

Annual Report  
Waterfront Commission of  
New York Harbor



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Waterfront Commission of  
New York Harbor



ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 1959

# *Annual Report*

## The Waterfront Commission of New York Harbor

FOR THE YEAR ENDED JUNE 30, 1959

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To the HONORABLE NELSON A. ROCKEFELLER, *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:

The Waterfront Commission of New York Harbor was created in 1953 when New York and New Jersey entered into a Compact, with the consent of Congress, to establish an agency charged with eliminating evil practices on the part of both management and labor in the longshore industry in the Port of New York.

In their Compact, the two states found and determined that:

conditions under which waterfront labor is employed within the port of New York district are depressing and degrading to such labor, resulting from the lack of any systematic method of hiring, the lack of adequate information as to the availability of employment, corrupt hiring practices and the fact that persons conducting such hiring are frequently criminals and persons notoriously lacking in moral character and integrity and neither responsive or responsible to the employers nor to the uncoerced will of the majority of the members of the labor organizations of the employees; that as a result waterfront laborers suffer from irregularity of employment, fear and insecurity, inadequate earnings, an unduly high accident rate, subjection to borrowing at usurious rates of interest, exploitation and extortion as the price of securing employment and a loss of respect for the law; that not only does there result a destruction of the dignity of an important segment of American labor, but a direct encouragement of crime which imposes a levy of greatly increased costs on food, fuel and other necessities handled in and through the port of New York district.

It was further determined that many of the evils described in the preliminary findings resulted from the practice of public loaders at the piers, from the lack of supervision and regulation of stevedoring contractors in their relations to their employees and representatives of labor organizations, and that the occupations of longshoremen, pier superintendents, hiring agents and port watchmen required regulation in the interest of the protection of the public safety, welfare and peace.

At the conclusion of its sixth fiscal year the Waterfront Commission can report continuing progress towards accomplishing the legislative objective and the elimination of evil practices on the waterfront. The Commissioners are fully aware that in many areas racketeering has been arrested only temporarily. The chaotic conditions of the past would erupt, and this port would again be reduced to paying homage and tribute to gangsters and racketeers, were it not for the presence of a law enforcement agency equipped and prepared to resist such a consequence.

The Commission, as a law enforcement agency, is limited in its responsibility for the elimination of unsavory conduct in the port. The development of fair employment procedures and sound business practices rests primarily on the representatives of labor and management. The Commission has demonstrated its willingness to cooperate with industry and labor but, beyond enforcing the law, it cannot develop new attitudes towards the conduct of business.

In comparison to the years before the creation of the Waterfront Commission, the Port of New York carries on its business in an atmosphere of calm and peace. Unlawful strikes have been reduced to a minimum. In the past fiscal year there were but thirty-one "quickie" strikes, ranging in duration from a few minutes to ten days. Most of these were settled through arbitration procedures developed in

the industry since 1953. The use of violence as a means of settling labor-management disputes appears to be a thing of the past. Swift and firm enforcement of the law has resulted in a more general respect for law and order. There has not, however, been a complete change of heart on the part of everyone employed, or interested, in waterfront industries.

The waterfront continues to provide lucrative opportunities for criminals and racketeers. Loansharks, pilferers, payroll padders, bookmakers, and policy peddlers still operate wherever and whenever they can until detection puts them out of business. In most instances these crimes are carefully organized; in other cases, the culprits operate alone.

Racketeering is a serious problem wherever it appears; its consequences are felt by the public-at-large in increased consumer costs. It inflicts serious damage upon individual victims through loss of property, money, or even life. However, a particularly sinister company are the known mobsters and criminals who once dominated the longshore labor union, and who presently seek to reestablish their control.

In its last annual report, the Commission noted its concern at the possibility of known gangsters insinuating themselves again into the affairs of longshore labor. Reluctance on the part of union officials to discharge convicted felons from positions of trust has resulted in enforcement of the law by public prosecutors in both states who have acted to bar such persons from holding office in unions representing licensed or registered dock workers.

The union has attempted to enjoin such action and has sought, wherever possible, to circumvent the provisions of the statute that prevent the collection of dues by any local so long as its roster of officers includes a convicted felon. Attempts have been made by union officials to minimize, in

the public mind, the significance of these persons, and the importance of their crimes.

The Commission has warned against the danger to peace and safety on the waterfront, and to prosperity and well being of labor and industry, should these characters again assume absolute power over dock labor or should they be permitted, by indifference, to extend their hidden influence. In the face of this, two known hoodlums boldly appeared last January outside the room in a Manhattan hotel where a conference of high union officials was in session. Subsequently, when subpoenaed before the Commission for questioning on their presence at a meeting place of union leaders, the two refused to answer questions and both later disappeared for a considerable time.

The security of port property—piers and the cargo that crosses them—is another matter of utmost importance. Pilferage of cargo from the docks has long been a plague of all ports. The Port of New York, compared to other harbors on the Atlantic and Gulf Coasts, handles more general cargo, with goods ranging from small consumer items to industrial raw material. Small items in general cargo are easy to move, to conceal and to dispose of, and are particularly desirable to the pilferer. While difficult to detect, and not easily tallied, pilferage is a serious drain on the commerce of the port. The control of pilferage is impossible without a well-trained, able, and effective security force.

The Commission has given considerable time to the study of port security and to the development of an adequate force of port watchmen. It has established minimum requirements for physical fitness and training where there were none, and it has sought to nurture a respect for the pier guard which did not exist in the past. While the effectiveness of the present force of port watchmen is an improvement over the former haphazard system, the Commission is

not satisfied that the security requirements of the port are being fulfilled in the public interest.

Hundreds of cases of misconduct by licensees and registrants have been investigated during the year. Disciplinary action has been taken where warranted, and cases referred to local prosecutors where appropriate. In all cases the individual's right to a fair hearing and to retain counsel has been preserved. For those wrongdoers capable of correction and rehabilitation, a system of probationary registration is used to restore men, some with serious records, to the register.

Regularization of employment has resulted in increasing the average earnings of longshoremen. More than 40% of the 31,000 men employed are now earning over \$5,000 annually. The graph on p. 33 clearly shows the dramatic increases in wage categories. The natural consequence has been that a longshoremen's registration card is now regarded as a valuable possession.

The Waterfront Commission has an interest in any plan or program affecting the hiring of longshoremen in the Port of New York. In 1958, the New York Shipping Association and the International Longshoremen's Association (Independent) adopted a plan for seniority in hiring as part of their collective bargaining agreement.

Realizing that any legal seniority system would have to be operated through existing Employment Information Centers, the Commission met with the NYSA/ILA Seniority Board on several occasions in an effort to determine what effect the proposed system would have on the present structure of hiring and to what extent changes would be necessary in the location and operation of the Centers. While the Commission cannot assume authority in determining seniority ratings, or the propriety of hiring under a collective bargaining agreement, it has made provision

for modifying its own operations to make that system effective. Although both employers and union officials set an early date for the institution of this program that date has been repeatedly adjourned.

The elimination of publicly operated Employment Information Centers, as noted previously by the Commission, is contingent upon the existence of an objective and open system of seniority which will permit the public and each man employed on the waterfront to know exactly what his rights are. No such system exists. The Commission finds and determines that public necessity still exists for the continued public operation of Employment Information Centers provided for in Article XII of the Compact.

Comprehensive appraisal of the present state of the longshore industry, the extent and effectiveness of the security system now employed, the effectiveness of the union in ridding itself of undue and unsavory influence, and with due consideration to the gains already achieved, the Commission finds and determines that public necessity still exists for the continued registration of longshoremen and the continued licensing of occupations and employments required to be licensed under the Compact.

## ENFORCEMENT

One of the principal objectives of the Legislatures in creating the Waterfront Commission as a law enforcement agency was the restoration of law and order on the waterfront. A special agency was needed where business conditions had lapsed into such chaos.

To accomplish this, the Waterfront Commission has been given broad powers, and extensive means for enforcing the law. It may conduct investigations and issue subpoenas; it may suspend or revoke any license or registration; its des-

ignated officers and agents are peace officers, and have full access to all vessels, piers, and other waterfront terminals.

Against often bitter opposition, it has worked to remove racketeers and gangsters from positions of control on the waterfront.

The Commission is cognizant of the accomplishments during the six years of its existence in an area once characterized as a jungle and unsavory elements have been removed from the scene, although not entirely eliminated. Management and labor have been prompted to initiate orderly and legal procedures for settling their disputes, and the majority of longshoremen have attained a measure of security and dignity they never before experienced.

Today's improvements were thrust upon the industry and are maintained through the efforts of a government agency and the force of public opinion. The waterfront, for many years, was a happy hunting ground for every description of malevolence, and fear was the watchword. Complacency invites a return to the former era of tribute and violence.

### *Pilferage*

The cargo passing through the Port of New York ranges from shipments of raw materials to finished consumer products. The latter include items of high unit value such as whisky, clothing, electrical appliances, and packaged food-stuffs, and are highly attractive to pilferers.

The ultimate cost of pilferage is borne by the general public. The carrier pays increased insurance premiums, the importer and exporter suffer loss of business, and the consumer pays increased prices for commodities. During the past year, the Commission has taken action on seventy cases of waterfront larceny and pilferage.

Early in 1959, an investigation disclosed that five port watchmen were conspiring with others to pilfer whisky,

shoes, radios and tools—the very cargo they were employed to protect. The licenses of all five have been revoked.

Other port watchmen, checkers, and longshoremen have been subjected to disciplinary action by the Commission for the theft of cargo, ranging from coffee and cobalt, to radios and television sets. The pilferage patrols, recently established by the Commission, have served as an effective deterrent in this area.

### *Narcotics*

Addiction to the use of narcotics or traffic in narcotics is an offense for which a license or registration may be denied or revoked by the Commission. During the year, the Commission has handled twenty-six narcotic cases involving registered or licensed personnel. Where a person has been involved in a narcotics offense, the policy has been to bar him from the waterfront. In cases where narcotics users have received treatment and rehabilitation is apparent, the Commission has permitted them to work under a temporary probationary registration, with adequate medical examination and other safeguards.

### *Loansharking*

Lending money at usurious rates of interest has long been a plague on the waterfront. Loansharking is a vicious racket and the exorbitant rates of interest charged by usurers make it virtually impossible for a borrower, once involved, to extricate himself. Family hardship and violence are invariably the ultimate price of dealing with loansharks.

In August, 1958, it was discovered that the owner of a bar frequented by longshoremen was regularly and systematically making usurious loans at interest rates of more than ten per cent per week. Since the loanshark was not registered by this Commission, the evidence was forwarded

to the District Attorney of New York County. The lender was convicted and given a suspended sentence, fined, and placed on probation for three years.

An investigation, in cooperation with the Kings County District Attorney, disclosed that two brothers, both licensed port watchmen, were operating a loanshark racket on the Brooklyn piers. The borrowers, more than 120 in all, were principally longshoremen and port watchmen. The licenses of both were revoked.

### *Phantoms*

The number of men working on a particular pier often varies from day to day. This tends to make the waterfront an easy place for payroll padding. The placing of "phantoms" on payrolls is a racket once common in the port. It has not been entirely eliminated and the Commission continues to uncover cases where persons are carried on the time sheets as present and working while, in fact, they are not.

In one case, a longshoreman, while being paid for work on a pier, was actually engaged in selling parking space on city-owned property in the waterfront area. In another case, a number of longshoremen were included, without their knowledge, on the payroll of a shipping company while actually employed elsewhere. These men learned of this when they received tax forms indicating the money withheld from the "phantom" wages. They reported the fact to the Commission. An investigation of the time sheets and payroll records of the shipping company disclosed that fifty-six "phantoms" were included on the payroll. Charges against two timekeepers and five longshoremen are now pending.

Recently, investigation established that eight longshoremen and a checker, while carried on the payroll of a shipping

firm in New Jersey, were regularly absenting themselves from the pier. While ostensibly working for their employer, they were regularly, over a two-month period, making repairs and improvements on the house of a union delegate some forty miles away. The nine men were suspended for periods of from two to five months. The case against the hiring agent involved continues open pending the disposition of criminal charges preferred against him on the same facts in the State of New Jersey.

### *Hiring Violations*

A stevedoring company violated Commission regulations by keeping in its employ certain hatch gangs that had been released to another firm for employment on the next day. This action left the second employer without men to work his ship. Under the Commission regulations, once hatch gangs have been released by an employer, they are available for hire elsewhere in the port. Even though notified by a Commission official that the gangs in question were not at liberty, the stevedoring firm chose to ignore the regulations and ordered the men to remain on the first ship. The matter was brought to hearing by the Commission and a fine of \$750 was imposed on the stevedoring company for violation of the hiring regulations.

## CRIMINAL DOMINATION

In 1952 at least 30% of the officials of longshore locals of the International Longshoremen's Association (Independent) were racketeers with police records who extracted their tithes from the waterfront. Their struggles for domination and jurisdictional control sometimes erupted into violence.

The following year the Legislatures took action against criminal domination over longshoremen's union locals by

including Section 8 in the Act creating the Waterfront Commission. This section makes it a misdemeanor for any person to collect or receive dues or other moneys from a person registered or licensed by the Waterfront Commission on behalf of any union representing such persons if the union has as an officer or agent a person convicted of a high misdemeanor or a felony without subsequent pardon or certificate of good conduct. This section was intended to rid waterfront unions of predatory criminals who were in a position to abuse their trust and use their office for their own illegal profit.

Whenever the Commission has obtained any evidence of such criminal offense, it has forwarded the matter to the appropriate prosecutor. Through Commission action, in cooperation with local prosecutors, all declared union officials or agents with disqualifying criminal records have been eliminated from such positions.

In its last annual report, the Commission warned that persons disqualified from holding union office were, in fact, continuing to act, clandestinely and covertly, in influential capacities and were drawing funds from the treasury of the ILA or its affiliates.

For the past year, the Commission has conducted an intensive investigation of attempts at infiltration by the underworld into affairs of the ILA. Facts already gathered indicate that hoodlums may still exercise influence in the International and its locals.

In one case, in an attempt to evade the statute, charters have been obtained from the ILA for subsidiary locals. When supplementary legislation required the registration of part of the membership of one local, a "splinter" local was chartered for the members not subject to Commission jurisdiction. In this way, an officer ineligible for his union post under Section 8 was able, by moving over to the new local, to retain his office.

In another case, investigation indicates that racketeers have sufficient influence to obtain new charters from the ILA to organize locals for workers in activities completely unrelated to the waterfront.

In still other cases, persons with substantial criminal records, whose presence on any ILA payroll would not withstand public opinion, were found to draw funds from dues of longshoremen through some business or organization purportedly providing services for the union.

These devices may make it possible for known mobsters to participate in the election of officers, control of funds, and making of policy of the ILA which collects dues from and represents the registered longshoreman in the Port of New York.

To fulfill the obligations imposed by the Compact under paragraphs 11 and 13, under Article IV, a complete investigation of this area is being made and a report, together with the Commission's recommendations as to whether the public interest requires remedial action or legislation will be made public early in the fall.

## PORT SECURITY

The Crime Commission, in its report to the Legislatures, estimated pilferage losses to be over eight million dollars for a three-year period, and described the port watchman as a "tragic figure on the piers". Watchmen who attempted to apprehend thieves and report thefts were often assaulted and threatened by dock workers, unbraided by superiors, and reprimanded by union officials. ILA leaders controlled the port watchmen's union and hampered whatever efforts were made on the part of employers to improve the watching services. The port watchman found himself in the impos-

sible position of being able to do little more than prevent longshoremen from smoking.

The Waterfront Commission was given licensing powers over port watchmen, and it set out to improve the efficiency of the watching service by requiring higher standards. It eliminated men with serious criminal backgrounds; it required certain physical standards; it instituted a course of training. In 1956, it revised its standards for physical and mental fitness.

Regulations adopted in 1957 terminated the license of a port watchman when he reached 65 years of age, unless he had substantial recognized equity in a pension plan that would mature in a few years, in which cases, waivers could be granted. Today, no new applicant is eligible for a license as a port watchman unless he is between the ages of 21 and 55. Although the physical requirements have improved the port watchman force, other shortcomings of the old port watchman system still continue. In its annual report for 1954-1955, the Commission reported that:

The docks comprise a vast area which is private property or is under lease to private interests and, therefore, is not patrolled by local police forces. It is anomalous that such an area to which many thousands of people have daily access should be without the usual police protection or its equivalent.

Those who operate the docks apparently have thought of port watchmen primarily in terms of protection against pilferage and fire. This concept is much too limited. Actually, pier operators have the same duty imposed by law upon the occupants of all private property to prevent every type of criminal activity thereon.

A solution may be found in a revision of the limited concept of the duty of port watchmen and in the introduction of an organization which will insure their effective use in policing against all lawlessness on the piers. The Commission has informally suggested to representatives of N.Y.S.A. that it consider the advisability of having a single force of watchmen for the entire port headed and disciplined by an outstanding veteran of law enforcement work. The Commission intends to pursue this matter further and hopes that a solution will be evolved.

The suggestion by the Commission that a single watching force be considered created some anxiety in the port watching agencies. They feared that the Commission was working towards creating a government agency to take over port security. They protested against any government intervention until the industry itself was given an opportunity to devise a more efficient security system for the Port of New York. The Commission, in making this report, was alerting the industry to its obligation to the security needs of the port that required attention.

Again, in its 1955-1956 report, the Commission stated:

The protection of this vast investment in the physical facilities and the cargo of our port requires vigorous, well-trained, conscientious men under capable, professional, law enforcement leadership. A flexible force to meet any contingency is indicated. We note that at least two companies in the port have made noticeable progress in this direction. \* \* \*

Owing to the continued inadequacies of the present force of port watchmen, the Waterfront Commission is obliged to supplement the port watchmen's activity through the use of its investigative force assigned to pier areas and on patrol duties.

The Commission recognized that some steps had been taken towards improvement, but still deplored the shortcomings of the system.

In its 1956-1957 report, the Commission again advised the pier owners and operators that the piers were privately operated and controlled and that responsibility for policing the piers is that of the owners or lessees. The Commission went on to say that:

The security of property and cargo has always been a major problem in the port. The cost in salaries of port watchmen alone is \$8,000,000 annually. There has been some improvement during the past year in the watching service, some of it resulting from the impact of the new regulations, although not enough time has yet elapsed to evaluate fully their effect.

Nevertheless, it is apparent that the new regulations will result in an improvement over the haphazard situation of the past and will produce a more efficient force of port watchmen—and may require the industry to consider whether its present wage scale

is sufficient to attract the needed calibre of men. But the regulations are not the final answer to this important and complicated problem.

However, at the writing of its 1957-1958 report, the situation, with the exception of the improvements brought about by the higher standards imposed by the Commission, remained exactly the same. The Commission reported:

Management and labor have the responsibility for providing efficient security in the port. Management must provide the plant with the physical safeguards that will make security of cargo possible, and must insure that the men employed as guards are adequate in number, competent, and properly trained and supervised.

Labor must recognize the importance of cargo security to the continued pre-eminence of the port and have the training, ability and, above all, the will to carry out its indispensable part in the program. Both management and labor must cooperate fully with all law enforcement agencies to restore and maintain a climate of law and order on the docks and to secure them against the activities of the few who have brought disrepute to the entire industry.

The Commission in each of its annual reports has pointed out the deficiencies in the watching services in the port. Unfortunately, the security needs of the port have not yet been met.

While the problem of adequate protection of the billions of dollars of cargo and property in New York Harbor is a complex and difficult one, the public interest demands a solution. If improvement is not forthcoming from within industry itself, the Commission may be obliged to adopt broader regulations, or to recommend measures that will provide a more thorough system of protection.

Despite all admonitions, the security system in the port still has not shown any significant improvement. The Commission feels that the security of the docks is the proper responsibility of the industry itself under our system of free enterprise, and would be most reluctant to see any public agency assume this function. However, the welfare of the port and the public interest demand substantial improvement in the present system.

In view of the need for objective evaluation and the lack of any reliable information, the Commission directed its

staff to conduct a survey of the security system in the port, including in its scope:

(a) Physical Facilities

An analysis of the physical facilities of the docks, farm areas, type of cargo handled, and security provisions for each pier;

(b) Personnel

Number of watchmen; selection of supervisory employees; selection of watchmen; qualifications for employment;

(c) Operation

Chain of command; scope of instructions; records and reports required by watchmen and supervisors;

(d) Adequacy of Powers

Watchmen's powers to search and arrest; ability of watchmen to perform duties freely and without intimidation;

(e) Loss of Cargo

Statistics on pilferage and theft;

(f) Employers of Port Watchmen

Organizational structure; responsibilities to contractors, to employees, and to the public.

The information in the present survey, made pursuant to the mandate of the Compact, will be reported by the Commission early in the fall. At such time, all who have an interest will be afforded an opportunity to express their views and recommendations as to the action the Commission should take.

## REGULARIZATION OF EMPLOYMENT

To eliminate the evils resulting from the oversupply of labor, the Compact directed the Commission to regularize the employment of longshoremen, and to bring the number of available dock workers more nearly into balance with portwide needs. Any longshoreman registered for at least nine months, if he has not worked or sought work during the six preceding months for a prescribed minimum number of days, is removed from the register. This procedure, called "decasualization", is done at regular intervals of six months covering each half of the calendar year.

On October 22, 1958, 2,510 registrants were removed, leaving 30,364 active registrants; and on May 14, 1959, 2,753 registrants were removed, leaving 28,886 active registrants. (See table, page 34.)

This year, after reviewing the work records of all registered longshoremen, 7,247 decasualization notices were mailed to individual registrants advising them that they had failed to meet the requirements. In response to the notices, 2,281 applications for retention were received and reviewed. The final report shows that during the year, 5,263 registrants were decasualized. This is a considerable increase over past years.

The increase in decasualizations in the two recent rounds is the result of the large number of applications received during the business recession in 1957-58 when unemployment in other industries induced men to look to the waterfront at a time when work opportunities were reduced to 42,835,226 man-hours in the previous fiscal year.

One benefit of decasualization is shown by a comparison of the earnings of longshoremen in 1958 with the earnings

prior to 1955, the year the decasualization program became effective. This illustrates the effectiveness of the decasualization program in bringing the number of available dock workers into balance with portwide labor needs and, at the same time, preserving the rights of an individual to seek a livelihood on the waterfront.

In 1954, there was a total of 41,333 men in all categories now registered by the Commission. In 1958, there were 31,629; a reduction of 9,704, or 25%. The average wage for 1954 was \$2,469.25; the average for 1958 was \$4,219.76. This is an increase of \$1,750.51, or 70.6%, in the average annual wage in the four-year period. (See Comparison of Earnings, page 32.)

The decasualization program, unique in this country, was patterned after a similar system used in the Port of London, and has proved its worth in the Port of New York. In addition to its effect on average earnings of longshoremen, it has eliminated the "week-end worker", "poachers", and others who do not make the waterfront their chief source of livelihood.

## EMPLOYMENT INFORMATION CENTERS

The Division of Employment Information Centers and Licensing maintains thirteen hiring centers through which all longshoremen are hired, and administers the licensing and registration of stevedores, hiring agents, pier superintendents, port watchmen, longshoremen, and checkers. The Commission is responsible for regulating and supervising hiring of longshoremen. It does not participate in the selection of men, but provides facilities where employers' licensed agents accomplish hiring under supervision.

Through practical hiring procedures and the services of the centers, approximately 90% of the longshoremen employed in the port are validated and hired without the necessity of their being present in the centers. This is accomplished by maintaining in the centers rosters for each pier or terminal of regular employees. The prevalidation of labor is accomplished through the daily submission of order forms from employers to the appropriate centers.

In the past there was no central source of information where a longshoreman could obtain advance notice of work assignments or work opportunities. Under the present system, if a man is a member of a gang unit or is attached to a particular roster, he can obtain his work assignment by telephoning the center. Thus, hatch gangs, dock labor, checkers, clerks, and drivers listed for a specific pier or terminal are easily and readily hired and validated on a daily basis through the center without loss of time to the individual or the employer. This procedure accomplishes a dual purpose in that it meets the requirements of the collective bargaining agreement, as well as requirements of the Waterfront Commission Act and regulations, quickly and efficiently.

A hatch gang directory is maintained which lists all organized hatch gangs in the port by names, qualifications, telephone numbers of gang foremen, and location of gangs for pier or terminal. There are approximately 650 gangs, consisting of more than 13,000 men, currently listed in the port, and directories are readily available to the New York Shipping Association, individual employers and their hiring agents.

In contrast to the former pierhead "shape", both gangs and casuals have increased job opportunities and may seek and secure work at other piers or terminals when there is no work at the regular pier. The centers provide the information as to where in the port there is opportunity for casual employment. As a result employment is more regular, and employers benefit from a more stable, more experienced and more accessible labor force.

To provide these services the thirteen centers are located for maximum convenience to the industry and the men. The working hours of the port require the centers to be open every weekday from 7 a.m. until 7:30 p.m.; from 7 a.m. until 12 noon on Saturdays, and at other times as required.

The Licensing Section processes all applications for registration and licensing and maintains records and files for all present and former registrants and licensees. The current effectiveness of these records is essential to prevent the employment of unauthorized men, and the employment records so maintained are the basis for the decasualization process.

A new procedure for the hiring of casual coopers was established during the year and has proved highly efficient. They are now hired through our centers on the basis of port-wide availability of jobs.

At the request of the industry, the Commission adopted, this year, a new regulation permitting employers to retain regular and regular-extra gangs beyond the term of employment originally contracted for, even though such gangs may have been hired to work elsewhere by a second employer. This regulation is designed to resolve a conflict between employers and applies only to the completion of work interrupted by circumstances beyond the control of the employer, such as rain, breakdown of equipment, death, or injury.

The Commission has also indicated its willingness to reconsider the present hiring regulations and, particularly, to extend prevalidation, with adequate controls and safeguards, to make the regulations more compatible with whatever procedures labor and management may be able to work out.

Further, Centers #4 and #5 have been combined in new quarters at 15 Moore Street, Manhattan, at the request of the Seniority Board in order to fit the needs of the seniority system. Although this has resulted in increased costs, there is no doubt that the resulting benefits to the industry will warrant the expenditure.

## COOPERATION WITH OTHER LAW ENFORCEMENT AGENCIES

The Commission has maintained a substantial exchange of assistance and information with other law enforcement agencies with which its work often coincides. As in past years, Commission investigators and attorneys have conducted joint investigations with federal, state, and local law enforcement agencies to the benefit of all. Evidence of violations of criminal law has been brought to the attention of the appropriate authorities and information has been made available to government agencies on request.

Among the agencies with which the Commission has collaborated during the past year are, in New York, the Police Department of New York City (particularly the Bureau of Criminal Identification, the Bureau of Special Services and the Riverfront Squad), the District Attorneys of New York, Kings, Queens, Richmond, and Westchester Counties, the U. S. Attorneys for the Southern and Eastern Districts of New York, the U. S. Treasury Department, the Federal Bureau of Investigation, the Bureau of Immigration and Naturalization, the Federal Bureau of Narcotics, the U. S. Bureau of Customs, the National Labor Relations Board, the U. S. Coast Guard, the New York State Police, the Department of Correction of the State of New York, the New York State Division of Parole, the New York State Commission Against Discrimination, the New York State Commission of Investigation; and, in New Jersey, the Attorney General, the New Jersey State Police, the County Prosecutors in Essex, Monmouth, Bergen, and Hudson Counties, the U. S. Attorney for the District of New Jersey, the Police Departments of the Cities of Hoboken, Jersey City, Bayonne, and Newark; and, the Chiefs of Police of cities in Puerto Rico. Cooperation has also been extended to the Senate Select Committee on Improper Activities in the Labor or Management Field, and the Senate Sub-Committee on Internal Security.

## ADMINISTRATION

The revenues of the Commission are derived from an assessment on employers based upon the payrolls of registered and licensed employees of steamship companies, stevedores, and watching agencies and are collected quarterly. The Compact provides that the Commission shall annually adopt a budget for its expenses for each year and, after taking into account any funds available to it, the balance of the budgeted expenses shall be assessed upon employers of persons registered or licensed under the Compact. In order to compute the rate of assessment the Commission must annually estimate the gross payroll payments which will be made by employers subject to assessment.

The fiscal year of the Commission commences on July 1 and ends the following June 30. For the fiscal year ended June 30, 1959, the Commission adopted a budget of \$2,093,391 which was about \$12,000 less than the budget for the preceding year.

For the fiscal year ending June 30, 1960, the Commission has adopted a budget of \$2,073,439. This budget is \$20,000 less than that for the prior year, even though it includes an item of \$57,200 necessary to cover the estimated additional costs for the implementation of the seniority agreement. This extraordinary expense is to cover the cost of relocating Employment Information Centers and for providing additional equipment and services. Without this item the budget for the 1959-1960 fiscal year would have been \$77,000 less than the budget for the preceding fiscal year.

The estimate of assessable payroll presented unusual problems this year because of the opening of the St. Lawrence Seaway, which is expected to result in some diminution of cargo handled in the Port of New York, as well as the forthcoming wage negotiations between the New

York Shipping Association and the International Longshoremen's Association (Independent) prior to the expiration of the current contract on September 30, 1959.

After review of the budget by representatives of the New York Shipping Association and the budget staffs of the states of New York and New Jersey, the Commission adopted the budget of \$2,073,439 and fixed the rate of assessment at 1.25% on covered payroll. This rate has prevailed since October 1, 1956.

By statute, the Commission is permitted to include in its budget a reserve of up to 10% of the amount of its expenses. No reserve was included in the budget adopted for the next fiscal year and no surplus funds will be available for credit against that budget. Drawing upon such surplus funds has enabled the Commission to maintain a fixed rate of assessment during the past three years.

On March 1, 1959, Mr. Michael J. Murphy, who had been Executive Director since December 1, 1955, resigned to accept an appointment as Chief of Staff of the Police Department City of New York.

Respectfully submitted,

CARL J. RUBINO  
DAVID C. THOMPSON

*Commissioners*

PRICE WATERHOUSE & Co.

56 PINE STREET  
NEW YORK 5

July 16, 1959

Waterfront Commission of New York Harbor  
New York, New York

In our opinion, the accompanying statement presents fairly the cash receipts and cash disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1959 and is presented on a basis consistent with that of the preceding year. Our examination of this statement was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accounts of the Commission are maintained on the basis of cash receipts and disbursements and accordingly do not reflect expenses incurred but not paid comprising principally accrued salaries totaling \$43,492.28.

PRICE WATERHOUSE & Co.

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Statement of Cash Receipts and Disbursements For the Year Ended June 30, 1959

### RECEIPTS:

Assessments on employers of persons registered or licensed by the Commission .....	\$1,896,524.83
Interest received on United States Treasury Bills ....	3,939.22
Penalties .....	1,000.00
	1,901,464.05

### DISBURSEMENTS:

Salaries .....	\$1,524,733.48
Rentals .....	184,132.92
Retirement, group insurance and social security taxes .....	60,530.39
Traveling expenses .....	48,836.24
Special supplies and expenses .....	48,519.92
Telephone, telegraph and postage .....	39,355.26
General office supplies and expenses ....	26,561.29
Legal and consultant fees, etc. ....	18,009.25
Repairs and maintenance .....	21,664.93
Printing .....	13,089.40
Furniture, fixtures and equipment .....	6,857.17
Insurance .....	11,320.31
Overtime meal allowances .....	11,293.43
Light and power .....	8,221.53
Leasehold alterations .....	909.40
Badge deposits returned (net) .....	183.00
	2,024,217.92

Excess of disbursements over receipts for the year .....	(122,753.87)
Cash balance, June 30, 1958 .....	135,411.70
U. S. Treasury Bills, at cost, June 30, 1958 .....	199,452.00

Excess of receipts over disbursements to June  
30, 1959, represented by balances as below ..... \$ 212,109.83

Cash (net of taxes withheld from employees) .....	\$ 108,338.33
U. S. Treasury bills, at cost ....	99,312.00
	207,650.33
Special badge deposit account ..	4,459.50
	\$ 212,109.83

## LITIGATION

*Blake, et al. v. Waterfront Commission*, 170 N. Y. S. 2d 974 (App. Div., 1st Dept., January 28, 1958), leave to appeal den. Ct. of Appeals, 10/16/58

*Appell, et al. v. Waterfront Commission*, 170 N. Y. S. 2d 973 (App. Div., 1st Dept., January 28, 1958), leave to appeal den. Ct. of Appeals, 10/16/58

*Tarshes, et al. v. Waterfront Commission*, 182 N. Y. S. 2d 1015 (App. Div., 1st Dept., February 17, 1959)

*DeVeau et al. v. Braisted (Waterfront Commission, amicus curiae)*, 166 N. Y. S. 2d 751 (S. Ct., N. Y. Co., September 5, 1957), aff'd 174 N. Y. S. 2d 596 (App. Div. 2nd Dept., May 12, 1958), aff. 183 N. Y. S. 2d 793 (Ct. of Appeals, February 26, 1959). Appeal pending before the U. S. Supreme Court.

The Commission's determination that participation by longshoremen in intimidatory mass picketing renders their presence on the waterfront a danger to the public peace and safety was sustained in these related cases.

The authority of the Commission to prescribe maximum age limitations as physical standards for port watchmen was held to be within the powers granted by the Compact.

The constitutionality of Section 8 of the Waterfront Commission Act, relating to union officers was sustained. The court also held that a person who has received a suspended sentence has been convicted within the meaning of Section 8 of the Act.

*Brennan et al. v. Waterfront Commission*, 185 N. Y. S. 2d 406 (App. Div., 1st Dept., April 20, 1956). Commission's appeal from modification of Commission's sanctions and petitioners' appeal from Appellate Division's confirmation of Commission determinations now pending in Court of Appeals

*Jaccarino v. Waterfront Commission*, Supreme Ct., N. Y. County, N. Y. L. J. 8/20/58, re argument granted, N. Y. L. J., 10/31/58, p. 12, col. 6, 183 N. Y. S. 2d 987 (App. Div., 1st Dept., March 17, 1959), leave to appeal den. Ct. of Appeals, N. Y. L. J., 6/1/59, p. 12, col. 4.

*Local 824, ILA (Ind.), John Bowers, Vice President and Business Agent v. the Waterfront Commission*, 182 N. Y. S. 2d 481

The Appellate Division unanimously sustained the Commission's determination that a dock boss and three checkers who intimidated and threatened other waterfront personnel, in an attempt to control the checking operation on a pier, lacked good character and integrity and were dangers to the public peace and safety. In a 3-2 decision, the Appellate Division modified the Commission's sanctions to the extent of granting the petitioners leave to reapply for checker registration.

The Commission's authority to deny an applicant checker registration and revoke his temporary checker's registration for his refusal, during an investigation into loansharking, to identify persons who loaned him money was sustained. The Appellate Division confirmed Commission's determination. The Court of Appeals denied a motion for leave to appeal.

The Commission's power to subpoena persons, books and records of organizations not subject to registration or licensing by the Commission

(S. Ct., N. Y. Co., Sept. 23, 1958) aff. 179 N. Y. S. 2d, 843 (1st Dept., Nov. 19, 1958), appeal dismissed, Court of Appeals, N. Y. L. J. 6/2/59, p. 12, col. 1. Petition for a writ of certiorari to the United States Supreme Court has been filed

*Local 824, ILA (Ind.), Patrick J. Connolly, President v. Waterfront Commission* [Same citation as above]

*Bowers v. Waterfront Commission*, 182 N. Y. S. 2d 481 (S. Ct., N. Y. Co., Sept. 23, 1958) aff. 179 N. Y. S. 2d 844 (1st Dept., Nov. 19, 1958), appeal dismissed, Court of Appeals, N. Y. L. J., 6/2/59, p. 12, col. 1. Petition for a writ of certiorari to the U. S. S. Ct. has been filed.

*Thomas Gleason Sr., Trustee of N. Y. S. A.—ILA (Ind.) Welfare Fund v. Waterfront Commission*, 182 N. Y. S. 2d 485 S. Ct. N. Y. Co., Nov. 21, 1958), aff. App. Div., 1st Dept., N. Y. L. J., 6/24/59, p. 8, col. 3.

was upheld. The lower court also upheld the constitutionality of §8 of the Waterfront Commission Act. The Appellate Division unanimously affirmed the lower court's decision. The Court of Appeals dismissed an appeal.

Sustains the Commission's authority to subpoena as witnesses employees of a labor union and require production of records. The Appellate Division affirmed the lower court's decision.

*Waterfront Commission v. Ackalitis*, S. Ct., N. Y. Co. 1/23/59, N. J. L. J. 1/26/59, p. 13, col. 3

Upheld Commission's power to compel obedience to its subpoenas by contumacious witness by holding him in contempt, ordering his arrest, and ordering him to pay a fine to the Commission.

*Barone and Rago v. Waterfront Commission*, 187 N. Y. S. 2d 617 (S. Ct., N. Y. Co., April 10, 1959), aff. 187 N. Y. S. 2d 622 (1st Dept., June 11, 1959)

Sustains Commission's authority to investigate affairs of chenangoe's union, whose membership and type of work are not subject to the regulatory powers of the Commission. The Appellate Division affirmed the lower court's decision.

*Frank Campbell v. Waterfront Commission*, S. Ct., N. Y. Co., N. Y. L. J., 2/5/59, p. 12, col. 4.

Sustains the sufficiency of a Commission subpoena and the jurisdiction of the Commission to compel testimony in an investigation under Article IV of the Waterfront Commission Compact.

*Waterfront Commission v. Local 1814 et al., Universal Terminal Operating Company*, S. Ct., N. Y. Co., 10/29/58.

The Waterfront Commission Regulation prohibiting participation or attempted participation in the selection of personnel employed as longshoremen, by any except a licensed hiring agent or his superior, was construed by the Court to mean coercive participation in an opinion

dismissing an action by the Commission against a union and an employer to enjoin the retention of longshoremen whose hiring was influenced by the union on the ground that the facts did not amount to coercion.

*Empire State Highway Transportation Association, Inc. v. United States of America and The Federal Maritime Board*, Fed. Maritime Bd., March 12, 1959, Docket No. 821.

The Federal Maritime Board has approved a tariff agreement among the terminal operators, which permits the terminal operators to perform exclusively all loading of trucks on the piers. The position of the Commission, as an intervening party before the Federal Maritime Board, that the Compact does not permit exclusive loading by the terminal operators was not sustained by the Board.

## COMPARISON OF EARNINGS

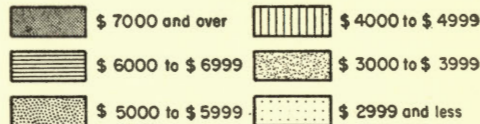
	<u>1954</u>	<u>1958</u>	Percentage of (+) Increase or (-) Decrease
Total Earnings	\$102,061,108.19	\$133,466,933.17	+ 31%
Total Hours Reported	37,813,991	42,835,226	+ 13%
% Earned on Overtime	24.3%	22.5%	
<hr/>			
\$7,000 and over	406 men	3,434 men	+746%
\$6,000 to \$7,000	802 men	3,966 men	+395%
\$5,000 to \$6,000	2,589 men	6,187 men	+139%
\$4,000 to \$5,000	6,330 men	5,306 men	— 16%
\$3,000 to \$4,000	7,013 men	3,330 men	— 53%
Under \$3,000	24,193 men	9,406 men	— 61%
TOTALS	<hr/> 41,333 men	<hr/> 31,629 men	

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

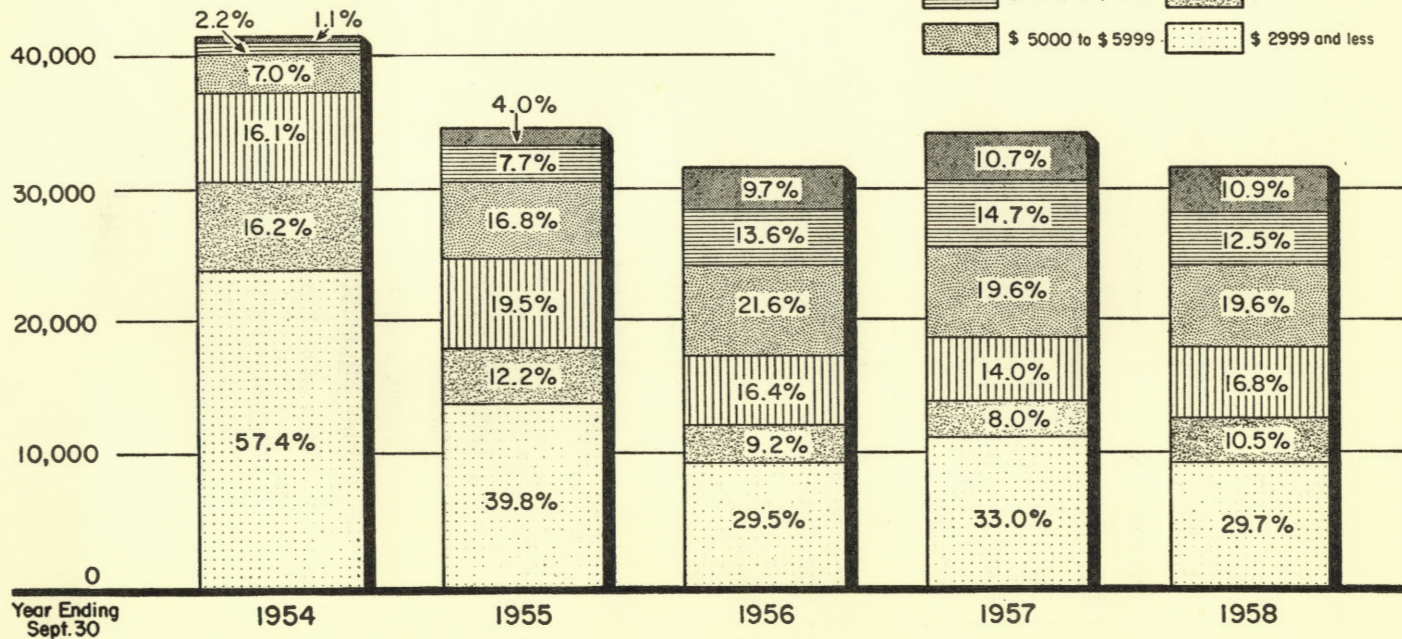
# COMPARISON OF EARNINGS

Number of Men  
50,000

LEGEND



[ 33 ]



## APPLICATIONS

(July 1, 1958 to June 30, 1959)

Longshoremen and Checkers .....	7766	
Port Watchmen .....	349	
Pier Superintendents .....	56	
Hiring Agents .....	71	
Stevedores		
Company .....	4	
Officers & Stockholders .....	25	29
Reinstatements .....	557	
		<hr/>
		8828

## REGISTRATIONS AND LICENSES

as of June 30, 1959

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Longshoremen	24,967
Checkers	4,173
Hiring Agents	630
Pier Superintendents	408
Port Watchmen	2,218
Stevedoring Companies	45

## COMMISSION DETERMINATIONS FOLLOWING HEARINGS

	APPLICATION		REVOCATION				Total
	Denied	Granted	Revoked	Suspended	Repri- manded or Warned	Suspended Pending Hearing	
Longshoremen	159	33	63	23	3	53	334
Checkers	31	11	10	2	1	2	57
Hiring Agents	2		3		2	3	10
Pier Superintendents	1		1		3		5
Port Watchmen	10	1	15	1		12	39
Stevedores		1		1*			2
							447
					Hearings	Dismissed	9
						Total	456

\* Fine paid in lieu of suspension

## PETITIONS ACTED UPON BY THE COMMISSION

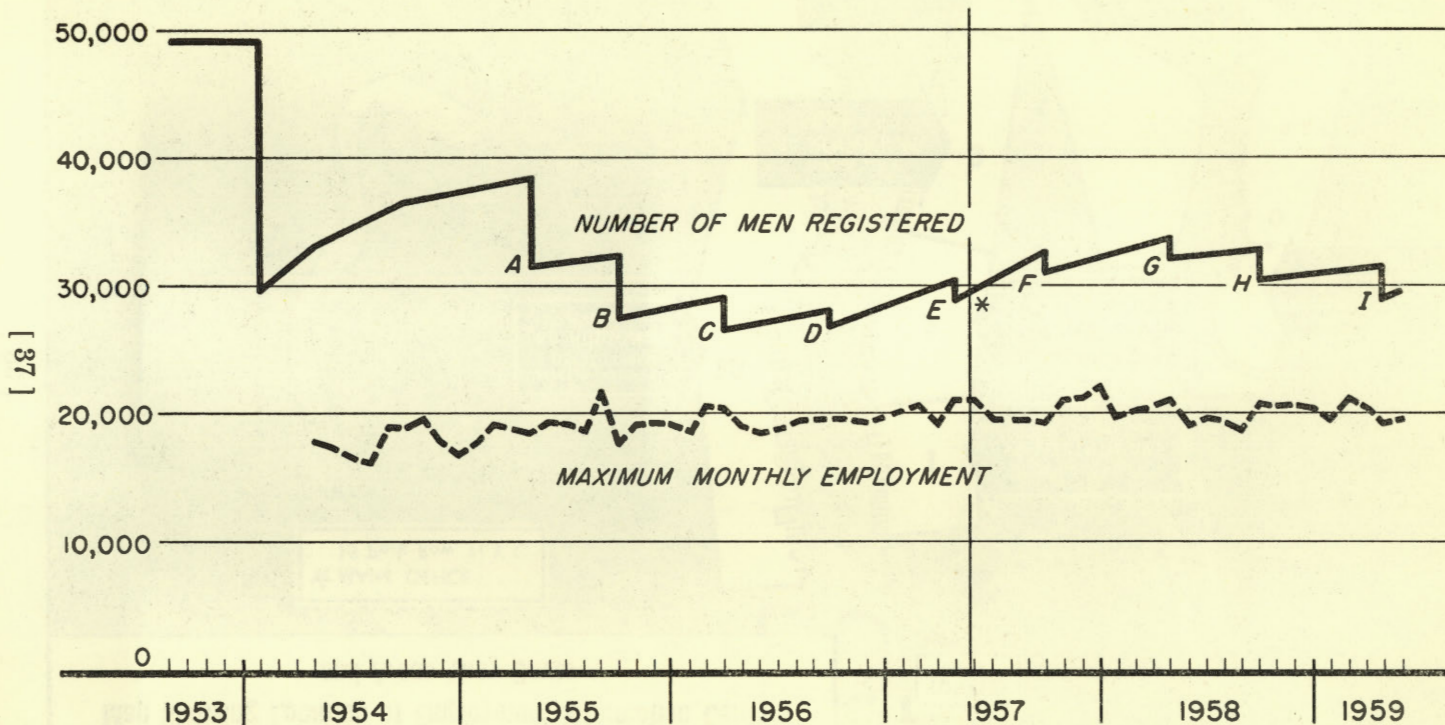
	Grant	Deny	Totals
To Remove Ineligibility by Reason of Criminal Convictions .....	95	1	96
For Reconsideration or Leave to Reapply .....	105	48	153
For Waiver of Physical, Mental or Age Ineligibility (Port Watchmen) .....	9	104	113
For Rehearing .....		6	6
To Withdraw .....	18	1	19
		Total	387

## DECASUALIZATION

		<u>Valid Regis- trations</u>	<u>Number Decasu- alized</u>
Peak Registration	May 22, 1955	38,693*	
1st Decasualization	June 1, 1955	31,574*	7,141
2nd        "	Oct. 27, 1955	27,284*	5,115
3rd        "	Apr. 19, 1956	26,486*	2,938
4th        "	Oct. 19, 1956	26,746*	1,545
5th        "	May 3, 1957	28,928*	1,695
6th        "	Oct. 23, 1957	31,056*	1,775
7th        "	May 21, 1958	31,946*	1,898
8th        "	Oct. 22, 1958	30,364	2,510
9th        "	May 14, 1959	28,886	2,753

\* These figures do not include craftsmen who were not required to be registered until May 27, 1957.

# EFFECT OF DECASUALIZATION



\* Amendment to Waterfront Commission Compact May 27, 1957  
 Requiring the Registration of Craftsmen (Marine Carpenters,  
 Coopers, and Maintenance Men)

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Map Showing Location of Employment Information Centers and Areas They Cover

★ **MAIN OFFICE**  
15 Park Row, N.Y.C.

HOBOKEN - WEERAWKEN  
EDGEWATER AREAS  
**60 HUDSON ST.**  
HOBOKEN, N. J.

13

PIERS 18-52 N.R.  
**34 RENWICK ST.**  
NEW YORK, N.Y.

PIER 80-99 N.R.  
**659 ELEVENTH AVE.**  
NEW YORK, N.Y.

PIERS 53-78 N.R.  
**455 WEST 16th ST.**  
NEW YORK, N.Y.

LONG ISLAND  
GREENPOINT - NAVY YARD AREAS  
**32 JAVA ST.**  
BROOKLYN, N.Y.

PIERS 1-17 N.R.  
**15 MOORE ST.**  
NEW YORK, N.Y.

PIERS 4-68 E.R.  
**15 MOORE ST.**  
NEW YORK, N.Y.

**IRVINGTON**  
CENTER 1

**YONKERS**  
CENTER 1

QUEENS

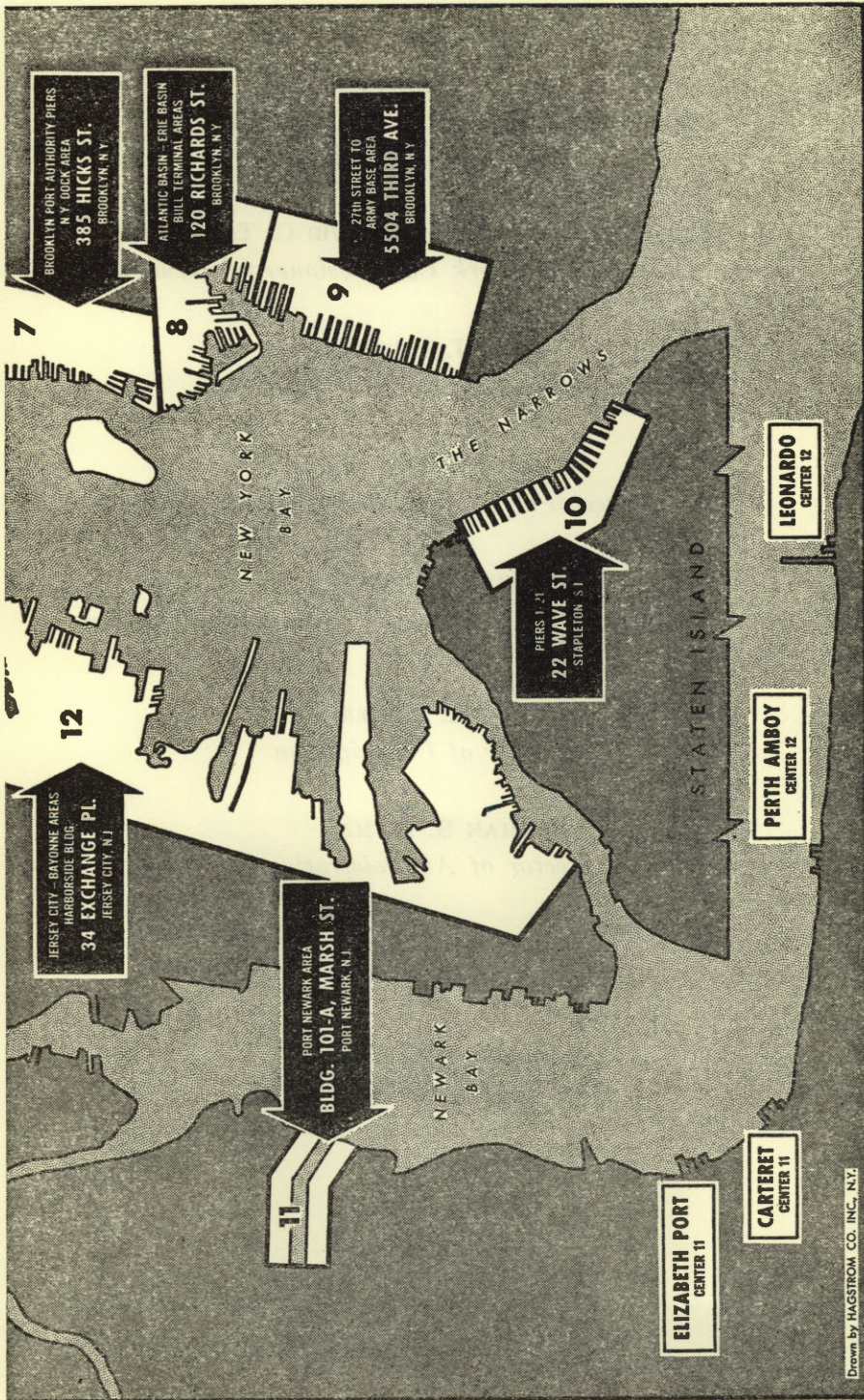
BROOKLYN

NEW JERSEY

HUDSON RIVER

MANHATTAN

EAST RIVER



Drawn by HAGSTROM CO. INC., N.Y.

**THE WATERFRONT COMMISSION OF  
NEW YORK HARBOR**

**CARL J. RUBINO**

*Commissioner for New York*

**DAVID C. THOMPSON**

*Commissioner for New Jersey*

**JOHN J. MURPHY**

*Acting Executive Director*

**WILLIAM P. SIRIGNANO**

*Director of Law and Enforcement*

**PERCY A. MILLER, JR.**

*Director, Employment Information Centers and Licensing*

**PAUL A. ALFIERI**

*Director of Investigation*

**HYMAN S. LIPMAN**

*Director of Administration*

**ERWIN W. SMITH**

*Director of Public Relations*

**GEORGE A. MERRILL, JR.**

*Secretary to the Commission*

