaint of the commission throughout its hearings and in its report is that the ILA has forced hiring foremen upon the employers despite a provision in the collective agreement that the employer shall have the right to select his own hiring personnel. The ILA does not agree with the commission's conclusions, as expressed in its findings and recommendations, that a union is not entitled to any say as to which of its members are employed by an employer and as to how that process of selection is made. We think it vitally important for a trade union to be able to assure its members that they receive the job protection and seniority and priority rights to which they are entitled. The right to exercise a voice in the process of hiring and firing has been one of the principal aims of organized labor and has been the subject of many bitter industrial struggles. We think it particularly important in an industry such as ours, where permanent, steady jobs are a practical rarity, due to the economic factors involved, that the union have a definite say in the process of selection.

In the collective agreement itself there is a provision that the men who follow a particular pier are entitled to priority of employment on that pier. In many cases disputes over hiring foremen were precipitated by an employer's insistence that he be permitted to name as his hiring foreman a man who has formerly worked in another section of the port and who could have no familiarity with the workers traditionally employed on the pier where he is sought to be installed. The union's and the workers' insistence in hiring foremen familiar with the men on the pier has been known to all at the time each collective agreement is negotiated and signed.

As to the commission's charges that the union has forced ex-convicts upon employers, it contains a large measure of exaggeration. Many ex-convicts were deliberately selected as hiring foremen by the employers themselves, either because the employer wished to have a strong superintendent at a time when Communist threats to property and production were at their height or simply because he wanted a foreman whom he knew would be able to get the men to produce the quality and quantity of work which he desired. In the case of many piers of the port the union has had no say in the selection of the hiring foremen.

It is the ILA's belief that with the abolition of the shapeup and the inclusion of defined standards of job priority in the collective agreement the identity of the hiring foreman, stevedore, or pier superintendent will be largely immaterial. Such foremen will have little, if any, power arbitrarily to select individuals for jobs, since all men in the port will be entitled to jobs on the basis of their contractual rights and priorities.

Specific accusations made against the ILA in section IV of the report are largely unfounded. For example, on page 43 and page 44 the commission refers to a dispute on piers D and F in Jersey City. Although the implication is that the ILA has fostered and condoned this type of conduct, the fact is that the former officials of local 1247 involved in that incident were the same men whom the international's trustee refused to allow to run for reelection in that local.

VIII. Crime on the Waterfront, Like Crime Anywhere Else, Is an Unmitigated Evil Which Should Be Effectively Stamped Out by Those Responsible for Law Enforcement—The ILA Will Cooperate in This Effort

The commission's general conclusions as to the prevalence of theft, pilferage, extortion, kickbacks, loan sharking, payroll padding, and other criminal activities, and its statement that these crimes may be attributed to the method of hiring heretofore existing in the port, is to a large measure unsubsantiated by the record references set forth on page 44 of the report as the supporting evidence. Much of

this evidence refers simply to instances of crime unrelated to any hiring system or any union activities. In some cases the testimony emanates from witnesses whose own credibility is most questionable, either because of their own prior criminal associations or their reliance upon well-known Communist sources and charges. In many instances it refers to conditions which existed 15 and 20 years ago.

Just as we have made clear, however, our position that the shapeup must and shall be eliminated, we would also like to leave no doubt as to where the ILA stands on the question of crime and criminal conditions.

The ILA will not support or condone crime in any form or manner and will do all in its power to cooperate in its elimination. We will not, however, allow our organization, an international trade union, to be blamed for all the crime that exists on the waterfront of the port of New York. There are approximately a dozen governmental agencies, both Federal and State, whose job it is to investigate and prosecute crime in this port and to maintain conditions of security on the docks of New York. These agencies have been staffed over the past 20 years by men of exceptional caliber, devotion, and ability. Thomas E. Dewey, Frank Hogan, and Myles McDonald have been only a few of the more conspicuous examples.

During much of the period referred to in the crime commission's report, the New York City Police Department was under the direct control and supervision of the reform mayor, Fiorello H. LaGuardia. The various branches of our Armed Forces operating in this port to assure national security have been led by men of the highest caliber. The Federal Bureau of Investigation has throughout been under the supervision of J. Edgar Hoover.

If crime has flourished in this port, it has been primarily the function of these men and agencies to ferret it out and prosecute those guilty of its commission. If they have been unable to discover and eliminate it with their expert staffs, large resources, and governmental powers, why should the ILA be condemned and destroyed because it has not done the job alone? We will do our utmost to cooperate in the important task of law enforcement, but we believe it neither fair nor just to place upon our union virtually the entire blame for any conditions that may have existed, whether due to political cynicism, ineptitude or corruption, employer malpractices, or simply criminal conspiracies.

IX. Public Loading in the Port of New York Represents a Real and Necessary Function: Substantial Progress Has Been Made, Through ILA Cooperation, in the Stabilizing and Improving of This Branch of the Industry

1. The services performed by public loaders are vital and necessary to the flow of commerce through the port

A great deal has been said and written on the subject of public loading. Much of it reveals complete ignorance of the subject. To clarify the facts, we should like to set forth briefly what public loading is.

A public loader is a man, one of a group of men, who are found on the piers and who load freight from the pier to the trucks, which cart it away. He is one of the human links on the chain that brings waterborne cargo into the cities of the port of New York. There are three principal links in this chain. First is the longshoreman who unloads the freight from the ships and places it on the pier. Second is the man who loads the freight from the pier onto the truck that will take it to its destination. Third, of course, is the truck. Unloading from the boat and loading from the piers are both longshore operations which are performed by members of the ILA, except in those rare instances where this work of loading is traditionally done by members of other unions.

Clearly, then, loading is a necessary service, which must be paid for. There is work to be done, hard work, and somebody has to do it. The public loaders, members of the ILA are that somebody.

As the name indicates the public loaders do not work for any single, particular employer, but for the public; in this case, the truckers. They do not receive a wage or a salary. They are paid by the truckers whose trucks they load, on the basis of stipulated rates fixed by collective bargaining.

The public loaders work as groups. They divide the available work among themselves, usually on an equal basis. However, on occasion, cargo receipts on a given pier may be so heavy that the group of public loaders which work on that pier is unable to move the cargo from the pier to the trucks as speedily as the truckmen would like. When that happens the group hires longshoremen to assist in the work. Sometimes when one of the public loaders drops out of the group for some reason, a longshoreman who has had some experience as an extra worker with these groups, moves in and becomes a regular member of the group.

As far back as 1939, the courts decided that public loading on the piers by ILA members is a necessary service. At that time, the Texas Flour Corp., sought an injunction against the ILA arguing that public loading charges were unjustified. The Texas Flour case was tried before Supreme Court Justice Isidor Wasservogel, an eminent and distinguished jurist, who denied the injunction. The Texas Flour Corp. appealed. The appellate division denied the appeal and sustained Justice Wasservogel's decision. After an exhaustive trial where the truckmen and the loaders and the union presented all the evidence, Justice Wasservogel stated in open court at the conclusion of the case:

"Upon the evidence before me, I have reached the conclusion that the charge of 0.03 cent for loading each 100 pounds of flour, made by the union loaders at piers of the Mallory and Morgan Lines in Manhattan, to the plaintiff, is a proper charge for a definite service rendered by such loaders, which service is separate and apart from the service rendered by the driver and helper on a truck.

"The questions of fact in the case are resolved in favor of the defendant.

"On the evidence in the case, the plaintiff has not shown itself entitled to injunctive relief, and judgment is, therefore, rendered for the defendants dismissing the complaint on the merits."

We do not think the commission itself disputes the fact that the services rendered by the loaders are necessary ones. Those men came into existence to fill a void. Steamship and stevedoring companies in the past, as at present, were unwilling to assume the task of loading cargo from piers to trucks. Truckmen on the other hand had neither the equipment nor the labor supply to perform this work. Consequently, men were hired on a piecework basis to do the job and these were the men who eventually became attached to the pier in the capacity of public loaders.

The charges for public loading have since 1916 been the subject of negotiation. Prior to that, charges were set between loader and trucker on a load-by-load basis.

After 1916, the public loaders were organized by the ILA, and regular and standard rates for loading were agreed upon between the ILA and the Teamsters Union, which had formed the Transportation Trade Council, on the one hand, and the Motor Truckmen's Bureau representing the trucking employers, on the other. These rates have been revised from time to time.

Some abuses sprang up, as might be expected. Complaints spread and finally relief and reforms were adopted.

In 1949 labor undertook to correct the situation by the establishment of uniform truckloading charges and the subsequent policing of same. To that end there was formed a truckloading authority composed of representatives of Joint Shipper-Truckman, Port Loaders' Council, and the International Longshoremen's Association. These representatives came to agreement upon loading conditions and uniform rates and the findings were published and distributed. At the same time all parties agreed to the policing of the rates and conditions, pledging prompt corrective measures in the event that complaints were received concerning discrimination or misapplication of rates. No provisions were made with respect to the unloading of trucks and in fact this operation was specifically excluded from the agreement. Mr. Hugh E. Sherican was named as impartial chairman of the joint committee known as the truckloading authority.

As to unloading charges, the ILA convention in 1951 approved President Ryan's recommendation that fixed rates for unloading shall be agreed upon and made subject to the jurisdiction of the truckloading authority.

2. The ILA has contributed to the stabilization and improvement of the public loading branch of the industry in the port of New York

The ILA recognizes that the question of public loading and public loaders presents a problem, although not entirely for the reasons stated by the crime commission. The public loaders must decide whether they are businessmen or workingmen banded together cooperatively. If they are businessmen, they must establish themselves as business organizations with all the records and other characteristics of commercial firms. In such case, they cannot be members of the ILA and the ILA cannot continue to represent and bargain for them. If on the other hand, as the loaders have always claimed, they are in fact workingmen

organized cooperatively, then they must disband any business firms which are now established, and as true cooperative workers they must share equally the proceeds received for their labor.

The complete misconception in the notion that public loaders do not perform services for the compensation they receive and that they in effect charge tribute for work performed by steamship and stevedoring companies, has frequently been recognized by informed persons. For example, Joseph Adelizzi, managing director of the Empire State Highway Transportation Association, in testifying before Governor Dewey's hearings on the crime commission report, stated:

"Public loading services have been reported here today as being such that the loaders are paid on as much as 98 percent, I think the figure was used, for no services performed. I think that is manifestly incorrect, that in the main, the truckmen or the person going to a pier to pick up freight receives services for the money he pays, for the loading charges he pays" (Governor's hearing, p. 190).

The ILA does not defend any attempt by loaders or others to receive money for services not performed. Such attempts, we believe, occur very rarely and the attempt to treat them as a commonplace occurrence is, we feel, a distortion of the true picture.

It is also an error to take the position that the ILA has done nothing to improve and stabilize the public loading situation, or that conditions which may once have existed are still prevalent. Mr. Adelizzi, in his testimony before the Governor, recognized the part played by the ILA in establishing the truckloading authority to stabilize this branch of the industry, to insure that standard rates were charged for labor performed, and to afford a method of redress in case of attempted overcharges, Mr. Adelizzi stated:

"Over the past 10 years we in the trucking industry have tried to work out with the ILA some program of machinery by which these services could be governed and regulated, both as to the adequacy of the service and to the charge for them. I think it fair to report that we have had a measure of success in stabilizing the situation. In other words, the conditions today are far less intolerable than they were, say 10 years ago in 1943 when our first agreement with the ILA governing public loading was made effective.

"I want to mention in passing that since truckmen do not pay the cost of loading these trucks and that the cost is borne directly by the shipper or consignee, that we might not be the proper agency to deal with the public loaders, but because of default of every other element in interest, it became necessary for we in the trucking industry to assume the burden that we did 10 years ago to correct the evils that were complained of by the shipping public which had occasion to move traffic through the port of New York.

"We created a truckloading authority and gave it jurisdiction over the rates and conditions and over the enforcement of the agreements which we reached with the ILA and the public loaders. That authority has had a measure of success in stabilizing the situation."

The ILA has done more that this. It has on a least two occasions gone into court to combat so-called loaders who attempted to take over work to which they were not entitled. Thus in the case of piers D and F in Jersey City, referred to on page 56 of the report, the ILA supported the loaders previously on the pier and the American Export Co. against the attempt to "take over" by another group in Jersey City backed by the political leaders of that section of the port. The Port Loaders Council, Local 1757, of the ILA, and the New York District Council also stood behind the rightful loaders and the company. An injunction action was brought against the ILA by the city of Jersey City itself which supported the wildcat strikers. The ILA fought this injunction in the courts and eventually forced the issue to arbitration where the original loaders were upheld.

Similarly in the case of the India Wharf Loaders, referred to on page 48 of the report, a suit was instituted by those loaders against the ILA and the trucking company involved, both of whom insisted that jurisdiction to do the work in question had traditionally belonged to the Paper Handlers' Union. After a bitter court fight, the ILA was upheld and the suit dismissed.

Certainly in the light of this record, it cannot be said that the ILA has been allowing racketeers to take over public loading operations and has done nothing constructive on this score.

The primary complaint against public loaders is that they allegedly represent a serious drain on the port of New York which is causing cargo to be diverted

to other ports. As a matter of economic fact, the ILA does not believe this to be so.

The crime commission, after ascertaining that no public loaders existed in other ports along the Atlantic coast, made no attempt to compare the costs of loading in those ports whether done by steamship company, stevedoring company, railroad company, or truckers, with the costs of public loading in the port of New York. It is the opinion of the ILA, based on its information concerning the operations of the other ports, that the cost of the loading service elsewhere is in many cases higher than the cost of public loading in the port of New York. Because, however, it is added on to the general cost of shipment, and is therefore in a sense "hidden," it does not appear as noticeable to the shipper as the direct loading charge in New York.

Confirmation of this view appears from the testimony of the experienced president of the Luckenback Steamship Co., Mr. James Sinclair. When asked his opinions on the subject of public loaders, he answered,

"Well, I think that the public loader, because he's working on a piecetime basis, probably could load the truck more quickly than if we took over the loading and attempted to do it by merely the hiring of longshoremen for that purpose. I think, too, that the trucks go in and out of the pier faster because of public loading than they would if the consignee or truckers had a helper to load each truck" (record 442).

Perhaps the most significant feature of the entire crime commission study of public loading as revealed in its public record and report, a study which consumed much of its time and attention, is not what was said, but what was omitted to be asked. It is reminiscent of the famous Sherlock Holmes mystery of the barking dog. In this detective story, the significant clue leading to the discovery of the crime was that on the night of the crime the barking dog did not bark. A similar situation exists in the case of the commission's record on the public loading question.

There is one man in the port of New York who, above all others, is informed on the question of public loading. Although primarily a representative of the trucking interests, he has been selected as impartial chairman of the truck-loading authority and has served as such since its inception. It is his job to hear grievances of truckers against loaders and those of loaders against truckers. It is he who decides where the right lies. It is he who is most familiar with the entire loading situation in the port of New York.

Although scores of witnesses, significant and insignificant, informed and uninformed, were questioned closely concerning their knowledge and opinions of public loading, this man, Mr. Hugh Sheridan, was never called to testify in the entire series of public hearings held by the commission. How can any fair and unbiased presentation of this issue possibly be made without hearing from Mr. Sheridan? Is it not the right of the public, of the Governor, and of the legislature, when considering the question of public loading, the facts relating to it, and the remedies, if any, which should be applied, to have the benefit of the vast knowledge and informed views of Mr. Sheridan?

Similar significant omissions exist with respect to other phases of the commission's report. Although dealing intimately with questions of crime and security, the commission never called to its public hearing the principal police officials assigned to the waterfront, the district attorneys whose job it is to prosecute crime throughout this port, the Army, Navy, and Coast Guard officers who are fully familiar with conditions on the waterfront of the port and have been for years. The study made purports to be complete, exhaustive, and impartial. The highly significant omissions in the long list of witnesses before the commission cast grave doubt upon this claim.

X. The ILA Is Not Responsible for the System of Watchmen On the Piers of the Port. The Conclusions of the Commission in This Field, However, Are Clearly Much Exaggerated

The Port Watchmen's Union, an affiliate of the Independent Watchmen's Association, is not part of the ILA. We deny the assertion that the Port Watchmen's Union is dominated by the ILA or its leaders. We also deny that any former affiliation between the two unions has injured the members of either union.

Our only comment on section VI of the report is that the evidence in the record itself totally disproves the claim made that watchmen are so intimidated that they do little more than prevent longshoremen from smoking. Throughout the

record, and even in those portions quoted in the report (report 62) instance after instance is cited where watchmen have turned in men whom they have caught or claimed to have caught engaged in theft on the piers. The fact that the company superintendents or other employer officials may decide not to prosecute the alleged culprit, or that he may be acquitted after trial, or that he may receive a suspended sentence after conviction is irrelevant on this score. The fact is that the watchmen themselves do report men caught by them in the act of stealing and the record is replete with testimony of such action.

XI. The Commission's Legislative Program Is Discriminatory, Antilabor, Reactionary, and Unconstitutional

The commission proposes that the legislature set up a special body to be known as the division of port administration, with vast and far-reaching powers over the workers in this port and over stevedoring contractors. Insofar as the workers are concerned, it is to have power:

(1) To register all dockworkers in accordance with rules and regulations prescribed by the division and only those who meet certain standards and qualifications would be allowed to register. Among those standards are that their presence on the waterfront will not endanger the public peace, safety, and welfare. A dockworker not allowed to register is to be prohibited from working on the waterfront.

(2) To license all hiring personnel under a rigid system of standards and requirements in which labor is without any voice. The commission specifically recommended that they must not be members "of any labor organization connected with, or in any way affiliated with, a labor organization whose membership is composed in whole or in part of dockworkers."

(3) To establish information centers from which the registered dockworkers would be certified to employers for employment. "However, employers should be entitled to designate such registered dockworkers as they may desire (report, 69).

(4) "To investigate conditions in the waterfront. For this purpose and for the exercise of other functions, it should have the power to issue subpenas, administer oaths, and conduct hearings" (report 68).

(5) To require "the district attorneys and other public officials of both State and local governments * * * to cooperate with the division and furnish such assistance" as they may reasonably be called upon to supply (report 68).

(6) To cancel any license issued or strike from the register lists any dockworker for a violation of any of the divisions' regulations, or for any cause deemed by it sufficient (record 69).

(7) To deny the license or registry, and, if already registered or licensed, to have such registry canceled and licensed revoked, in the case of any registered or licensed worker who, when subpenaed to give testimony before the division or any of its agents, claims the privilege against self-incrimination guaranteed to all citizens under the Constitution.

(8) To license public loaders. Loading services could be rendered by companies without a license, who fall in the following categories: "A bona-fide steamship or trucking company, or a licensed stevedoring company." No person would be allowed to do any loading or unloading of freight from pier to truck or truck to pier if he does not obtain a license from the division. And he could not obtain a license if he (1) "has been convicted of a felony or certain named misdemeanors unless a specific exemption is made by the division"; (2) "is not of good moral character"; (3) "is a member of any labor organization"; (4) "whose presence on the waterfront will endanger public peace, safety, or welfare."

The proposed legislative program also provides that any violation of the provisions of the law or "of the regulations of the division" should be subject to "appropriate criminal sanctions."

Another statute was proposed for State visitation and control of the internal affairs of labor unions generally.

The mere outline of these legislative proposals shows their far-reaching and drastic character. In effect, the civil division sought to be created amounts to a permanent waterfront crime commission with complete control over the economic lives and destinies of dock labor in this port and over a portion of the economic life of the stevedoring industry. If enacted into law, as proposed by the commission, this legislative program would amount to the establishment in this port of a slave-labor camp with all of the ugly implications of a totalitarian tyranny.

We are at a loss to know why the commission shrank from calling a spade a spade. Perhaps to make its proposals for regimentation more palatable to the tens of thousands of dockworkers and to the American mind, accustomed to reject regimentation as alien to its tradition, the commission calls the program it proposes concerning dockworkers registration rather than licensing. But all the elements of a license are there. Whatever name the commission chooses to give to this kind of program, the effect of it is that it requires dockworkers to be licensed in order to have a right to work in the port of New York. If he does not register, or if he is stricken from the registration list, a dockworker is not allowed to get a job in the port and an employer is not allowed to employ him on pain of "appropriate criminal sanctions."

The standards prescribed require each dockworker to furnish information under oath concerning his name, address, social-security number, age, citizenship, length of time he has worked as a dockworker, criminal record, if any, and such other information as the division may reasonably require. Any misstep in supplying this information would lay the worker open to a charge of perjury in addition to loss of his job. Such weapons of terror and fear should never be forged in American industrial relations.

As if that were not enough, the proposal is that no dockworker should be registered who has been convicted of a felony or certain named misdemeanors unless he is permitted to do so by the division. Nor is any dockworker to be registered who, in the judgment of the commission or its agents, will endanger "the public peace, safety, and welfare."

What does "public peace, safety, and welfare" mean? Who is to define these terms? A worker who is overdiligent on behalf of his union might be deemed by the division or some of its agents as endangering the public peace or safety or welfare. Nor are those standards the same at all times and in all places.

Not so long ago an active member in the ILA might have been regarded as very desirable from the standpoint of public peace and safety on the docks. At this moment and under the circumstances existing now, such an active worker in the ILA might very well be deemed a person whose presence would endanger the public peace, safety, and welfare.

These weasel words could easily become the sword with which dockworkers would be stabbed in the back.

We have always been accustomed to believe that the right to life, liberty, and property—and the right to work where and when one pleases certainly is a right of liberty and property, if not of life itself—cannot be made dependent upon the will of a political bureaucracy and subject to the control of a political division of the State.

The whole program of registering and licensing smacks of totalitarian regimentation. And, yet, this and the other parts of the legislative program are being proposed in the name of the dockworkers and their welfare.

We have always assumed that this doctrine is unassailable; that dock workers, no less than other citizens of our land, are entitled to equality before the law and are not to be deprived of the rights to which all other citizens are entitled except by due process of law and by the judgment of their peers.

As if to give a further slap in the face to longshore labor, the crime commission proposes that "all dockworkers should be paid by check" (record 69). Yet, as the commission should know, it took organized labor many decades to place on the statute books the very opposite principle.

That principle is embodied in section 195 of the labor laws which specifically provides that employers "shall pay the wages of their employees in cash." By way of emphasis section 1272 of the penal law makes it a criminal offense for an employer not to pay wages to his employees in cash. Every experienced trade unionist knows the reason for these provisions and the benefits they confer on labor. Yet the commission in its report would turn the clock back and provide, insofar as dockworkers are concerned, just the opposite.

The philosophy running through the entire commission program is that the State can set up a political body which would know what is good for the workers, far better than would they themselves. It would substitute a political division of the State for the union of the workers' choice as the body to plan for its members' welfare and security.

The ILA and its members emphatically reject this philosophy and the program that goes with it.

CONCLUSION

For all of the reasons which we set forth in this answer, we respectfully submit that there is no justification for precipitant action on the commission's report which carries with it so many serious consequences to the community as a whole, to tens of thousands of workers, and to the various interests in this industry.

In any event, a legislative program so far reaching should not be rushed through on a few days' notice. The legislature is entitled to study the problems with the utmost care before it commits itself to the unprecedented proposals of the New York State Crime Commission. We believe nothing but good can come from deferment of action at this time.

Should the legislature feel that it needs to act before its next regular session, the ILA on behalf of itself and its members respectfully requests public hearings on the proposals dealing with the waterfront situation, to the end that no hasty action is taken to the injury of its members, the industry, and the community.

Respectfully submitted.

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WIRETAPPING FOR NATIONAL SECURITY

HEARINGS

BEFORE

SUBCOMMITTEE NO. 3
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

FIRST SESSION

ON

H. R. 408

TO REGULATE THE INTERCEPTION OF COMMUNICATIONS IN THE INTEREST OF NATIONAL SECURITY AND THE SAFETY OF HUMAN LIFE

H. R. 477

TO AUTHORIZE ACQUISITION AND INTERCEPTION OF COMMUNICATIONS IN INTEREST OF NATIONAL SECURITY AND DEFENSE

H. R. 3552

AUTHORIZING ACQUISITION AND INTERCEPTION OF COMMUNICATIONS IN INTEREST OF NATIONAL SECURITY

H. R. 5149

TO AUTHORIZE THE USE IN CRIMINAL PROCEEDINGS IN ANY COURT ESTABLISHED BY ACT OF CONGRESS OF INFORMATION INTERCEPTED IN NATIONAL SECURITY INVESTIGATIONS

MAY 4, 20, AND JULY 8, 1953

Printed for the use of the Committee on the Judiciary

Serial No. 7

UNITED STATES
GOVERNMENT PRINTING OFFICE
39119 WASHINGTON : 1953