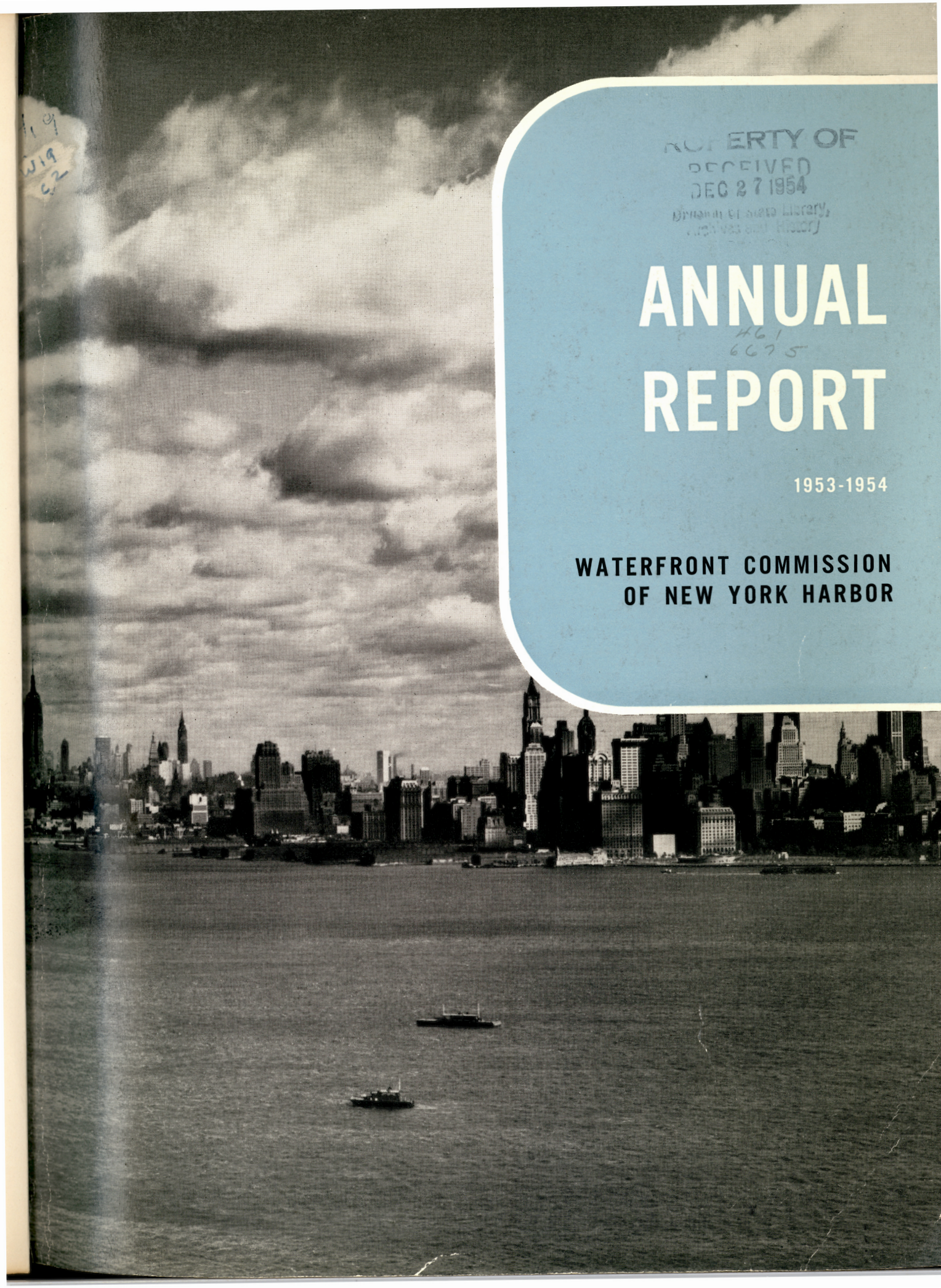

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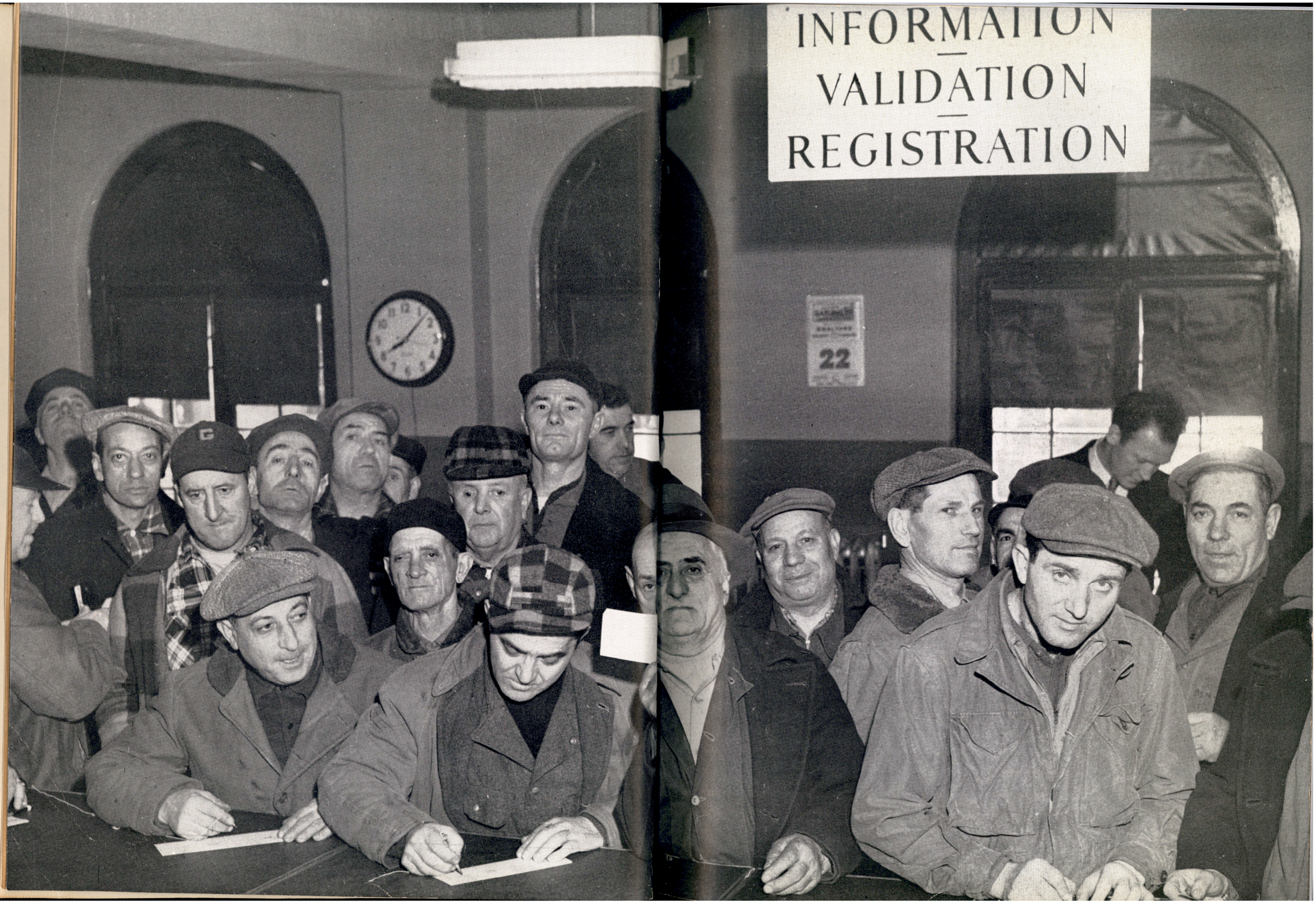
1953-1954

WATERFRONT COMMISSION
OF NEW YORK HARBOR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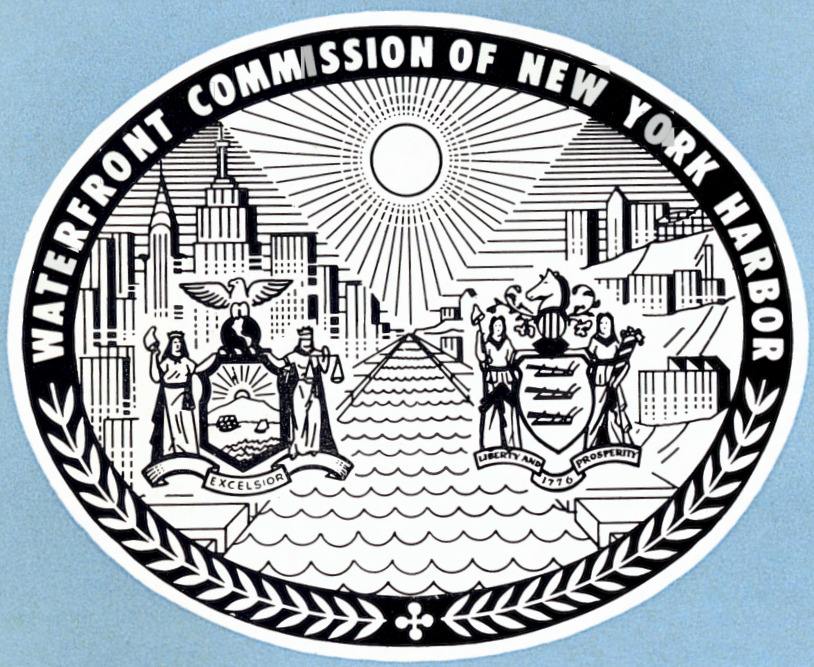


COMMISSIONERS

MAJ. GEN. EDWARD C. ROSE
Commissioner, New Jersey

LT. GEN. GEORGE P. HAYS
Commissioner, New York

LAWRENCE E. WALSH
Executive Director

WATERFRONT COMMISSION

OF NEW YORK HARBOR

Annual Report

FOR THE YEAR ENDED JUNE 30, 1954

New Jersey State Library



Honorable ROBERT B. MEYNER

Governor of the State of New Jersey



Honorable THOMAS E. DEWEY

Governor of the State of New York

LT. GEN. GEORGE P. HAYS
Commissioner, New York

MAJ. GEN. EDWARD C. ROSE
Commissioner, New Jersey

WATERFRONT COMMISSION OF NEW YORK HARBOR

15 PARK ROW • NEW YORK 38, N. Y.

LAWRENCE E. WALSH, *Executive Director*

To the Honorable Thomas E. Dewey, Governor,
and the Legislature of the State of New York:

To the Honorable Robert B. Meyner, Governor,
and the Legislature of the State of New Jersey:

We have the honor to report to the Governors and Legislatures of New York and New Jersey that the Waterfront Commission of New York Harbor is well on the way toward accomplishing its principal objective of assuring respect for law on the waterfront of the bi-state port.

The Commission greatly appreciates the exceptional assistance and support of Their Excellencies, the Governors of New York and New Jersey.

The Commission has completed its organization. It has put into effect the basic plan of the Compact. Attempts to block its efforts by court action and by unlawful strike have been defeated. The constitutionality of the basic provisions of the Waterfront Commission Compact has been established by the United States Supreme Court.

In its initial year the Commission has made great strides toward the solution of most of the basic problems facing it.

It has developed its hearing procedures for the protection of the rights of individuals subject to its jurisdiction. Of 168 persons adversely affected by determinations based upon its hearings only one has challenged the fairness of its action. In this one case the Court sustained the Commission.

Its administrative licensing procedures for the speedy handling of registration applications have been perfected. Within two months 26,025 longshoremen were registered and ready for work on December 1, the date fixed by the Compact. Fewer than twenty men kept from work on December 1 were subsequently registered; less than ten permanently registered later had their registration revoked.

Registration of 110 longshoremen was denied after hearings and 4,137 are undergoing further investigation.

Licenses were denied ten hiring agents and pier superintendents. Applications of twenty-six were withdrawn as the date for hearing approached. Others who could not qualify did not even apply for license or registration and consequently gave up their jobs voluntarily. The issuance of permanent licenses to hiring agents and pier superintendents awaits completion of all investigations for these jobs.

The books and records of stevedoring corporations and their officers have been audited; further investigation remains to be completed. One stevedore, the largest in the port, withdrew its application and sold out its business on the eve of public hearings. Hearings on other stevedore corporations will be resumed this fall.

A start has been made in the licensing of port watchmen. They have been checked for criminal records and activities. Temporary standards of physical and mental fitness have been set; these will be perfected before the expiration of the first three-year licensing period.

Public loading has been stopped as directed by the Compact. The steamship lines and stevedores now perform this work with registered longshoremen. Criminal charges are pending against sixteen persons as a result of violation of this provision of the Compact.

Unlawful interference with work on the waterfront has been checked. Six persons have been denied registration because of their participation in riots in Brooklyn in October 1953. Because of alleged misconduct during the port-wide strike of February 26-April 2, 143 are now the subject of public hearings.

Pilferage, which has annually been an estimated two-million-dollar burden upon the port is now receiving special attention by the Commission. After a warning period, heavy penalties have been imposed upon longshoremen guilty of pilferage.

The "shape-up," as exposed and condemned by the Crime Commission and the Legislatures, has been ended. The Commission has established thirteen employment information centers where all longshoremen other than "regulars" who work almost exclusively for a single employer are now hired. We believe that kickbacks and other extortionate practices connected with hiring have virtually ceased. Every complaint or rumor to the contrary has been carefully investigated. "Regular" employees, persons who usually work for a single employer, are permitted to report directly to the piers in order to save the time of the men and expense for employers. This procedure is under review and will be reviewed periodically if necessary to avoid abuses.

"Decasualization" is proceeding as required by the Compact. Expert testimony received by the Commission shows that 25,000 are ample to work the port but 35,229 longshoremen have registered. The Commission has adopted a regulation requiring that longshoremen must work or seek work at least eight days a month in order to remain on the Longshoremen's Register.

The investigative staff of the Commission is developing an increasing amount of information regarding illegal waterfront activities. This is being exchanged with law enforcement agencies to aid in the difficult work of accumulating evidence against the leaders of criminal activities on the waterfront who are beyond the jurisdiction of the Waterfront Commission because they do not work as longshoremen or hiring agents or in other licensed occupations.

As the Waterfront Commission proceeds with its work in the restoration of respect for the law on the docks, it suggests that unless corresponding attention is given to the physical renovation of the piers it will be difficult to realize the full value of the Waterfront Commission's program.

The Commission's study of loading practices in the Port of New York has re-emphasized the conclusions of the Crime Commission that, not only must there be a restoration of respect for the law on the waterfront, but there must also be a plan for the immediate rehabilitation and modernization of our piers.

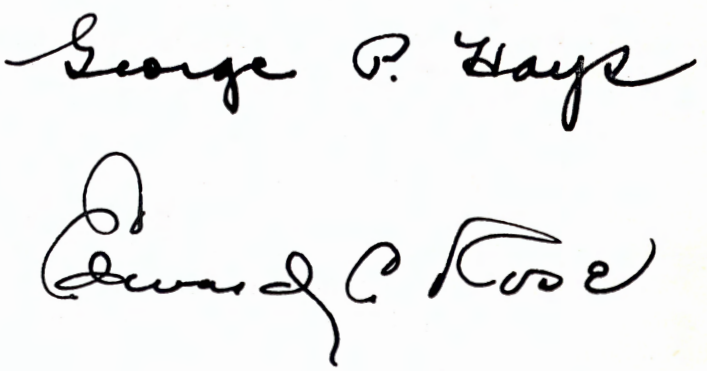
Modern equipment and machinery pose traffic problems which seriously encumber work on many antiquated piers. Most piers are so narrow that trucks cannot enter them without obstructing the entrance and exit of other vehicles and seriously restricting the efficiency of loading operations.

As the most flagrant waterfront abuses are stifled, the Commission is gaining the opportunity to perfect its regulations; to complete the investigation of pending applications; and to give consideration to lesser waterfront evils. The coming year will produce a heavy volume of work. Consideration must be given to the practice of certain employers who validate far more longshoremen for work as "regulars" than they expect to use, and to the sharing of the functions of the hiring agent with unlicensed persons. Hearings must be completed for the several hundred stevedores, hiring agents, pier superintendents, port watchmen and longshoremen who are still working under temporary permits.

Certain tension must be expected in view of the even balance between the two labor unions seeking to represent the longshoremen. This will be more than offset by the gain which comes from the longshoremen's new realization that they can control their unions, that the vote of each individual longshoreman is precious to the union leaders, and that they need no longer pay tribute to any person for the right to work.

Manifestly, the work of the Waterfront Commission has not been completed, nor will it be within the next year. Accordingly, as required by Article IV, Section 13 of the Compact, the Commission finds that public necessity still exists for (a) the continued registration of longshoremen, (b) the continued licensing of occupations or employments required to be licensed under the Compact and (c) the continued public operation of the employment information centers provided for in Article XII.

Respectfully submitted,



The Commission greatly appreciates . . .

The exceptional assistance of the New York City Police Department, both in the Chief Inspector's office and in the Riverfront Squads of Manhattan and Brooklyn; the New York Regional Office of the Federal Bureau of Investigation; the United States Coast Guard; the United States Attorneys for the Southern and Eastern Districts of New York; the District Attorneys of New York and Kings Counties; the National Labor Relations Board; and the New York State Board of Mediation. In New Jersey, the Commission has been assisted by the Police Departments of the Cities of Hoboken, Jersey City, and Newark; the New Jersey State Police; the United States Attorney for the New Jersey District; the County Prosecutors in Essex and Monmouth Counties; and the New Jersey Law Enforcement Council.

An unceasing attack on waterfront criminals was made by interested clergymen in New York and New Jersey. Outstanding in this effort were the Rev. John M. Corridan, Director of St. Francis Xavier's Labor School, Manhattan; the Ven. Edward A. Saunders, Episcopal Archdeacon of Brooklyn; and the Rev. William J. Smith, Director of the Institute of Labor Relations of St. Peters College, Jersey City, New Jersey. These men devoted themselves to rallying a good-sized army of waterfront workers who had to surrender to the criminals or defeat them.

The newspapers of New York and New Jersey have reported the activities of this Commission and editorially have stressed continually the necessity for action against lawlessness on the docks.

The Commission pays particular tribute to the late Louis Stark, a great reporter whose editorial comment bore the weight of his experienced judgment and prudent advice.

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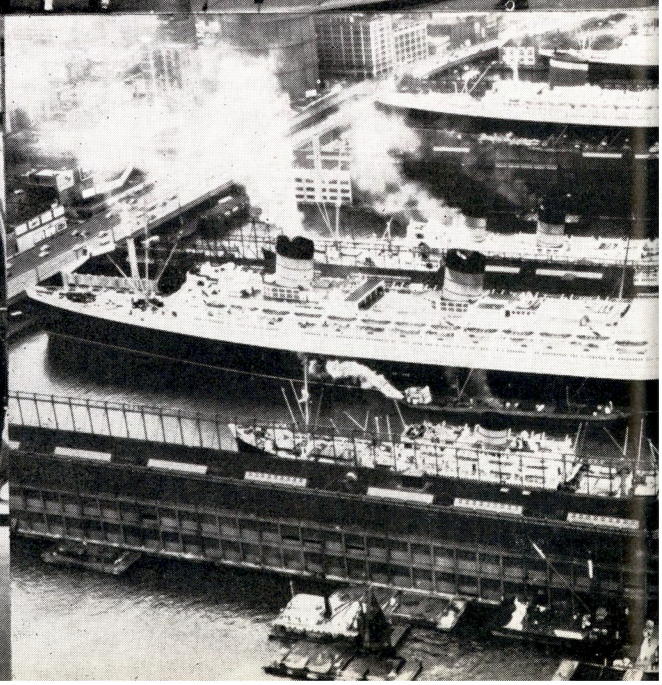




The Port of New York

World's Greatest Shipping Center

In the 1,500-square-mile area lying within a radius of about twenty-five miles of the Statue of Liberty in metropolitan New York and Northern New Jersey, live about thirteen million people—almost a tenth of the population of the United States. One out of every ten wage earners in some two hundred communities in the Port District hold jobs related to the basic business of the mammoth harbor.

Since it first accommodated world commerce two hundred years ago the Port of New York has been America's primary gateway. People and goods have moved through the port to help build the nation as well as the local metropolitan community. The harbor, the most valuable natural asset of the States of New York and New Jersey, is benefited by companion transportation facilities including an inland waterway, thruway, arterial highways, railroads and airports. Together, these water, land and air facilities form the major crossroads of world transportation.

As a result, the Port District is the leading manufacturing, processing, distributing and consuming center. Its continued prosperity is essential to the nation and the world.

Each year, 12,000 deep-sea vessels, flying flags of 170 steamship lines, carry passengers and cargo to and from the port. On an average, a steamship moves out of the harbor every forty-five minutes. This traffic is serviced by more than 1,500 piers, wharves and quays along the 650 miles of shore line. Two hundred of the piers accommodate deep-sea shipping.

About 150 million tons of freight, including local commerce, move over the waters of the port. Thirty-five million tons of this cargo is foreign trade that represents one-half of the dollar volume of the country's ocean-borne international commerce. The physical facilities of the port are augmented by business services that are not available in any other American harbor district. Banking facilities here finance about three-fourths of all United States foreign commerce. Insurance services, freight forwarders, custom house brokers and trade and traffic specialists all contribute to and depend upon the port's prosperity.

Indispensable to the port's business are the people who work on the waterfront. Their efficiency and honesty will prove to be one of the telling factors in the future of the port.



Johnny, the Longshoreman



Andrew, of the Hold Gang



Pete, the Hatch Boss



Deckman, No. 5 Hatch

Drawings by Thomas Vermillion

The New York Times
JANUARY 25, 1953

THE BOSS ON THE PIER: WATERFRONT PORTRAIT

Study of a Composite Character Held Responsible for a Reign of Crime

By GEORGE CABLE WRIGHT

Last week's testimony before the State Crime Commission threw new light on the pier boss and his role in waterfront activities. What follows is an attempt to sketch a composite profile of the pier bosses who control the various stretches of New York's vast port.

The average pier boss—the man who controls the livelihoods and the sometimes reluctant loyalties of the dock workers on six to a dozen of the New York piers—is hardly an example of the man who has risen in his own trade. Although he has spent a score or more of years on the docks, the chances are that he has done little work as an active longshoreman or cargo checker. It is doubtful that he would even know how to hold, much less use, a baling hook, the working tool of the longshoremen he rules.

He may exercise this control directly, as a hiring boss for one of the stevedoring concerns operating on the piers in his bailiwick. In this capacity he will be in a position to run the daily "shape-up" at which longshoremen are selected to load and unload cargoes between ship and pier.

Holds Union Posts

More often, he operates somewhat more remotely, from his position within the International Longshoremen's Union, A. F. L. He may be a vice president of the union, or an international organizer, or a delegate of one or more union locals. He may hold all three jobs. His ultimate power rests in his control of some number of the locals that supply the dockwallopers to the stevedoring concerns. As such, he has power almost literally of life and death over every man in his "set up." All of them know, from the top pier foreman to the lowliest longshoreman, that to court the boss' displeasure could bar them from employment on the waterfront.

The average pier boss is a man between fifty and sixty years of age. He spends money freely and is a good mixer. Most of his life has been spent near the waterfront and some of it, in many instances, in prison.

He has been arrested anywhere from twelve to twenty times on charges ranging from gambling and disorderly conduct to bank robbery, felonious assault—even murder. But by some means or another, he usually manages to escape conviction.

Despite his outward friendliness, the boss is basically ruthless in his methods. He retains his position as he secured it, through fear—fear that he has instilled in the men who work for him, in management and in other union leaders.

His Allies

His connections with the underworld, it would seem, are the closest, and in some instances his rise to power has been sponsored by unscrupulous management officials. Connivance with such individuals has also been necessary, at times, to insure the retention of his position. More than one industry spokesman has openly boasted that such men are good for the waterfront because they "keep the dock walloper in his place and maintain order."

From his union position—or positions—the boss draws a more or less legitimate salary of $12,000 to $15,000 a year, plus expenses. However, his illegitimate earnings are often far greater and may even triple the above figures.

In the latter category would fall gratuities from management, presented to him ostensibly for being "a good guy." In addition, he has been known to assume a major role in the public loading racket—the operation by which cargoes are transferred between piers and trucks—where the charges are usually based on what the traffic will bear. He may also be involved in the alien-smuggling racket and in the extortion racket. Then, to pyramid his profits, there are kickbacks from the longshoremen's pay and pilferage of cargoes. There is the hiring of short—or undermanned—gangs, with the boss taking a cut of the unspent funds. And there is the reduction of sling loads below their normal one-ton capacity; the resulting stretchout of work means more longshoremen's money for the pier boss to cut in on.

"Loan" Arrangement

The latest form of management gratuity appears to be the "loan." (Michael Clemente, boss of Manhattan's East River piers, has admitted accepting an $11,000 loan to cover the expenses of his daughter's wedding. None of it has ever been repaid and neither lender nor borrower ever kept a record of the transaction. Yet, both swear it was a loan.)

Briefly, this is how the boss operates. He collects the hundreds or thousands of dollars in dues, as the case may be, paid into the union locals which he controls, but seldom keeps a bank account or even bothers to record the payments in a book.

It is also the privilege of this man to select hiring bosses and other pier foremen for individual docks in his bailiwick, and assign public loading privileges for each of the installations. Usually the men selected for such tasks have long been suspected of shady activities or have actual criminal records.

Influence on Management

A word or a nod from the boss is all that is necessary, as a rule, to secure the instant dismissal of a man by management. In some cases industry officials gladly cooperate, but very often they do so through fear. They know that their failure to accede to such a request may result in a costly work stoppage ordered by the "dock dictator."

To enforce his authority the pier boss often retains a goon squad—muscle men whose job it is to weed out the recalcitrants and protect him. Opposition within the union local is avoided by having few, if any, meetings, and elections on rare occasions only.

The consensus of investigators is that the average pier boss is to a large degree responsible for the crime and corruption on the waterfront. Were he properly administering his legitimate duties and functions, the union locals he controls would hold regular meetings and elections; the hiring of all pier administrative personnel would be left to management. In addition, it is pointed out, he would be in an excellent position to cooperate with the industry in stamping out crime and corruption wherever it reared its head.

Crime on the Waterfront



St. Louis Globe Democr

A shipper demands first-class service, fast and efficient dispatch of his goods and a reasonable cost for the use of the port's facilities. Extensive piers and terminals, frequency of sailings and a broad range of essential port services have made the New York-New Jersey Harbor the port that shippers prefer. In recent years, however, the mounting volume of notorious waterfront rackets has hit port business. Crime has plagued the great port. It has reached out in all directions to involve officers of steamship and stevedoring companies as well as officers and locals of the International Longshoremen's Association.

Scattered, ineffective public attention permitted the malignant growth of crime until much of the port's business was influenced, if not controlled, by murderers, thieves and racketeers.

The singling out of the waterfront as a field for special concentrated public attack on crime commenced with the establishment of the New York State Crime Commission. On November 20, 1951, Governor Thomas E. Dewey ordered this Crime Commission to conduct a sweeping investigation of waterfront conditions in the port. Under an agreement with Governor Alfred E. Driscoll, close cooperation was maintained with the public authorities of New Jersey.

The Commission examined in executive session over 700 witnesses, held about 1,000 hearings, took over 30,000 pages of testimony and conducted over 4,000 interviews. It examined the books and records of more than 80 steamship companies, stevedoring companies and various other corporations and individuals. Twenty days of public hearings were held in December 1952 and January 1953.

All the evidence before the Crime Commission pointed to the hard, cold fact that the continuance of waterfront crime in the Port of New York eventually would cause the port to lose its position of supremacy. Such a catastrophe would constitute a crippling blow not only to the entire New York-New Jersey metropolitan area, but also to the Eastern seaboard which is served by the port.

The Commission's report to the Governor, the Attorney General and the Legislature of the State of New York on May 20, 1953, was replete with examples of crime on the waterfront.

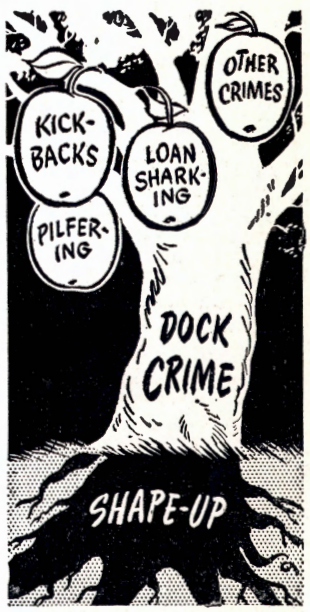
The Reverend John M. Corridan, militant priest, whose waterfront crime-fighting leadership played an outstanding part in the defeat of gangster control in the Port of New York.





Members of the New York State Crime Commission report to Governor Dewey in Albany. Front row (left to right) former New York City Police Commissioner Edward P. Mulrooney; Judge Joseph M. Proskauer, chairman of the Commission; Governor Dewey; the late Ignatius M. Wilkinson, Dean of Fordham Law School. Rear (left to right) General Counsel for the Crime Commission and presently a judge of the U. S. Court of Appeals John N. Harlan; former Chief Counsel for the Crime Commission Ben A. Matthews; and Chief Investigator Joseph Kaitz.

It told the story of: (1) the unhealthy conditions in the steamship and stevedoring industry; (2) the dishonest leadership in the International Longshoremen's Association (ILA) and its component locals, and the flagrant disregard by union officials for the welfare of their employees; (3) corrupt labor leaders engaging in incompatible enterprises; (4) the antiquated shape-up method of hiring dock workers and the forcing of undesirable hiring foremen on the employers; (5) the public loading racket, and (6) the ineffectiveness of the port watchmen.



Immediately, under the leadership of Governor Dewey, with the cooperation of Governor Driscoll, the two States pressed forward to provide the remedies suggested by the Crime Commission. Its legislative recommendations were reviewed at public hearings conducted by Governor Dewey and the New York legislative leaders on June 8 and 9, 1953. As modified, the Commission's recommendations were embodied in the Waterfront Commission Compact.

The Sun

Crime on the Water Front

Cargo Losses From Organized Thievery Put at $50,000,000 a Year, but Shipping

can't prove anything. is never traced. It's non-delivery."

Newark Evening N

due to many intricate factors, but it

as high as $50,000,000 a year.

Whole truckloads of cargo

New York World-Telegram
and
The Sun

Priest Drafts Plan to End Pier Rackets

Only major surgery can cut the "cancer of corruption" from the finest natural port in the world, the Rev. John M. Corridan said today in offering the New York State Crime Commission a specific program for cleaning up the waterfront.

Father Corridan, associate director of the Xavier Institute of Industrial Relations, better known as "the waterfront priest," called his eight recommendations "a basic, clean-cut solution."

'Vision and Guts.'

"It will take men of vision and guts to put this solution into effect," he said in a statement accompanying his recommendations.

"Not only the longshoremen and the harbor workers, but also the people of this city and this state wonder if we have them. Please God—we do."

His eight specific recommendations were:

1. Turn over the physical assets of the entire port to the Port of New York Authority for rehabilitation and development as one natural unit instead of permitti

DAILY NEWS
NEW YORK'S PICTURE NEWSPAPER

Commish Bans Docks Toughie Danny St. John

By JACK TURCOTT

The Waterfront Commission yesterday permanently banished Danny St. John, veteran dock toughie and murder suspect, from his once-lucrative post as longshore hiring boss on a Nort

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Rubino, financial secretary
Local 1199 of the old ILA,
beaten nearly to death.
henchmen of the Brooklyn
boss, Anthony (Tough Tony) A
tasia, are being held for the
sault.

The commission's list of re
tions does not indicate the ex
of criminal influence on the wa
front, for many of the Sing S
alumni had sense enough no
register. But the total is la
enough to show the size of
commission's task,
Rubino assault sho
mission will

The New York Times

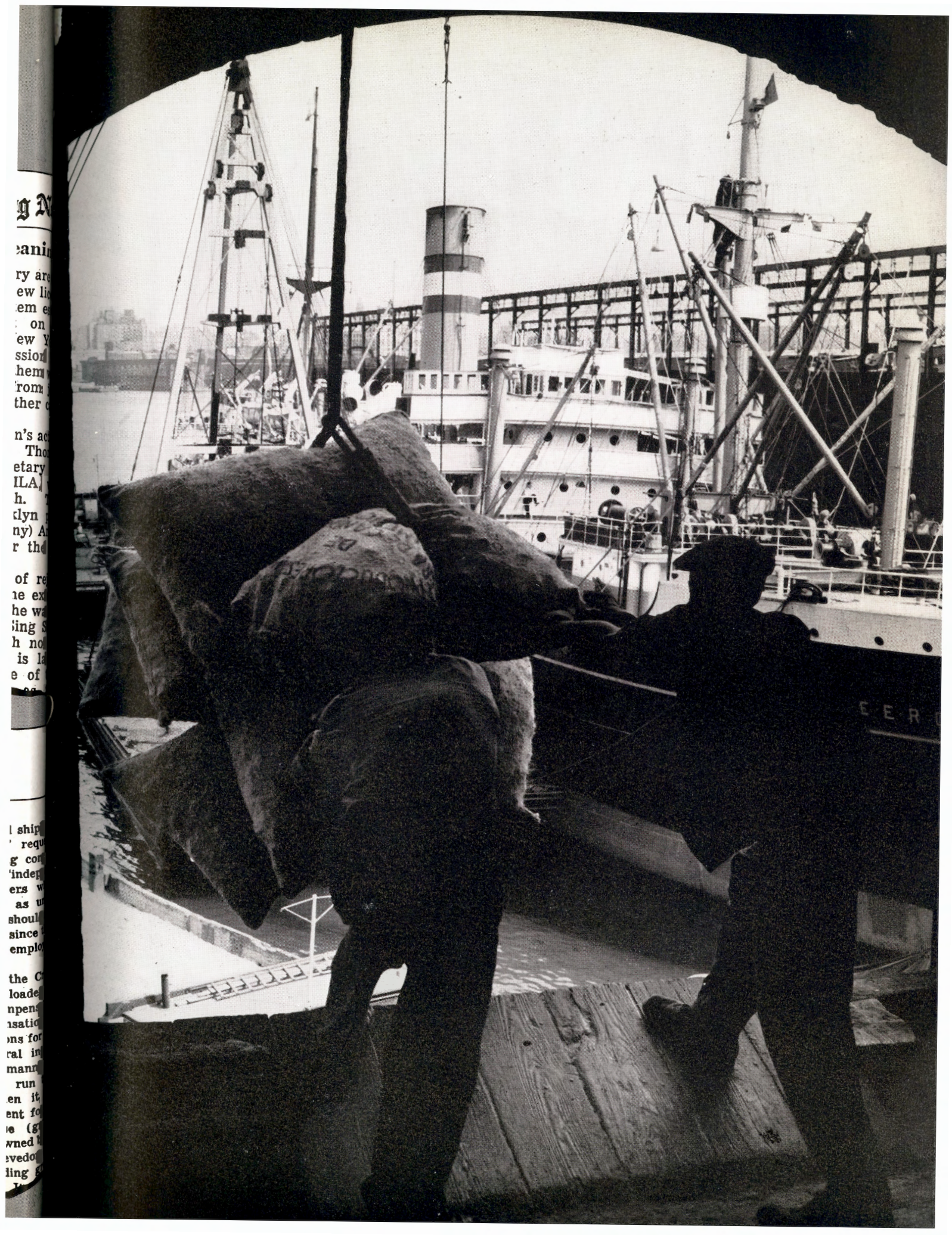
RACKET OF RACKETS

The State Crime Commission appears to have proved its case that the public loading racket on New York's piers exacts at least five million dollars a year from in-bound cargo deliveries. If anything, this sum appears to be an underestimate. The public loading racket is a cardinal reason why this port is losing out in competition with other ports. It explains why the consumers' fruit and grocery bills and other items are higher than they should be.

What is the loading racket? Goods unloaded from ships by longshoremen are lifted from the pier to a waiting delivery truck. That is all there is to it. Yet this "concession" is so lucrative that men have been murdered for it. Shipping executives have been silenced by fears of gangster reprisal, mobsters have taken over, and city officials, police and public authorities have done little, if anything, to eradicate the evil.

abuses continued. The cowed shipp
companies, at the mobsters' requ
granted criminals the loading con
sion. The loaders became "indepe
ent" contractors or employers w
continuing, as they still do, as u
members, an anomaly which should
be tolerated by the A. F. L., since
act in a dual capacity as emplo
hiring union associates.

It has been disclosed by the C
Commission that the public loader
not pay unemployment compens
taxes or workmen's compensatio
surance and that no deductions fo
age insurance or for federal in
taxes exist. The brazen manne
which some public loaders run
business was revealed when it
elicited that they pay no rent fo
of the pier, that they use (g
machinery and equipment owned b
shipping companies and stevedor
ployers. Some of the loading g
were recently incorporated.
tified that



Newark Star-Ledger

A day-by-day project

During the course of setting up the mechanics and procedural details of the recently-formed bi-state New York Waterfront Commission, the New Jersey representative, Maj. Gen. Edward C. Rose, was asked how long it would take to clean up the New York waterfront.

He laughingly replied that it was a "999-year job," which was just another way of saying the problem of crime on the waterfront will not be solved automatically with the establishment of the commission, since it is a problem that will have to be worked on day-by-day for a lengthy and, in fact, indefinite period.

It has long been established that the ports of the nation are lucrative sources of pelf for the mobster and gangster elements. It is also obvious that the [illegible] not give up [illegible]

New York Herald Tribune

Marine News

53 Denied Port Jobs For Crime

By Walter Hamshar

The Waterfront Commission made public at the [illegible] the names [illegible] barred perm[illegible] as longshore[illegible] pier superi[illegible] watchmen "[illegible] fying crimin[illegible]

Five other [illegible] watchmen[illegible]

Mercer St., Jersey City, and James McLaughlin, 1483 E. 31st St., Brooklyn.

Albert Ackalitis, 189 Locust Ave., Staten Island, and Frank J. (Sonny) Campbell, 485 46th St., Woodside, Queens, headed the list of longshoremen who were barred from the longshoremen's register. Ackalitis and Campbell, formerly of the Arsenal gang, had ruled the piers in the lower Greenwich Village section. Others ruled off the [illegible] shoremen's register are:

From Manhattan and the [illegible] J. King, 218 [illegible] 145 [illegible]

mer which empowers it [illegible] applications for the Jon[illegible] men's register or for lic[illegible] hiring bosses, pier super[illegible] ents or port watchmen [illegible] criminal records, evide[illegible] subversive activities or [illegible] are found by the commi[illegible] constitute a threat to [illegible] peace and safety.

All applicant[illegible] portunit[illegible] hear[illegible]

Newark Evening News

Waterfront Co-operation

RACKETEERING isn't all that's wrong with the New York-New Jersey waterfront. The physical property of the port has deteriorated to an extent that parallels almost the inroads of organized crime. In combination these factors present a standing threat to the port's already slipping commerce which sooner or later must face the new challenge of the St. Lawrence Seaway.

Both port problems are engaging the further attention of Governors Dewey and Meyner who, in conference in New York, agreed that substantial advances have been made in curbing some of the more grievous forms of racketeering. This does not mean, of course, that racketeering has been eliminated or that interstate vigilance can be relaxed. Mr. Dewey covered it all when he said that both states must now guard against the substitution of new excesses for the old. In the bi-state Waterfront Commission of New York Harbor the public has the agency to do just that.

As to the physical condition of the piers and docks, this has been a continuing problem. Various rehabilitation plans have been advanced, but rehabilitation has been slow, spasmodic and for the most part nonexistent. From time to time it has been suggested that the Port of New York Authority or other public agency undertake a redevelopment plan, but the project has not been attacked on any comprehensive scale.

A conspicuous exception to the general deterioration, of course, is Port Newark. Under Port Authority's energetic and imaginative management, progress there has been rapid and visible. Large new docking and other facilities have been constructed. The result has been to attract shipping and new business. Presumably what Port Authority has done in Newark could do elsewhere were it not for sectional and allied impediments.

Mr. Meyner and Mr. Dewey promise another conference on the best means of restoring the rest of the waterfront on both sides of the Hudson to a more effective footing. This is encouraging in more than one way. The promise of continuing interest thus conveyed seems to rule out unilateral development on the part of the port. Waterfront co-operation has come to mean a dual enterprise for either or any affected municipality to go it alone at this juncture.

The New York Times

PIER ACTION IS IMPERATIVE

The New York State Crime Commission continues its sickening revelations of exploitation and bilking of longshoremen by their leaders, with whom maritime industry executives have played ball. Local union account books are missing, large funds are unaccounted for, officers keep no bank accounts of dues paid, racketeers form "kickback clubs" and extort payments on promise of jobs, "kickbacks" are also paid to hiring bosses (anomalously these management representatives are also union members), union leaders vote themselves lavish expenses, locals seldom hold meetings, and watchmen on piers are afraid to make arrests for pilfering.

Is the A. F. L. interested in these disclosures, which affect one of its affiliates and besmirch the name of all labor organizations? If so, how much longer can it seek refuge behind the specious excuse that the federation grants "autonomy" to its allied national unions? Does "autonomy" [illegible] each [illegible]

THE JERSEY JOURNAL
and Jersey Observer

Still No Verdict

The National Labor Relations Board estimates it will require six weeks to two months to determine finally just who won yesterday's election for bargaining agent along the metropolitan area docks.

The old International Longshoremen's Association is the leader by more than 300 votes in the tally, but there are some 1,700 challenged votes which conceivably might reverse the finish to favor the American Federation of Labor longshoremen's union.

In short, the situation is much as it was. The ILA is in office but the AFL is so close a challenger as to leave the issue in doubt.

There is one issue, however, which no longer is in doubt. There is no longer a chance for continuation of racket control —the objection which cost the old ILA its place within the Federation.

The Bi-State Waterfront Commission has the power to pick off the racketeers one by one and keep them off the docks.

Presumably, such steady pressure can change conditions alo[illegible] waterfront. The method ma[illegible] d imperfect but two su[illegible] ections have sho[illegible] unlikely.

New York World-Telegram and The Sun

The Loading Evil.

If any evidence has been lacking to prove conclusively the evils of the waterfront public-loading system, the recent State Crime Commission survey provides it.

Scores of firms reported that they were forced to use the loaders, had to pay exorbitant fees and were charged for services not performed. Although similar charges have been made before, the latest batch add up to the strongest condemnation of the practice through sheer weight of number.

[illegible] while, commission testimony emphasizing the sordid [illegible] national Longshore- [illegible] ial after union [illegible] sting pier

Staten Island Advance

Longshore Future

Selection of the old Palace Gymnasium as the Waterfront Commission's hiring center may be symbolic.

In the State Crime Commission's public hearings two years ago, the building was cited as a gambling headquarters.

There was a transition period when it was used as a warehouse and now it's the headquarters for the "new deal" for the men who work on the docks.

The waterfront clean-up itself is now in a period of transition. It will take a long time before all the undesirable elements lose their influence on the waterfront—and an indefinite period of watching to make sure that they don't regain it.

The new hiring procedure will apparently include a certain amount of red tape. At least it will seem so. But certainly the old-time "shape-up," with its many obvious and hidden abuses, is being replaced with a healthier plan.

Some quarters fear that the la[illegible] avenue of hope for men with [illegible] records is being [illegible] operation. Th[illegible]

Newark Star-Led[illegible]

Long, tough job ahea[illegible]

The Waterfront Commission of N[illegible] Harbor, set up some months ago by N[illegible] and New Jersey to clean up the wa[illegible] from crime and corruption, has qui[illegible] about organizing itself as a fighting [illegible]

Starting from scratch, and in th[illegible] no little opposition from certain un[illegible] ers, the bi-state commission has [illegible] organized a staff of 180 persons with a[illegible] of approximately $1,000,000.

This may seem like a huge su[illegible] actually it is a small amount consider[illegible] job facing the commission in cleaning [illegible] deeply entrenched abuses and racke[illegible] on the New York piers.

The $1,000,000 payroll budgeted f[illegible] is practically insignificant when the s[illegible] ing sum of thefts alone on the water[illegible] totalled up. To these losses, of c[illegible]

Collier's

BIG BOSS of the BIG PORT

By LESTER VELIE

One of New York's richest and most powerf... men. Wi... out of the limelight. Here

THE condemned killer, awaiting execution in Sing Sing prison, was complaining bitterly to an assistant district attorney from New York County. The killer, a trim little man with arctic-blue, slightly crossed eyes, was John M. (C... Eyed) Dunn—who was to die soon for th... of a hiring boss on the New York d...

A potent figure on the N...

NEW YORK

Herald Tribune

The Greatest Port in Danger

The State Crime Commission's hearings on the waterfront have been filled with unpleasant revelations. Almost all of the testimony is disturbing, and particularly that part dealing with the relative economic position of the Port of New York. The facts are pretty blunt. This port has managed to hold its own on competitive foreign trade; it still has 53 per cent of all that is available in the nation. But Baltimore and New Orleans have moved up percentagewise in both foreign and coastwise trade. Boston, on the other hand, has slipped. Now it is easy to say that comparative statistics can be misleading, and that there is an explanation for everything.

Still, the plain truth is that while business continues good in New York, it could be much better. Commissioner Edward F. Cavanagh says: "If we only hold our ground, we're through. We must do more than just hold what we have." That sort of talk may be bad advertising for New York, but not necessarily so. The truth cannot be ignored. By relentlessly spreading it on the record, the hope is that the greatest community in the world will be shocked out of complacency.

Admittedly the waterfront is a tough nut to crack. There seems to be little that can be expected from the crime-infested longshoremen's union unless the American Federation of Labor chooses to crack down. Thievery and all the costly rackets must be broken up. The public-loader system is a vicious tax on commerce; the shape-up is a monstrous imposition. Physical rehabilitation is required on a scale beyond the city government's strained resources. All this calls for a tremendous amount of consolidated determination. But the task is certainly not insuperable. Let the State Crime Commission spare no punches in its coming recommendations. New York's greatest asset is ripe for a clean-up. Governor Dewey stands ... force a progra...

FORTUNE

Last of the Business Rackets

by Daniel Bell

RIMMED OFF from the city by a steel-ribbed highway and a wall of bulkhead sheds stands the New York waterfront, an atavistic world more redolent of the brawling money-grabbing of the nineteenth century than the ideological twentieth. Cross the shadow line and you are in a rough, racket-ridden ...ain ruled by the bull-like figure of the "shaping ...le sustained where necessary by ...among a cowed and ... Euro-

Daily Mirror

On With the Operation

"It will take men of vision and guts to put this solution into effect. Not only the longshoremen and the harbor workers, but also the people of this city and this State wonder if we have them. Please God—we do."—Rev. John M. Corridan, S. J., associate director of the Xavier Institute of Industrial Relations.

THE SOLUTION referred to is one which aims at cutting out the "malignant cancer of corruption" which has afflicted New York's waterfront. Father Corridan submitted it to the State Crime Commission, at the commission's request.

It's quite worth while to listen to Fat... Corridan. In case you d...

The New York - New Jersey Waterfront Commission Compact

Governor Dewey of New York (center) meets with Governor Driscoll of New Jersey (left) and his successor, Governor Meyner. With them are (standing left to right) Waterfront Commission Executive Director Lawrence E. Walsh, and Commissioners Lieutenant General George P. Hays of New York and Major General Edward C. Rose of New Jersey.

Through the enactment of legislation in the New York State Legislature on June 25, 1953, and in the New Jersey Legislature on June 30, 1953, the two States agreed to the New York-New Jersey Waterfront Commission Compact. The Compact was approved by the Congress of the United States on July 30, 1953, and signed by President Dwight D. Eisenhower on August 12, 1953.

The Compact reflected the conclusions of the legislatures of both States, the New York State Crime Commission and the New Jersey Law Enforcement Council that waterfront labor hiring practices and the conduct of the public loading business were uneconomic, unjust and degrading to the waterfront workers and fostered crime and corruption.

These evils were to be eliminated by requiring pier superintendents, hiring agents, stevedores and port watchmen to be licensed by the Waterfront Commission, and by requiring longshoremen to be registered with it. The Commission was given power to exclude from such employment persons with criminal records and persons whose presence on the piers was proven to be a danger to the public peace and safety. The shape-up method of waterfront hiring was to be eliminated through the operation of government employment information centers. Public loading was to be abolished.

The Compact protects the rights of applicants, licensees, and registrants by procedural safeguards including hearings, court review and other requirements incident to the full protection of the individual under the Constitution of the United States.

The Waterfront Commission was given no power over internal union affairs or union officers, nor was it permitted to interfere with the selection of men for work; this was left to the longshoremen themselves and to collective bargaining.

The Constitutionality of the Compact Has Been Upheld by the United States Supreme Court

Two cases involving the constitutionality of the Waterfront Commission Compact have resulted in decisions by the Supreme Court of the United States affirming its constitutionality.

The first of these cases was *Linehan v. Waterfront Commission,* 116 F. Supp. 683 (S.D.N.Y. 1953), *aff'd* 75, Sup. Ct. 623. In this case the ILA sought to enjoin the enforcement of Articles VIII and IX of the Compact, requiring the registration of longshoremen and the regularization of their employment. A three-judge Federal Court upheld the constitutionality of these provisions and dismissed the complaint. On appeal the Supreme Court of the United States, on April 12, 1954, affirmed the lower court's determination.

The other case, *Staten Island Loaders, Inc. v. Waterfront Commission,* 117 F. Supp. 308 (S.D.N.Y. 1953) *aff'd* 75, Sup. Ct. 623, involved an attack by the ILA upon Article VII of the Compact which prohibits the practice of public loading. A three-judge Federal Court sustained the constitutionality of this provision and dismissed the complaint. On April 12, 1954, the Supreme Court of the United States affirmed this decision.

A third attack on the constitutionality of the Compact, seeking to enjoin enforcement of Article V governing the licensing of hiring agents and pier superintendents, was dismissed by a Federal District Court, without even convening a three-judge tribunal. *O'Rourke v. Waterfront Commission,* 118 F. Supp. 236 (S.D.N.Y. 1954).





Lt. General George P. Hays of New York City (left), appointed on August 20, 1953, by Governor Dewey the New York member of the Commission, served in the U. S. Army for more than 36 years. He was awar the Medal of Honor after the Second Battle of the Marne. Following his service in World War II he was Dep Military Governor of Germany, and for three years Deputy High Commissioner. General Hays retired in 195 Commanding General of the U. S. Forces in Austria.

Maj. General Edward C. Rose of Mantoloking, New Jersey (right), appointed on August 29, 1953, by Gover Driscoll as the New Jersey member of the Commission, has had an active career in both business and milit affairs. He was awarded the Distinguished Service Medal and the Legion of Merit. He was on the Staff of FA Brigade of the 35th Division, and the Staff of the 44th Division of the New Jersey National Guard, commanded the 112th FA Regiment and the 69th FA Brigade.

The Commission Goes to Work

The Waterfront Commission of New York Harbor

Upon passage of the Waterfront Commission Act, the two States moved immediately to put the waterfront reforms into effect.

Under the law, the Commission consists of two members, one from New York and one from New Jersey. They are appointed by the respective Governors with the consent of the Senate to serve for terms of three years.

Governor Thomas E. Dewey, on August 20, 1953, appointed Lt. General George P. Hays (Ret.) of New York City as the New York member of the Commission. Governor Alfred E. Driscoll, on August 29, 1953, appointed Maj. General Edward C. Rose of Mantoloking, New Jersey, as the New Jersey member.

The Commission moved swiftly to organize a staff. On September 24, 1953, Lawrence E. Walsh was appointed General Counsel and Executor Director. Under him a group of well-qualified men and women were selected to deal with the problems awaiting solution. Among these were leading assistants of the District Attorneys of New York and Kings Counties with experience in rackets prosecution; lawyers with experience in the office of the Governor of New York and lawyers trained in the work of administrative agencies; the key investigators and accountants of the New York State Crime Commission; former members of the Federal Bureau of Investigation and Federal Bureau of Narcotics, and former members of police departments in New York and New Jersey; and finally, a group of energetic, personable, devoted men who undertook the management of the employment information centers.

Percy A. Miller, Jr., became Director of Employment Information Centers and Licensing; Joseph Kaitz, Director of Investigations; and Hyman S. Lipman, Director of Administration.

Miss Rosaleen C. Skehan, Assistant General Counsel of The Port of New York Authority, served as Special Counsel for the first three months. The Commission also was assisted by management experts assigned by the New York State Division of the Budget under the direction of William N. Arnstein.

Since November, Whitman Knapp has served as Special Counsel in New York, and Milton Rosenkranz as Special Counsel in New Jersey.

Samuel M. Lane succeeded Lawrence E. Walsh as General Counsel and Executive Director when the latter was inducted as Judge of the U. S. District Court for the Southern District of New York on July 21, 1954.

Executive Director Walsh in the Commission's offices overlooking Manhattan and Jersey City Hudson River Docks.





HAPPY HUNTING!

Brooklyn Eagle

The Compact is in Effect

Prior to December 1, 1953, the date fixed in the Compact, the Commission was able to complete its organization. It put into effect the basic plan of the Compact. Attempts to block its efforts by court action and strike have been defeated.

During the year which has passed since the enactment of the Compact, we believe that the major evils found by the Crime Commission have been eliminated. Extortion by public loaders, bribes by stevedores, kickbacks by longshoremen have ceased. The profit has been eliminated from waterfront crime. A tremendous start has been made in driving the worst wrongdoers from waterfront employment.

Hearing Procedures are Established

Some of the most important powers of the Commission relate to the rights of the individual —the right to work as a longshoreman, the right to work as a hiring agent or pier watchman, and the right to undertake the business of stevedoring. Accordingly, one of the first actions of the Commission was to adopt regulations for the fair conduct of hearings relating to these rights. The Commission has been scrupulous in protecting the individual's right to counsel and the right to cross-examine witnesses. In notifying individuals to appear for hearing, the Commission is careful to specify charges and provide ample time for preparation for appearance. Its power to issue subpoenas for witnesses and records is available to the applicants and respondents concerned with Commission proceedings.

Thanks to these procedures and to the spirit with which they have been carried out, there has been only one appeal to the courts from determinations based on Commission hearings. In this case, the decision of the Commission was sustained. (*Falvey v. Hays,* (Sup. Ct. N. Y. Co. 1954) N.Y.L.J., April 8, 1954, p. 9).

The Shape-Up Evil is Ended—Thirteen Employment Information Centers are Established

The "shape-up" system under which labor was hired in the Port of New York was not only degrading to the men but fostered corruption. The "shape-up" method of hiring required longshoremen to gather each morning, usually in a semicircle, at the pierhead a few minutes before the work day commenced at 8:00 o'clock. Men were chosen by the hiring boss after he "blew the whistle" and indicated his choice by touching a man on the arm or shoulder, or pointing at the one selected. Those "shaping" were well aware that kickbacks were the order of the day. The hiring boss sometimes indicated the current kickback rate by the number of cigarettes or matches he wore in his hat band, or through some other code. Those who failed to find employment during the brief period of "shaping" could try again at the next pierhead or wait for the afternoon "shape" at 1:00 o'clock.

The "shape-up" method of employment of longshoremen and port watchmen in the Port of New York resulted in vicious and notorious abuses of which longshoremen have been the principal victims. There is little long-term employment among longshoremen. Each day persons seeking work were required to gather at the pier and wait to be selected by the hiring agent of the stevedore or steamship line operating the pier. They traveled long distances with no assurance of work. They usually found more persons seeking work than there were jobs—particularly if there was any prospect of overtime. The key to economic survival was the favoritism of the hiring agent. In many cases this favoritism was for sale. In other words,

Thomas F. Jones (left), Assistant Chief Investigator, and Joseph Kaitz, Director of Enforcement and Investigation, confer on Waterfront Commission business.



Percy A. Miller Jr., Director of Information Centers and Licensing, examining license record with Miss Ruth Doxey, an assistant.



throughout much of the port, a man had to pay tribute to work regularly as a longshoreman.

Compelling evidence before the Crime Commission also indicated that hiring by the "shape-up" subjected employees to threats of violence, unwilling participation in unauthorized labor disturbances and various criminal activities on the waterfront. The "shape-up" thus resulted in a loss of fundamental rights and liberties of labor, impaired the economic stability of the port, and weakened law enforcement.

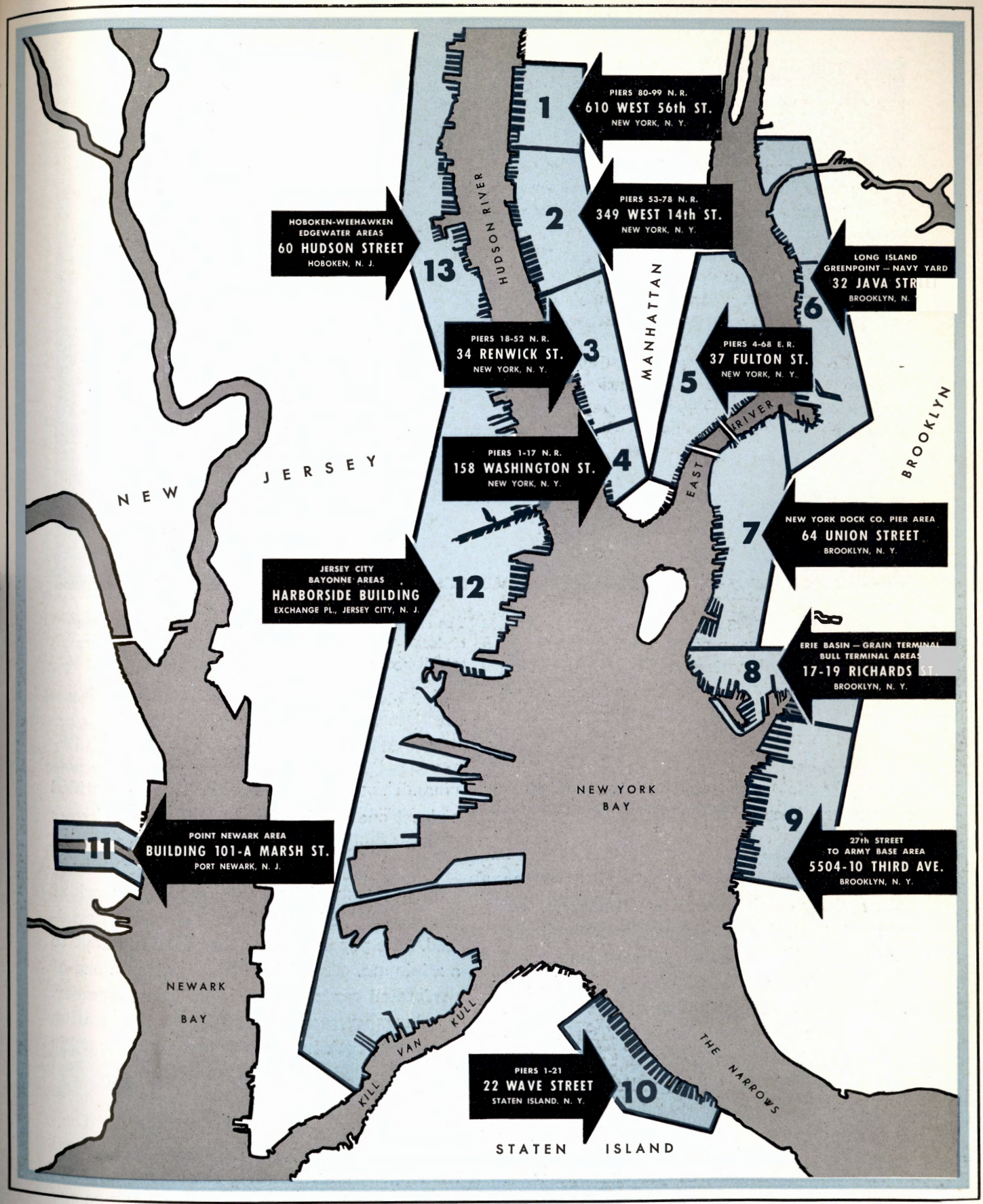
The Compact authorized the Commission to establish employment information centers throughout the Port District to replace the "shape-up". Since December 1, all hiring of longshoremen and port watchmen has been made through thirteen publicly operated centers established by the Commission at the most convenient possible points along the waterfront. In New York these centers are located in Manhattan, Brooklyn and Staten Island. In New Jersey they are in Port Newark, Jersey City and Hoboken.

All the centers were organized, equipped and staffed by November 23.

The shipping industry was notified that the centers were open and ready to instruct all shipping personnel who might be required to use them. Unions received similar notification. As a result of the cooperation by everyone con-

Mrs. Julia Larsen, one of the many highly trained assistants who understands the problems of waterfront workers, stamps "show-up" card.





Map Showing Location of Employment Information Centers and Areas They Cover

WATERFRONT COMMISSION OF NEW YORK HARBOR



The old "shape-up" system of hiring which has been replaced by the employment information centers established by the Waterfront Commission.

cerned, the centers operated smoothly and without major difficulty from the day they were opened.

Under the present system, "casuals", persons not regularly employed at a particular pier, report to a Commission information center to be employed by hiring agents. These agents must hire in that place for all of the piers in the neighborhood. A longshoreman thus does not go from pier to pier to seek work. The employment takes place under government supervision. The person doing the hiring is licensed by the Commission and knows that he will lose his license for any illegal conduct.

"Regular" employees, or persons who work almost exclusively for a single employer, are permitted to report directly to the employers' piers. In such cases the Commission is notified at least one day in advance that the employers expect to put these regular employees to work.

The delays which were feared in the work at the centers due to "red tape" have not materialized. The paper work at the centers is kept to a minimum. The hiring agent is given a pad of perforated cards carrying his license number. The longshoreman simply adds his registration number to both halves of the card. The card is then presented to the center staff for a stamped validation after check against the Longshoremen's Register kept by the Commission. One-half of the card is retained by the center, and the longshoreman receives the other. This enables one center clerk to handle as many as one hundred casuals an hour.

The checking of pre-validation forms for workers who report directly to employers, to be sure that only registered longshoremen are employed, is accomplished at the information centers during off-peak hours.

Longshoremen who do not find work are given "show-up" cards which they fill out and sign. This credits them with attempting to obtain work on the day in question. It protects them in connection with the "decasualization" program that eventually will eliminate persons who work only occasionally as longshoremen.

Longshoremen have expressed disappointment that the Compact does not eliminate the element of favoritism by hiring agents. This can only be accomplished by the adoption of some objective method of hiring such as seniority or rotation. This, however, is beyond the powers of the Commission. The Commission can only assure that the selection of the longshoremen, and any favoritism that may exist, is exposed to public scrutiny and made a public record.

Hoodlums Are Being Driven from the Piers

The Crime Commission found that a combination of mobsters—some parading as union officers, some as public loaders, and some as hiring agents — controlled the waterfront through terror and corruption. Behind these mobsters were their masters or patrons who held no office connected with the waterfront. Some had no known means of support whatever.

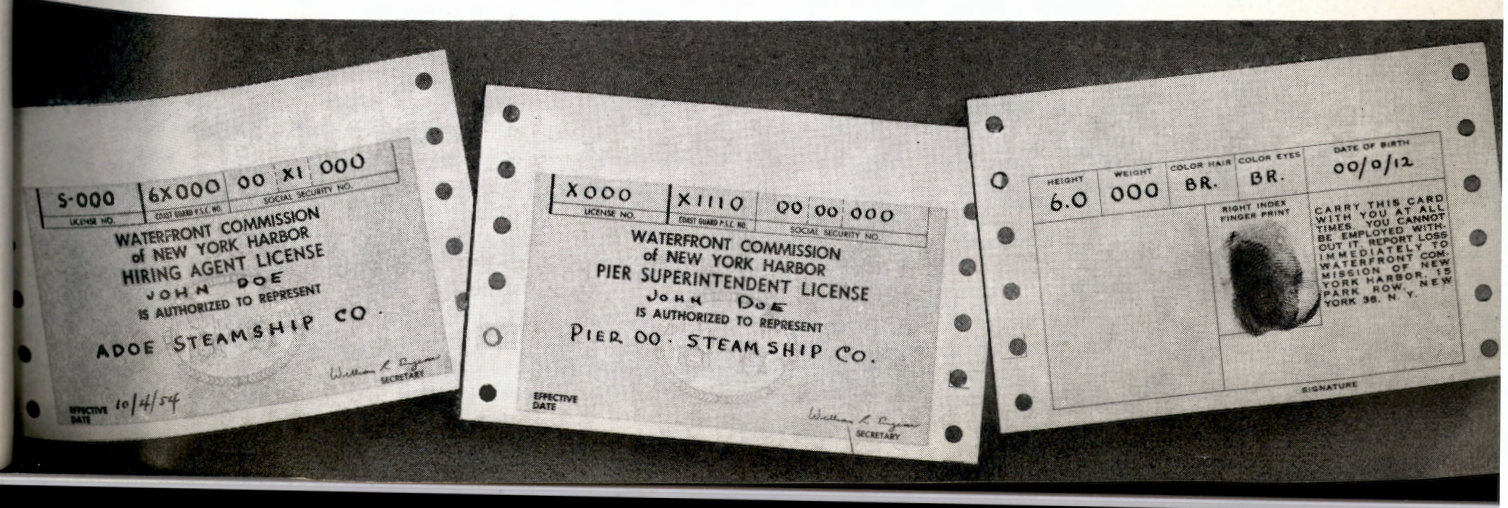
To break the grip of the criminal combine which has controlled the piers, the legislatures directed the elimination from pierside employment of the persons who carried out and enforced the mandate of the combine.

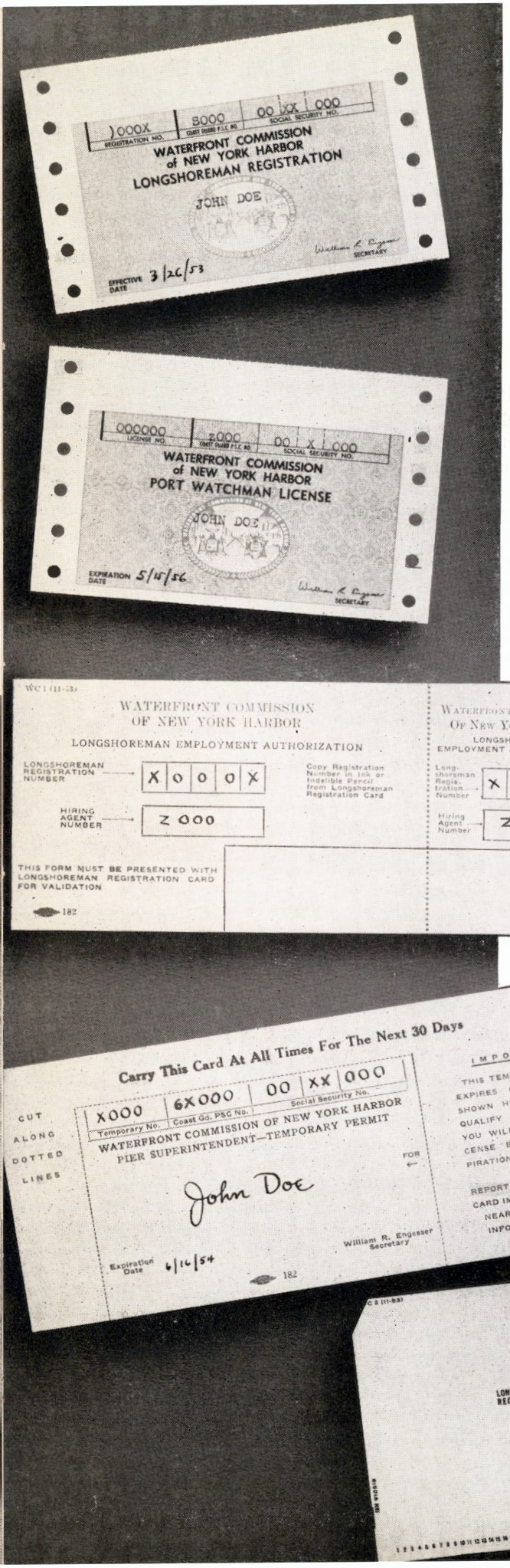
The jurisdiction of the Waterfront Commission does not extend to a racketeer who does not seek employment on the waterfront. It can and does eliminate the agents of the racketeer who are working or attempt to work as hiring agents, pier superintendents and longshoremen. It has also freely exchanged information with law enforcement agencies so that there has been no conflict with the work of these agencies but instead the greatest possible benefit from the combined work of all. Criminal prosecutions have followed investigations by the Waterfront Commission as they did those of the Crime Commission. At the same time, federal programs directed against illegal entry by aliens and subversives have been assisted.

By eliminating the agents of the racketeers from profitable pierside work, the Commission has materially weakened the control of the criminal combine which in the past has dominated the piers. It has helped to give honest longshoremen an opportunity to assert their independence by uncoerced union activity.

Longshoremen are Registered

Under the Waterfront Commission Act it became illegal for a longshoreman to work on or after December 1, 1953, unless he had been registered by the Waterfront Commission.





This provision required the Commission register, prior to December 1, sufficient lo shoremen to handle the workload of the po

Most longshoremen are upright, hard-wo ing men who seek only an honest day's w without paying kickbacks, without being bul and without being sold out by corrupt uni officers. The Commission quickly registe these men. It delayed for extended investig tion only a relatively small number whose pa conduct required further investigation. these, only a few were denied the right to w pending investigation.

The leaders of the ILA-Independent ur the members of their union not to register a sought to have the Federal Court declare t Compact relating to the registration of lo shoremen unconstitutional.

Faced with this situation the Commissi mailed registration applications to some 27,0 longshoremen at their homes. The applicati form was very simple and easy to fill out, co sisting only of the applicant's name, addr social security number, port security card, t pier number and location and when he la worked on that pier and at what job.

On these initial applications no photograph fingerprints or notarization were required b cause the applicant's Coast Guard Port Secu Card provided a reference for examining Co Guard files in Washington.

The response by the longshoremen was i mediate. Twelve thousand applied within o week. It soon became apparent that, in sp

of the opposition of the officers of the ILA, sufficient longshoremen had applied for registration to permit full operation of the port. When the Federal Court on November 9, 1953, upheld the constitutionality of the Compact relating to the registration of longshoremen, the ILA reversed its position and publicly instructed its members to apply for registration.

By November 15 more than 25,000 applications had been received from longshoremen. Thereafter, to eliminate the need for the continued assignments of staff to the Coast Guard files in Washington, D. C., the Commission required an applicant to fill out a "long form" which included his fingerprints, criminal record, photograph and notarization.

Of the initial applicants, 120 were denied registration because of criminal records. The remainder were given temporary registration by December 1, pending further investigation. In most cases, these since have been accorded permanent registration.

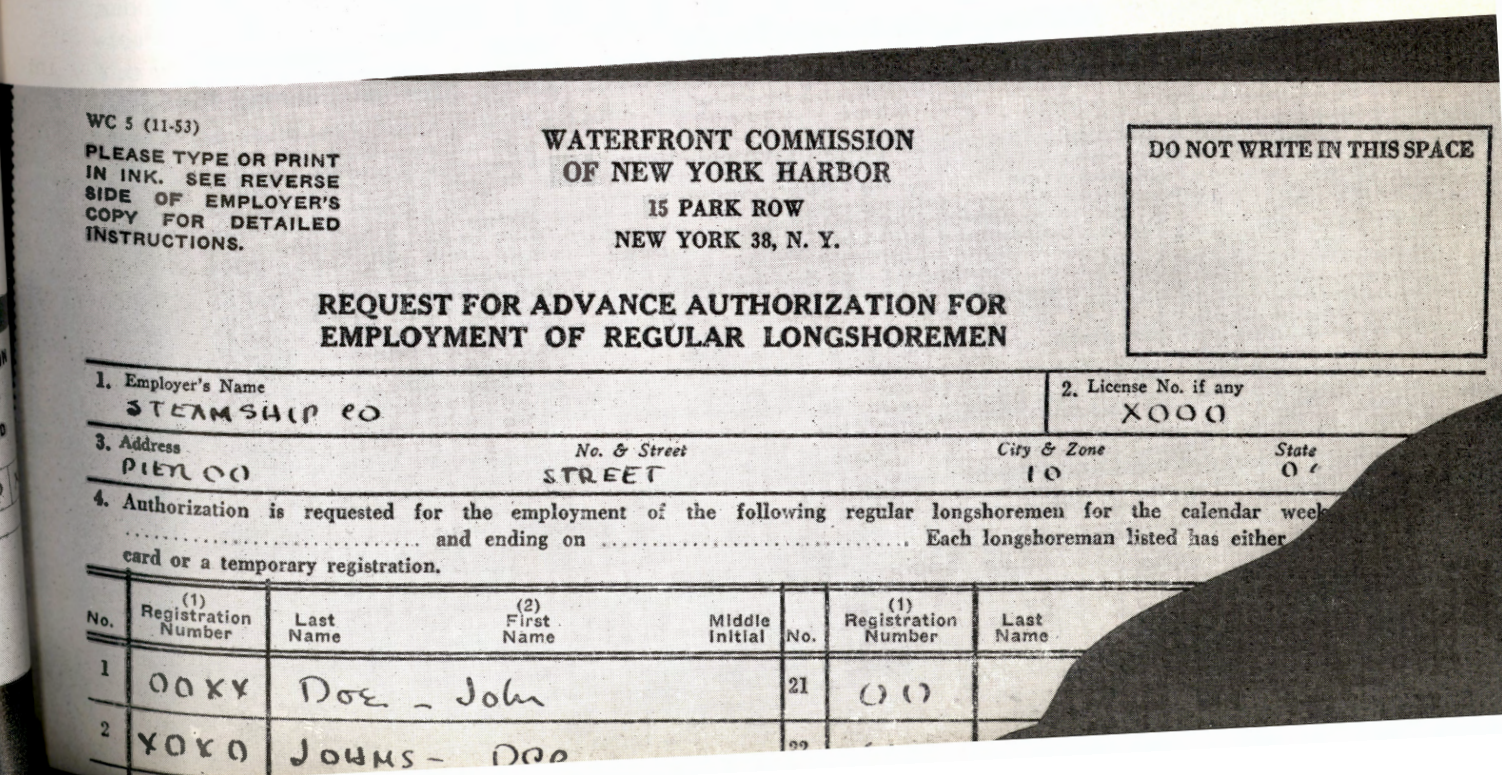
Barred from access to the docks were notorious mobsters who had for many years influenced the employment of longshoremen and ruled the docks as their private domain. Former hiring bosses, such as Daniel St. John, whose criminal record includes twenty arrests and five convictions, and two indictments for murder; John Keefe, one conviction of assault with intent to kill; and Albert Ackalitis, a convicted burglar, who was sentenced to prison in 1936 for from seven to fourteen years for the possession of a machine gun, were excluded from pier employment as longshoremen or hiring agents.

Floaters are Being Eliminated from Longshoremen Register . . . Decasualization

During the past quarter of a century, membership in the old ILA grew to such a point that although there were jobs for only 20,000 longshoremen, over 40,000 held union membership and competed for these jobs.

The competition for the jobs was not normal competition. It was competition for the favoritism of certain corrupt union officers and corrupt hiring agents. Persons with other principal occupations worked as longshoremen when there was lucrative overtime to be had, depriving the regular longshoremen of this opportunity.

Under the Compact the Commission is required twice a year to cut down the number of registered longshoremen to those who actually seek work regularly. This objective is to be accomplished by requiring that longshoremen seek work at least a specified number of days per month. After careful study, conferences with representatives of the New York Shipping Association, the ILA and the AFL, and a public



WC 5 (11-53)

PLEASE TYPE OR PRINT IN INK. SEE REVERSE SIDE OF EMPLOYER'S COPY FOR DETAILED INSTRUCTIONS.

WATERFRONT COMMISSION
OF NEW YORK HARBOR
15 PARK ROW
NEW YORK 38, N. Y.

DO NOT WRITE IN THIS SPACE

REQUEST FOR ADVANCE AUTHORIZATION FOR EMPLOYMENT OF REGULAR LONGSHOREMEN

1. Employer's Name: STEAMSHIP CO
2. License No. if any: XOOO
3. Address: PIER OO — No. & Street: STREET — City & Zone: 10 — State: O
4. Authorization is requested for the employment of the following regular longshoremen for the calendar week ..... and ending on ..... Each longshoreman listed has either card or a temporary registration.

No.	(1) Registration Number	Last Name	(2) First Name	Middle Initial	No.	(1) Registration Number	Last Name
1	OOXY	DOE	John		21	OO	
2	XOXO	JOHNS	DOE		22		

hearing at which expert testimony was taken, the Commission concluded that a Register of 25,000 longshoremen was adequate for the purposes of the port. It therefore concluded to eliminate from the Register all those who do not apply for work at least eight days a month during the period from July 1, 1954, to December 31, 1954.

After January 1, 1955, persons who have not applied for work more than the minimum number of times will be eliminated from the Register. Before this happens they will be given notice, an opportunity to be heard and, in the case of possible injustice, an opportunity for reinstatement.

Pier Superintendents and Hiring Agents are Licensed

Pier superintendents are the persons who direct work on the piers, including the loading and unloading of ships. Hiring agents are the persons who hire longshoremen to do the actual work.

The Legislatures recognized that, as declared in the legislative findings of the Compact:

> "persons conducting * * * 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."

Under the law, pier superintendents and hiring agents are, or should be, key advisory representatives of the employer. The Compact requires that applications for these licenses be submitted by the employer on behalf of the individual. Pier superintendents and hiring agents may no longer be members of any union which represents longshoremen.

The Crime Commission had found that although these officers performed managerial functions they were forced upon employers by the union. The evidence accumulated by the Waterfront Commission through applications for these licenses indicated a continued reluctance on the part of stevedores to submit applications for licenses for persons not approved by union officials. For example, the top officers of one stevedoring company at public hearings of the Crime Commission testified that the company had employed two hiring bosses through fear of work stoppages. This stevedoring company, nevertheless, submitted applications for licenses for these hiring bosses.

The Commission has refused to act favorably upon any application not in fact actively and voluntarily supported by the employer. Consequently, at least two other stevedores withdrew license applications on behalf of notorious waterfront characters on the eve of public hearings on these applications.

Only persons who can establish their good character and integrity are eligible for a license. A person is disqualified for these licenses if he has been convicted of a felony or a high misdemeanor, or certain other serious crimes which make him a bad risk as waterfront supervisor. The Commission may waive this legal restriction if a person so disqualified submits satisfactory evidence of good conduct for at least five years. He is not eligible if he wilfully advocates the overthrow of the government by force, or does not possess good character and integrity.

Hiring agents and pier superintendents under the present employment practices have complete freedom to select men for work. They can arbitrarily shut a man off from employment; they can deprive him of the most profitable employment, as when overtime rates are being



paid. Conversely, they can see to it that favorites get the most lucrative work. Clearly, this group requires painstaking investigation.

Applications have been received for 787 hiring agent licenses and 458 pier superintendent licenses. Temporary permits have been issued for 609 hiring agents and 354 pier superintendents, pending final investigation, which has been partially completed. No permanent licenses have been issued.

Ten applications for hiring agents and pier superintendents were denied after formal hearings. In addition, 23 were rejected because the stevedoring company itself was not qualified for a license. Applications were withdrawn by 26 potential licensees or by the stevedoring companies following intensive investigation and before public hearings. Altogether, 241 applications for licenses as hiring agents and pier superintendents were withdrawn by the potential licensees or the stevedoring companies.

Investigations of most of the applicants for these licenses are well advanced. Hearings may be expected to proceed rapidly after completion of the longshoremen's hearings growing out of the strike of February-April, 1954.

Stevedores are Licensed

Stevedores are independent contractors who contract with steamship lines for the loading and unloading of their ships. Some of the steamship lines do this work themselves with their own employees, but most of them contract with New York stevedores.

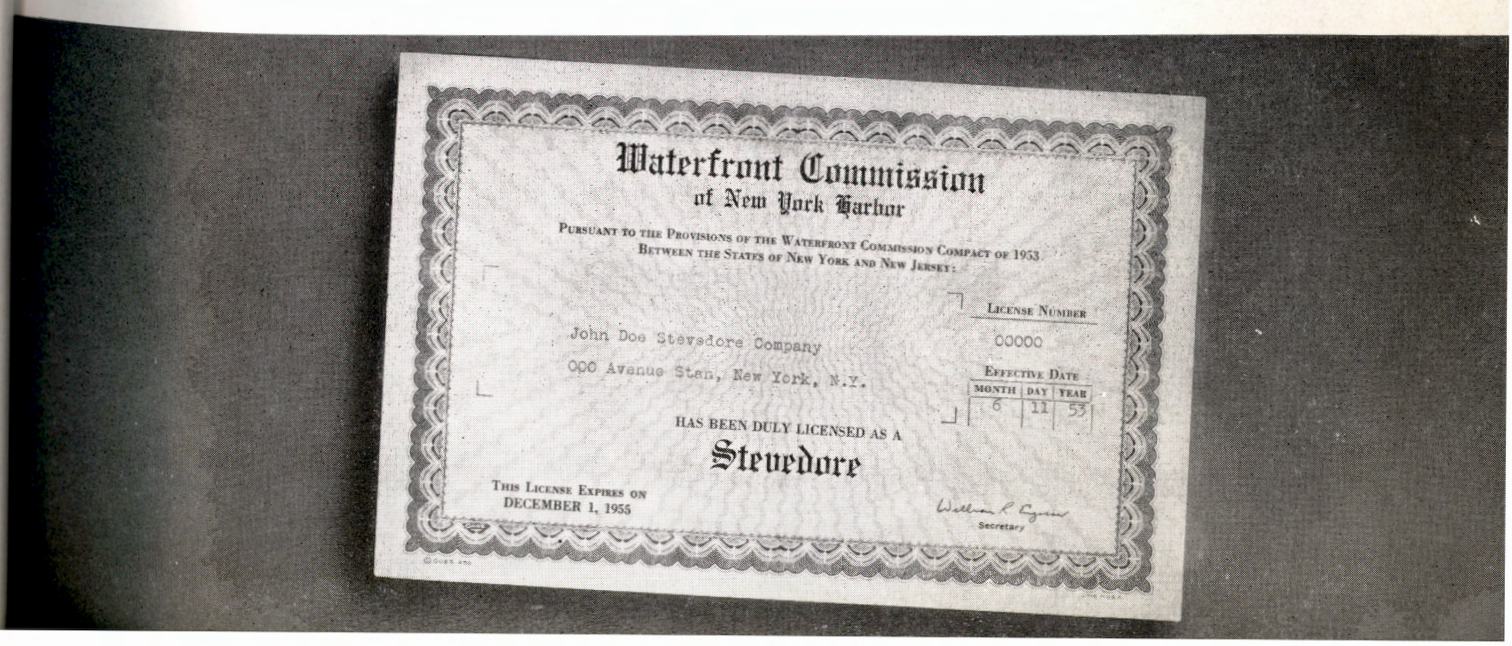
Testimony before the Crime Commission indicated that many stevedoring company officials over the years cooperated actively or passively with waterfront gangsters. Some also resorted to bribes in order to obtain contracts with steamship lines. In addition, they followed corrupt practices in inducing officers and representatives of labor organizations to betray their union members, by permitting the use of "short gangs" and other privileges at the expense of the working longshoremen.

The Crime Commission received evidence indicating that stevedoring officials frequently surrendered to gangsters on a "peace at any price" basis.

The Compact requires that in order to be licensed a stevedoring company must satisfy the Commission that each officer of the company and each individual owning 5 per cent of the stock of the applicant corporation possesses good character and integrity and has not been convicted of any of a specified list of crimes. The license application must fully disclose the real parties in interest. The applicant company must have a contract with a steamship company to load and unload its ships.

The Commission has reviewed the books and records of sixty stevedoring companies. In addition, it has studied the Crime Commission testimony and has commenced its own investigation.

One of the applicants, the Jarka Corporation, the largest stevedore in the port, withdrew its application for a license and went out of business on the eve of hearings by the Commission and following investigative interviews of certain of its key officials by the Commission staff.



Since the establishment of the Commission, fifty-four temporary permits have been issued to stevedoring companies pending thorough investigation of their license applications. No permanent licenses have been granted. In fairness, no stevedore will be given a permanent license until the investigation of all pending applications is completed.

Bribes to steamship company officers, the corruption of union officials, unexplained large cash withdrawals, all lend themselves to investigation, which the staff of the Commission is exceptionally well equipped to perform. Hearings on each stevedore will be held as the staff investigation is completed.

Port Watchmen are Licensed

The findings of the Crime Commission disclosed that the watchman in the Port of New York is a "tragic figure on the piers", basically honest but in an "impossible situation". Pilferage losses in the port for the three years 1948 through 1950 were estimated at over $8,000,000. Watchmen who attempted to apprehend thieves and report thefts were assaulted and threatened by dock workers, upbraided by their superiors and reprimanded by their union officials. The Commission found that the leaders of the old ILA controlled the port watchmen's union and blocked efforts on the part of employers to improve the watchmen's services.

The immediate problem, therefore, in connection with port watchmen was not simply the calibre of the watchman, but the elimination of gangster control of the watchman through fear and intimidation.

In addition to standards of character, integrity and freedom from serious criminal conviction, applicants for port watchmen's licenses are required to meet standards of physical and mental fitness established by the Commission.

During the initial licensing period, the Commission has avoided the sudden imposition of harsh standards of physical and mental fitness on persons already employed. It has accepted the employer's certificate of fitness in lieu of a physical examination for persons with a year's prior employment. Beginning December 1, 1953, however, new applicants have been required to meet new standards set by the Commission.

The Compact prohibited the issuance of a license to persons convicted of any felony or

Mine machinery being loaded aboard the S S HENRY STEVENSON at Pier #9, Hoboken, New Jersey.



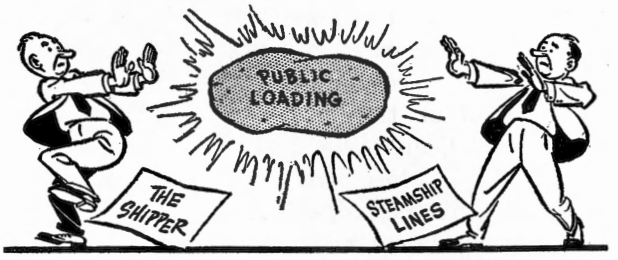
certain other serious crimes. This standard was found in practice to produce inequitable results, especially where the convictions were of an isolated nature occurring in many instances more than thirty years ago. Amendments to the Compact, enacted at the 1954 sessions of the Legislatures of New Jersey and New York, empowered the Commission to waive the disability resulting from such convictions.

Of 2,890 applicants, 1,880 have received permanent licenses while 925 licenses have been issued on a temporary basis. The term of the port watchman license is three years and is not related to a particular employer. Grounds for revocation or suspension are basically the same as for pier superintendents and hiring agents. Port watchmen are no longer permitted to belong to the same union as longshoremen, pier superintendents or hiring agents.

Public Loaders Are Out of Business

Because the traditional contract for the carriage of waterborne freight provides for delivery on the pier rather than on the truck, there developed in New York a calling known as "Public Loading". This was the occupation of loading freight from the pier onto the truck sent to pick it up. In the 1920's individuals came to the piers looking for extra work and were hired by drivers to help load trucks. Later, these persons banded together and, usually through coercion, established a monopoly of loading trucks on particular piers, often at excessive prices. So lucrative was this work that murders were committed in order to obtain public loading "franchises".

Although they were themselves employers of labor, the loaders were often members of the same union which represented and controlled that labor, and in a number of instances were



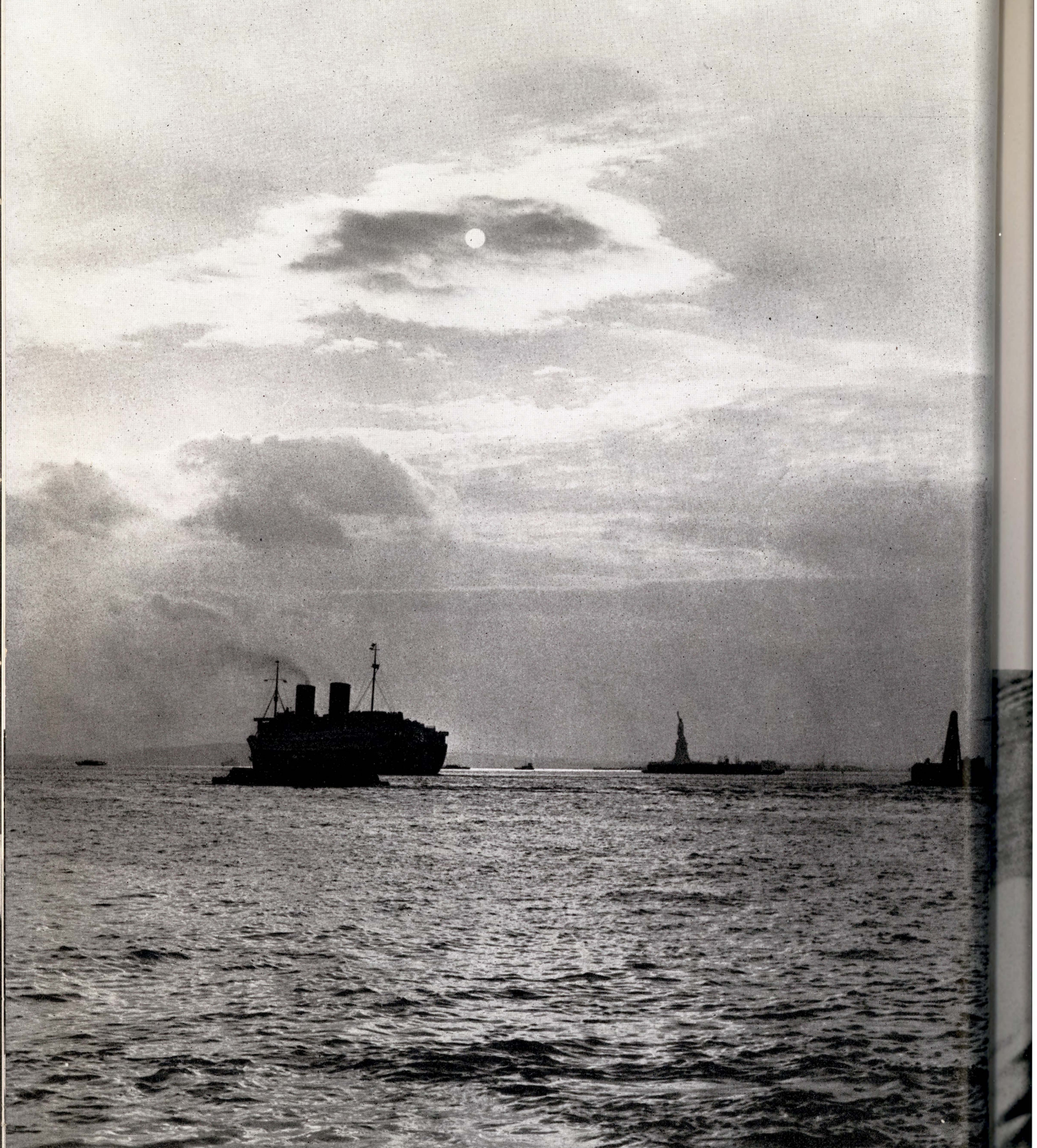
officials of those unions. Their hold upon the piers and the steamship lines became so strong that the loaders were able in certain cases to compel the stevedores to perform the actual work of loading while the loader kept the loading fee.

The Crime Commission exposed these evil practices and recommended that loaders be licensed. The Governors and the Legislatures of both States, however, were so outraged that the Compact outlawed public loading and required its cessation by December 1, 1953.

The public loaders attacked this Article of the Compact and were granted a stay by the Federal Court until December 10, 1953. On that day, the Court rendered a decision rejecting the loaders' attack and the ban on loading took effect.

Within twenty-four hours public loading stopped in most parts of the port. By February 1 public loading had ended completely. Sixteen persons who had persisted in loading after the date fixed in the statute have been charged with the crime of violating the Compact and are awaiting trial.

At present the work of loading is being performed by the steamship lines or their pier operators or stevedores, to the general satisfaction of the public.



ENFORCEMENT OF COMPACT

Establishment of Respect for the Law on the New York-New Jersey Waterfront

Suppression of Illegal Strikes

One of the principal objectives of the Waterfront Compact is the restoration of respect for the law on the New York-New Jersey waterfront. The Commission is seeking to accomplish this objective by carrying out the directives of the Compact, by using the disciplinary powers of the Commission to enforce the provisions of the Compact and by bringing about the joint action of allied agencies of government.

The illegal strike in the past has been the most potent instrument of force in the unlawful control of the waterfront by gangsters. The ILA has threatened to use or has used this powerful weapon four times since the establishment of the Commission.

On November 30 a delegation from the ILA led by William Bradley, its president, and Thomas Gleason, its chief organizer, threatened a port-wide work stoppage unless all applicants for Commission registration or licenses were permitted to work on December 1, when the Compact took effect. The ultimatum was rejected by the Commission. The ILA commenced a work stoppage on December 1 but went back to work promptly after Messrs. Bradley and

Top waterfront personalities, former hiring bosses, go into a huddle outside the polling place in Brooklyn during the NLRB elections on December 22 and 23, 1953. After hearings on charges of intimidation and violence, the election was declared invalid by the NLRB and a new election ordered.



Gleason were subpoenaed before a Federal Grand Jury.

The strike which occurred on December 1 had been anticipated by the Commission. In several discussions with the United States Attorneys, the District Attorneys for New York and Kings Counties and the New York City Police, its course of action had already been planned when the strike threat was delivered, and the prompt suppression of the strike was the result.

The second threat of force through illegal strike was directed against the NLRB. Through this threat an attempt was made to push the new AFL longshore union into a hasty election to determine whether the old ILA or the new AFL would represent the longshoremen of the port. The election, in fact, was held hastily on December 22 and 23. Violence and an atmosphere of gross intimidation characterized this election and it proved indecisive.

The old ILA on December 26, 1953, for the third time, threatened a port-wide strike unless the employers commenced negotiations with it, regardless of its lack of NLRB certification.



New York City policemen assure order during the illegal ILA strike.

Upon receiving information supplied by the Waterfront Commission, the State Board of Mediation and the New York City Police Department, Governor Dewey, on behalf of New York State, moved vigorously to counteract this threat and to assure an investigation of the circumstances surrounding the first election. He demanded that the election be fully investigated regardless of ILA strike threats. Following his forceful intervention, the ILA withdrew its threat and claimed that the statement of its officers had been misconstrued by the press.

Thereupon, following receipt of a report from its Regional Director, Charles T. Douds, based upon extensive investigation, the NLRB ordered hearings on the election. The Waterfront Commission assisted Mr. Whitney North Seymour who, as a Special Assistant Attorney General, represented New York State in the proceeding. On the basis of the proof of violence and intimidation adduced at the hearings, the NLRB held the election void and a new one was ordered.

The most flagrant use of this type of strike since the creation of the Commission was the strike of February 26 - April 2. As the AFL expanded its organizing campaign, the ILA resorted to unlawful acts to defeat it. It boycotted all trucks driven by members of Local 807 of the International Brotherhood of Teamsters because of that local's support of the AFL.





Former Judge Jacob Grumet, appointed by the Commission as special hearing officer.

The Regional Director of the NLRB in a preliminary determination stated that this boycott constituted an unfair labor practice and at his request the Federal Court ordered the ILA to cease this boycott. Not content to contest this proceeding in the court, the ILA accused the NLRB of discriminatory action and led its members out on strike as a gesture of defiance of this agency of government.

The new AFL longshore union representing several thousand longshoremen instructed its members to ignore this strike and to attempt to work on the piers. The old ILA retaliated by having hundreds of men mass outside the piers on which the AFL was attempting to work to drive the AFL men from the piers by intimidation or violence.

The Waterfront Commission responded in three ways:

1. It held a series of conferences with Federal and State officers which were followed by a meeting called by Governor Dewey and the United States Secretary of Labor, James P. Mitchell, representing the President, to bring about the united action of the local agencies of the Federal Government, regardless of department, under the leadership of a single officer, the United States Attorney for the Southern District of New York.

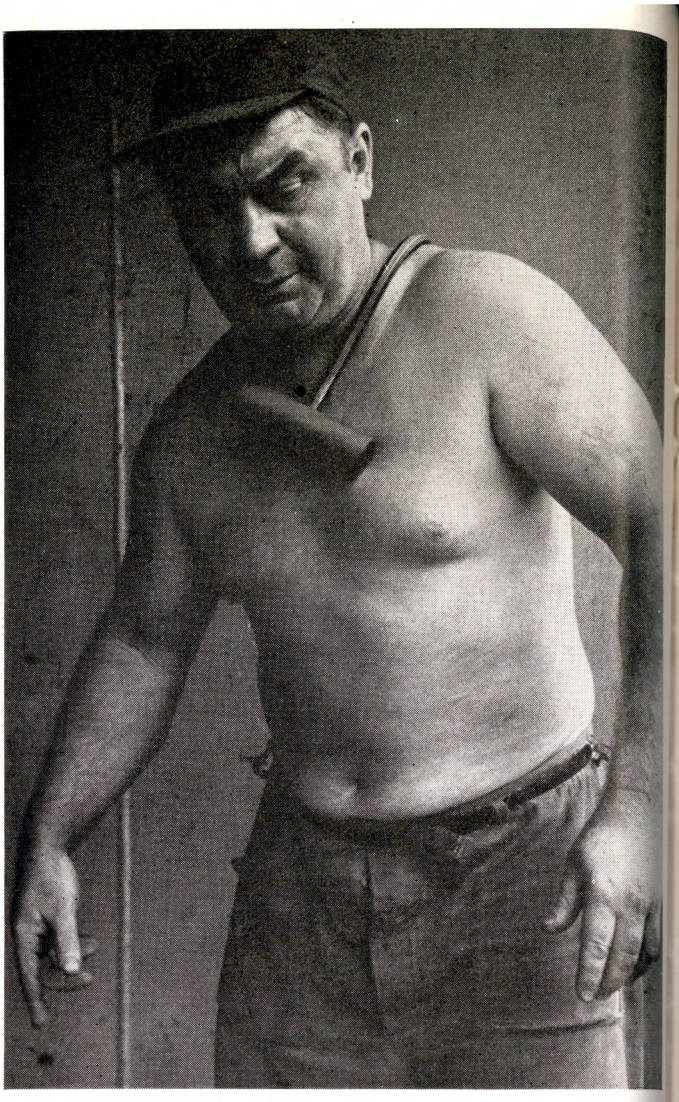
2. It facilitated the hiring of longshoremen who wanted to work by relaxing its regulations as to validation and by acting as an intermediary between the AFL and employers who wanted to work their piers. As a result, the number of working longshoremen increased daily and one-third of the normal number of longshoremen were working at the time the strike collapsed.

3. It acted in close cooperation with the New York City Police Department in arranging for the police protection of longshoremen who wished to work. Following a strong stand by the Mayor of the City of New York, exceptional protection was given to such longshoremen. In the early days of the strike longshoremen were beaten and seriously injured but after the Mayor of the City of New York announced his position, through determined efforts of the New York City Police and the police of the New Jersey municipalities, longshoremen were well guarded as they entered and left the piers.

On April 1, the NLRB set aside the first election between the ILA and AFL and ordered a new election to be held. It further ordered the ILA to desist from seeking to thwart the legal processes of the Board, under penalty of forfeiting its place on the ballot in the new election.

The Executive Vice President of the old ILA, Patrick J. Connolly, attempted to condition the cessation of the strike upon the Waterfront Commission rescinding all suspensions of longshoremen who had been charged with having committed acts of violence during the strike. The Commission immediately and publicly rejected this ultimatum.

On the following day, April 2, acting pursuant to authority provided by an amendment to the Compact which took effect on March 29, the Commission obtained a temporary restraining order to prevent any attempt to use a strike threat to coerce the Commission. Subsequently, a temporary injunction was granted which is still in force and prevents the old ILA from engaging in a work stoppage for the purpose of interfering with the Commission's performance of its statutory functions. (*Waterfront Commission v. ILA, et al.*, 130 NYS 2d 862.) (Sup. Ct. N. Y. Cty. 1954.)



The average longshoreman is an upright, hard-working man who seeks only an honest day's work without paying kickbacks and without being sold out by corrupt union officers.

Within an hour after unsuccessfully trying to vacate the restraining order, the President of the ILA, William Bradley, announced the termination of the strike and ordered the members of that union back to work. This was the fourth time the ILA was beaten in its attempt to defy the law by force.

After the strike was over, the Commission proceeded under its disciplinary powers to hold a hearing to determine whether 143 longshoremen should be expelled from the piers because of illegal acts charged against them during the strike. Hearings in this proceeding are presently being held.

The NLRB also prosecuted the old ILA leaders for criminal contempt of the Federal Court. They were convicted and sentenced to the Federal House of Detention for six months. The ILA was subjected to a substantial fine. The Waterfront Commission assisted the NLRB in the preparation of this case.

Since the enactment of the Compact, the use of the illegal strike as a weapon against the government has thus been met resolutely and effectively. Both government agencies and the public have learned the distinction between strikes fomented by hoodlums to resist or coerce government agencies and strikes against employers for legitimate labor objectives.

The second NLRB election for the right to represent longshoremen was a model of peaceful union activity. Even though the election was so close that its result is still in doubt, there was not even the claim of violence or intimidation against either side.* There has been no attempt to resist the law by force since April 2.

*On August 27, 1954, the NLRB certified the ILA as the bargaining agent for the port.

Pilferage

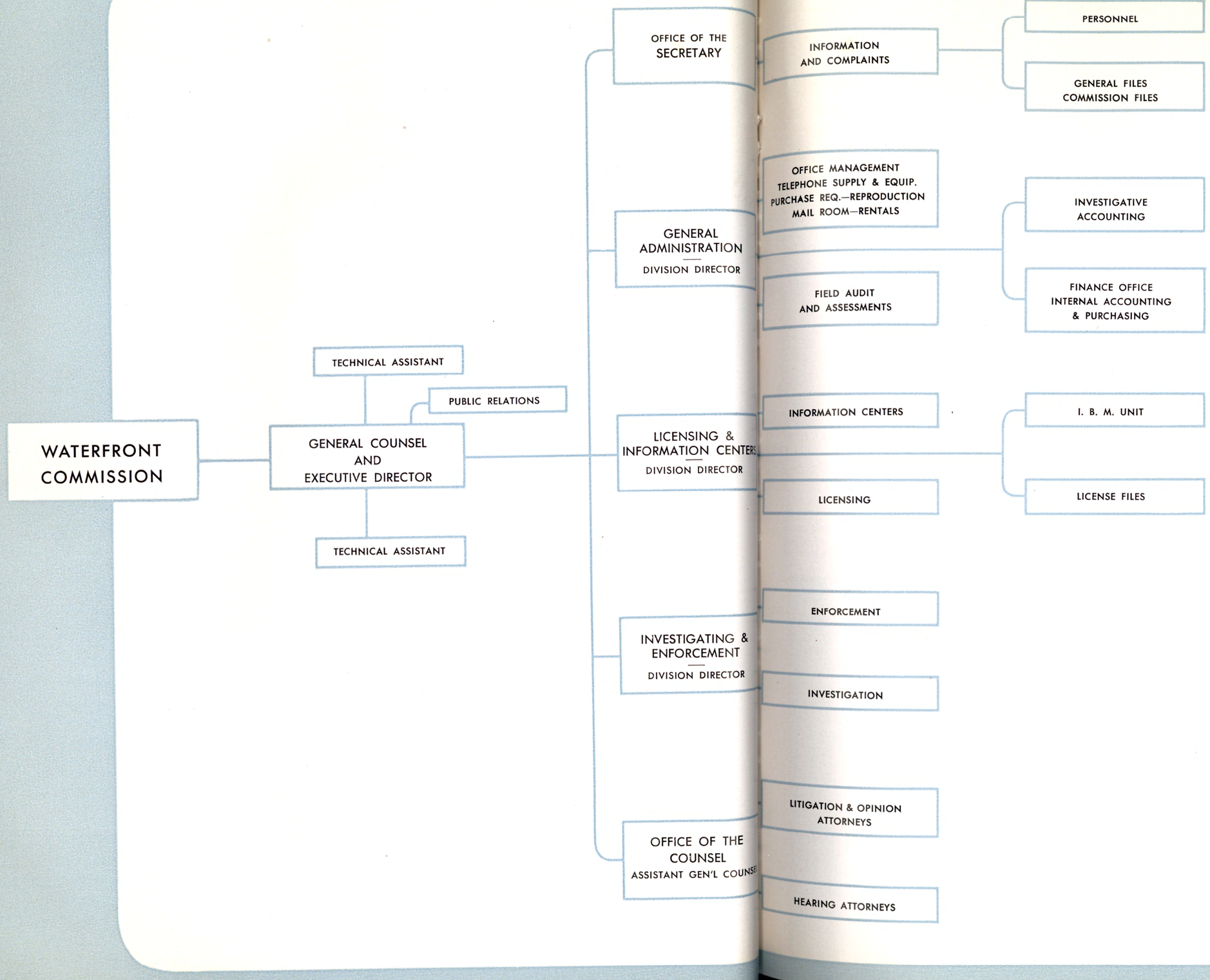
The Port of New York in the past has had an unenviable reputation for pilferage. In order to end this illegal practice, the Waterfront Commission has determined to impose substantial penalties upon persons found guilty of pilferage.

The Commission commenced hearings on charges of pilferage in January. Initially, in cases of small thefts, it merely reprimanded the longshoreman involved. Beginning in June, however, the Commission suspended the registration of guilty longshoremen for periods of from ten to sixty days. More drastic action will be taken if necessary to eliminate this evil.

Other Enforcement Action

The investigative staff of the Commission has become increasingly effective as it has learned its work and developed familiarity with the industry with which it is concerned. The major evils exposed by the Crime Commission have been eliminated or reduced to a scale which is unprofitable. As in the case of most other laws, persistent attempts at evasion must nevertheless be anticipated. These are and will continue to be met promptly as they occur. Some punishments have already been imposed for non-compliance with Compact provisions or Commission regulations. Others are under careful investigation.

ORGANIZATION—WATERFRONT COMMISSION of NEW YORK HARBOR



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Commissioner for New Jersey
MAJOR GENERAL EDWARD C. ROSE

Executive Director and General Counsel
LAWRENCE E. WALSH

Special Counsel
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Secretary to the Commission
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Consultant
WILLIAM M. ARNSTEIN

Public Relations
ERWIN W. SMITH



Paul Alfieri, Chief Investigator, has many years of experience in military intelligence and law enforcement.

Hyman S. Lipman, Director of Administration, supervises the auditing of records and accounts of stevedore firms. With him is Louis Olins, Accountant.



A longshoreman with his counsel appears before Commission hearing officer Irving Slonim, Assistant Counsel.





IBM machines expedite handling of thousands of registrations and licenses.

Commission investigators are briefed daily by Thomas Jones, Assistant Chief Investigator, a former FBI agent.



Financing the Commission's Activities

The Compact provides that the Commission's expenses are to be paid by an assessment levied on the payrolls of all waterfront labor covered by the Compact.

The Commission commenced operations in September, 1953. Registration of waterfront workers became effective on December 1, 1953. The Compact provides for the levying of assessments by calendar quarters, the assessment to be due on the fifteenth day following each calendar quarter. The first payrolls on which assessments could be levied were those for the period beginning December 1, 1953.

In order to provide funds for the initial expenses incurred in organizing the Commission and for its operating expenses until the first full quarterly assessment would be received (April 15, 1954), the Legislatures of the two States appropriated $600,000, of which $400,000 was from New York and $200,000 from New Jersey. Subsequently, an additional $300,000 was appropriated in the same proportion, because of the rapid expansion of the Commission's staff, and in anticipation of a possible loss of revenue caused by strikes.

The Compact provides that these advances made by the States are to be repaid.

The assessment levied for the period to June 30, 1954, was at the rate of one and a half per cent. For the fiscal year ending June 30, 1955, the Commission has announced a rate of two per cent, which is the maximum rate permitted by the Compact. This rate is based on the budget of expenses adopted by the Commission, and the estimate of assessable payroll for the ensuing year. It should be sufficient to cover the expenses of the Commission for the coming year. Any surplus will be used to repay the States and ultimately to reduce the assessment against employers.

The Commission, joined by the New York Shipping Association, has sought to obtain federal funds under the Wagner-Peyser Act to meet the cost of the Employment Information Centers. No final determination of this application has yet been made.

WATERFRONT COMMISSION OF NEW YORK HARBOR

Statement of Cash Receipts and Disbursements for the Period from September 16, 1953 to June 30, 1954

Receipts:—		
Advances from States (Note 1):		
New York		$ 600,000.00
New Jersey		300,000.00
Assessments on employers of persons registered or licensed by the Commission		447,132.13
Deposits on badges issued to watchmen		3,694.50
		$1,350,826.63
Disbursements:		
Salaries	$721,917.30	
Legal and consultant fees, etc.	74,994.08	
Furniture, fixtures and equipment	103,338.60	
Rentals	89,480.65	
General office supplies and expenses	39,914.22	
Special supplies and expenses	39,270.03	
Printing and advertising	32,523.69	
Telephone, telegraph and postage	28,082.82	
Traveling expenses	22,165.91	
Leasehold alterations	18,149.67	
Repairs and maintenance	8,212.29	
Miscellaneous expenses	15,951.14	
		1,194,000.40
Excess of receipts over expenditures for period, represented by cash balances as below		$ 156,826.23
Cash in banks (Note 2)	$151,631.73	
Cash in special deposit account	3,694.50	
Cash on hand	1,500.00	
	$156,826.23	

Notes:

(1) The advances received from the States of New York and New Jersey must be repaid by the Commission at such time as funds are available.

(2) After deducting $983.92 representing amounts withheld from employees to be paid in subsequent period.

PRICE WATERHOUSE & CO.

56 PINE STREET

NEW YORK 5

July 12, 1954

Waterfront Commission of New York Harbor

New York, New York

We have made an examination of the appended statement of cash receipts and disbursements of the Waterfront Commission of New York Harbor for the period from September 16, 1953 to June 30, 1954.

Our examination comprised such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including (1) reconciliation of cash in banks as shown by the books with balances reported direct to us by the depositaries; (2) a count of cash on hand; (3) appropriate tests of disbursements through examination of cancelled checks, invoices, contracts, leases and other supporting data; (4) test confirmation with employers of persons registered or licensed by the commission as to the amount of assessments paid to the commission and (5) comparison of cash receipts as recorded in the cashbook with related deposit totals appearing on bank statements for a selected month.

In our opinion, the appended statement sets forth fairly the cash receipts and disbursements for the period from September 16, 1953 to June 30, 1954 of the Waterfront Commission of New York Harbor.

Price Waterhouse & Co.



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The New York Times
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The Jersey Journal
The Staten Island Advance
The United Press
The St. Louis Globe Democrat
Colliers
Fortune
The Associated Press
Standard Oil Company of New Jersey
The Port of New York Authority


INFORMATION
VALIDATION
REGISTRATION
22

