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IN THE MATTER OF A CONTROVERSY BETWEEN
THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION
AND
THE WATERFRONT EMPLOYERS ASSOCIATION OF THE PACIFIC COAST

Involving Union's demand for increase in wages under
Wage Adjustment Provision of Section 12 of Basic
Agreement of December 20, 1940

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A- Introduction

The question presented in this wage review is whether Pacific Coast Longshoremen are entitled to a wage increase. The submission before Wayne L. Morse as Arbitrator is in conformity with an agreement dated December 20, 1940 between the International Longshoremen's and Warehousemen's Union representing the longshoremen on the Pacific Coast and the Waterfront Employers Association of the Pacific Coast acting on behalf of employer associations in Washington, Oregon, and California and their members who are the employers of Pacific Coast longshoremen (approximately 12,000 in number)

The agreement relates to wages, hours, working conditions, and conditions of employment in longshoring. It is effective until September 30, 1942, and for succeeding one year periods until terminated by notice. It is the provisions of this longshore agreement concerning wages which govern this arbitration proceeding. The agreement did not provide for any wage increase though in prolonged negotiations it had been persistently sought and refused. The pre-existing wage rates, both straight and overtime (95¢ per hour straight time and \$1.40 overtime) were to be continued until Feb. 20, 1941; the agreement provided the longshoremen should receive an increase in wages of 5¢ per hour straight time and 10¢ per hour overtime on Feb. 20, 1941, if, by that time, reasonable rates of production and efficiency in longshore work had been restored and the Longshore Union had procured reasonable compliance with the agreement.

B- The Union Wage Demands

In requesting increases in prevailing straight and overtime rates of pay the union presented no specific proposals to the employers. Their specific demands of \$1.25 per hour straight time and \$1.87½ overtime were not offered until the hearing was under way. They urged wage increases relying principally upon the ground that there has been an upward trend in living costs which will continue, and that wage rates for other workers have increased to a greater degree in percentage than those of longshoremen.

A summary of the Union's specific arguments are discussed by the Arbitrator in the text of the Award.

1. The wage rates of the Pacific Coast longshoremen compared to those of the longshoremen of the Atlantic Coast and the increases in wage rates granted to the workers in the maritime and other industries since 1934 clearly justify the Union's proposal.
2. The five-cent-per-hour increase since the 1934 award is insufficient to meet the present high cost of living in Pacific Coast ports and the changes in the cost of living index numbers since 1934 show the lag in longshoremen's hourly wage rates.
3. Price rises in the present war have already exceeded those of comparable period in World War I. The cost of living changes in World War I clearly augur the trend in World War II.
4. Wholesale prices are the best indication of future trends in retail prices; thus even if price controls are effectively put into practice, such controls will be set at the current price level which is now 25 to 30% above the pre war price level.
5. It is obvious from the entire tenor of the Employer's contention regarding alleged "slow down" that their desire is the revival of the inhuman speed up methods prevailing on the waterfront prior to the establishment of current working conditions.
6. The system employed by Price Waterhouse and Co. in conducting the study of longshore productivity demonstrates the inadequacy of tons-per-man hour as a sole criterion of measuring efficiency. The cross examination brought out the non-comparability of the data compiled and the prejudicial nature of the study.
7. There is no basis in fact for the claims of the Waterfront Employers representatives who testified as to slowdown.
8. Throughout their case the Employers have insisted on living in the past and reviving all points of controversy between the Union and the Waterfront Employers Association. Thus, even in this arbitration, which is to set the wage for the present and the immediate future, the Employers insist on doing "business as usual."

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C- Employers Contentions

Employers opposed any wage increase. They did so, first, upon the grounds that wage rates have led, not lagged behind the cost of living, that comparable rates are below longshore rates and that other considerations appropriate to the determination of wage rates do not justify an increase but demonstrate

1. Morse, Wayne L. Arbitrator's Award "Involving Union's demand for increase in wages under Wage Adjustment Provision of Section 12 of Basic Agreement of December 20, 1940. Pg. 9-10

that the prevailing rates are more than fair. They also opposed an increase for they contended that the Longshoremen Union and the longshoremen have failed to restore reasonable efficiency or to maintain reasonable efficiency in the handling of cargo since the making of the longshore agreement. The Waterfront Employers stated further that the employers of longshoremen are at all times entitled to a fair day's work and that, part from any covenant or agreement, the longshoremen cannot justify a wage increase when their employers today receive less than ever before for the wages which they pay; that under prevailing wage rates the cost of handling cargo is excessive and unjustified and further increases would merely add thereto. 2

D. Longshore Wage Rates

The so-called basic longshore wage rate fixed by the agreement of December 1940 was 95¢ per hour straight time and \$1.40 overtime. As a result of the voluntary increase in wages granted in February of 1941 the rates now prevailing are \$1.00 per hour straight time and \$1.50 overtime. Nominally it is an increase in these basic rates which the union seeks- but actually an increase in the entire rate structure is involved.

Longshore wage rates include not only the basic straight and overtime rates but many others which are payable when particular types of cargos are being handled, when certain skills are being used, and all the rates are subject to increases because of penalties attributable to working rules or practices. For example, the longshore agreement imposes various penalty wage rates when longshoremen are engaged in handling of certain specified commodities or in performing particular types of longshore work. Thus, shoveling work is paid an additional 20¢ an hour during straight time and 30¢ per hour more during overtime. Various commodities which are regarded as unpleasant or offensive also are handled at rates in addition to the

2. Brobeck, Phleger and Harrison, Employer's Brief, Dispute Involving Union's demand for increase in wages under Wage Adjustment Provision of Section 12 of Basic Agreement of Dec. 20, 1940," Pgs 10-26

the basic wage rate, these amounts varying from 10¢ to \$1.30 per hour.

It is clear that longshore wage rates are not actually \$1.00 per hour straight time and 1.50 overtime. These are only the very lowest hourly rates paid. Simple comparisons with wage rates prevailing elsewhere in the industry or other industries are inaccurate and misleading because they ignore the effect of the 6-hour day, the working rules and various penalty wage rates. It is apparent that to compare a straight time hourly wage applicable to 8 straight time hours with the same wage rate applicable to only six of the eight hours usually worked is to compare two wholly dissimilar things. To compare wage rates which are generally applicable to the work performed in an industry with those which apply to only part of the time is not helpful.

To relate the trend in living costs to merely the basic straight and overtime wage rates of longshoremen is misleading and inaccurate because it disregards the 6-hour day wage increase, penalty rates, the increased earning for differentials in skill and other additions to the basic wage rates which determine the trend in the actual average hourly rates of longshoremen. Of course, wage rate comparisons are never satisfactory. Actual earnings are what workers are interested in. A high wage rate with low earnings is never as desirable as a lower wage rate with higher earnings. 3

E-Cost of Living

The union used as its basic argument for a higher wage rate the upward trend of living costs. They presented as evidence trends in the retail costs of goods in the past, of the trends in the cost of wholesale goods and raw materials, and comparisons of "our present emergency conditions" with those of the first World War. Although the union did not attempt

3. Liebes, Richard Allan, Thesis on "Longshore Labor Relations on the Pacific Coast 1934-1942, Pg. 23-36

to demonstrate the influence upon real longshore earnings of the changing costs of retail goods purchased by wage earners, it did present information and charts relative to the trend in living costs in our four principal ports for the period 1934-1941. No serious effort is made to justify a wage increase upon these trends to date but the union counsel pointed out the sharp increase in the future years. Particular stress was laid by the counsel on the cost of food which is said to have increased more rapidly than other costs and is felt more quickly by the worker. 4

E- Employers Reasons for Decrease in Efficiency

Prior to 1934, longshoremen, like other employees, were subject to dismissal from their jobs for insubordination or ther offenses, or for inefficiency. Under the hiring hall system for longshoremen no longshoreman is subject to dismissal by any employer or group of employers. On the contrary, although an employer may dismiss a man from a particular work assignment, that longshoreman, even though he may have committed a serious offense, remains a registered longshoreman as much entitled to his share of the work of the port as any other, and is subject to being dispatched to the very employer who may have dismissed him, as well as to anyother. The only possible way in which a longshoreman can los e his job is by joint action of the employers of the port as a group and the union of which he is a member. Since a longshoreman cannot be dismissed from the job for inefficiency on the job the employer has no recourse when a man is "laying down on the job". Under normal employment conditions if a man does not perform his job efficiently he is fired and replaced by a more capable worker who can do the job and thus the employer can maintain a high level of production.

4. Ibid

5. Francis, Robert Coleman "A History of Labor on S.F. Waterfront", Thesis. Pg. 32-

The elimination of steady men and gangs is another factor of reduced production. The award of 1934 assured to employers the right to select longshoremen who were believed best qualified for the work, to longshoremen the right to select their jobs subject only to requirements relating to distribution of work opportunities. Before that award it had been the prevailing practice in all ports that a substantial group of the longshoremen be steadily employed in all ports with individual employers, leaving for distribution among the remainder the balance of the work. It was the intent of the 1934 award not to disturb that practice. There was no need to do so. The requirement of equalized earnings would have been fully satisfied by restricting the work opportunities of the steadily employed men to a fair limit and distributing the remaining work. However, from an early stage, the union leaders carried on a regular and persistent campaign to prevent longshoremen from working continuously or regularly for one employer. Within a short time the preferred or steady gang disappeared in all ports but San Francisco. The effect of that policy on efficiency is apparent. Those who work regularly at a single dock are familiar with its physical arrangement, dock practices, the types of cargo customarily handled there and the methods of operation prevailing; such familiarity inevitably tends to efficiency far superior to that prevailing when the work is done by those who are less familiar with it.

The Employers attribute the loss of skilled gangs as another cause of the slowdown. Before 1934, the employers had created a system of gangs or lists of men familiar by long practice with the handling of special cargoes, with the use of special gear and with the performance of special duties. The size of these special cargo or special duty gangs were such as to give a sufficient number of men to perform needed functions, and their familiarity with the customary conditions promoted efficiency. Today, no port on the

Pacific coast can any employer obtain steady gangs who can be familiarized with individual employer operations; every employer is compelled to submit to the almost universal principle of rotating employment, and never can an employer promote efficiency as he did in earlier years with the established practice of regular employees. The loss of steady gangs was accompanied with an inability of employers in any major port to regularly retain machine operations, jitney drivers, utility men or other key employees entrusted with operation of mechanical equipment or otherwise engaged in special duties.

Some of the innumerable devices and techniques for effecting the slowdown were enumerated in the union publications and the employer-union 1939-1940 correspondence. Various techniques of slowdown enumerated by employers in the brief for arbitration of 1942.

"Technique of slow down" The longshoremen have highly developed the art of slowdown through such technique as the following examples.

1. Doing away with preferred gangs
2. Winch drivers time hoists and if they get ahead of thir set schedule, they stop the winches; if they get behind there is no effort to make up the loss .
3. Jitney drivers time their trips, going to the extent of fastening their watches in sight to be sure they do not take a load ahead of schedule.
4. On commodities that require extensive sorting, hold men purposely mix marks in building loads to slow down the dock work. Pineapple and coffee are examples.
5. refusal to use the floating board
6. "Chiseling" on agreed standard loads
7. forcing unneeded men on the payroll
8. Refusal to haul three flat trucks in accordance with the terms of the agreement
9. Working only one side of hatch at a time for periods of one-half hour to one hour, while half the crew loaf.
10. Recreating and amusements while on pay, such as playing cards, shooting craps, fishing, reading, sleeping, and loafing. And "soldiering" in the many ways known and practiced.

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In regard to the developing slowdown technique of the IILA Mr. Harry Bridges had the following to say at the IILA national convention in 1935.

" The union and not the employer, is going to decide on the Pacific Coast whether a man can work or not. There has not been one man fired off the docks since the general strike because of union activity. The Union has a delegate in every gang on the waterfront. It's his job to see that every man has

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6. Brobeck, Phleger and Harriesn, Employers Brief, Dispute over Union's wage demand of Basic Agreement of Dec. 20, 1940, Pg. 15

an IIA book and that there is no discrimination. Before the strike the longshoremen were lslinging two to three tons. Now the Union has cut this down to 1800 pounds. We forced these conditions on the docks between July and October without waiting for the arbitration award. 7

G. History of the Slowdown from 1936-1942

In July of 1936 both the Union and the Waterfront Employers gave notice of desired amendments to the then existing longshore contract. Concessions were sought by the Union in respect to both wages and working conditions but the employer proposals were directed specifically against the slowdown, job action, and quickie strikes. As the expiration date of the longshore contract approached, the employers made specific proposals to relate the longshore wage rates to a restoration of efficiency to the end that the program of slowdown would be discontinued and a fair days work on the Pacific Coast waterfront would go ahead.

The strike which commenced Oct 29, 1936 continued until Feb. 4, 1937. Negotiations were carried on from time to time looking to modifications and reinstatement of the longshore agreement. In those negotiations Union representatives asserted that if a preference of employment for Union members could be secured and Union security of organization thus assured, the employers would be rewarded in turn by the elimination of job action and "make work" rules. Accordingly, the preference of employment provisions which now appears in the longshore agreement was agreed to. The Union did not deliver efficiency or compliance in exchange.

The 1937 agreement did not result, however, in restored efficiency or satisfactory compliance. The employers continued to complain. The record shows that, far from relief in the matter of production, the slowdown continued and there was a further sharp decrease in efficiency.

During the years 1938-39 there was a constant decline in the efficiency of longshore labor.

With the signing of the 1940 contract, union officials did take cognizance of the drop in efficiency and attempted to wipe out some of the abuses claimed by the employers. At the 1941 convention the problem was thoroughly aired and it was conceded that if further wage increases were to be obtained certain slowdown practices had to be eliminated. A resolution was adopted unanimously, requesting that the membership discontinue the following "alleged practices"

early quitting
arriving too late
leaving job for refreshments
part of the hold gang loafing while others are working
smoking on the job
drinking on the job
bringing liquors to work and
refusing to build loads as prescribed by agreement 8

According to the original agreement in 1940 an increase of wages of 5¢ per hour straight time and 10¢ overtime will be given Feb. 20, 1941 if by that time reasonable rates of production and efficiency in longshore work have been restored. As Feb. 20 approached, the union made repeated requests that the contingent wage increase be granted on the ground that it would promote goodwill and thus lead to improved performance. On Feb. 19 the Waterfront Employers notified the Longshore union that this wage increase had been voluntarily granted despite a failure of the union to restore reasonable efficiency; the employers stated that the increase was given in the expectation that the voluntary increases in wages would result in a willing restoration of efficiency by the longshoremen and cooperation by the union in establishing working and dispatching rules which would lead to that result.

The Coast Labor Relations Committee, meeting in January, sent letters

to each of the Port Committees requesting them to make a survey of performance of longshore work and to file a report and recommendations. On Feb. 19 the Coast committee entered into its wage review--after discussion, the wage increase was granted. The following exchange of letters indicates the spirit of the parties at that time. The employers wrote--

"The Waterfront Employers are glad to acknowledge a steady decline in work stoppages by the union and its members, which gives assurance of stability to Pacific Coast shipping. But there has been no appreciable restoration of reasonable efficiency on the job and the slowdown still continues. The increase is granted in the expectation that the ILWU and its members provide a fair days work in the future."

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The Unions answered "In stating the position of our organization we believe that the union has done everything possible in fulfilling its part of the contract concerning the wage increase. We welcome the statement of the Waterfront Employers Association acknowledging the unions efforts in preventing work stoppages and securing compliance with the contract."

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Between February 20, 1941 and August 20, 1941 the representatives of the employers and of the Union continued to disagree as to whether or not the longshoremen up and down the Pacific coast were living up to their obligations under Section 12 of the basic agreement insofar as a restoration of a reasonable work efficiency was concerned. Employer charges of a union sponsored "Slow-Down" were countered on the part of the Union representatives with the accusation that the Employers were trying to inaugurate an unfair and unreasonable "Speed Up".

Negotiations between the parties for the establishment of basic coast standard dispatching and working rules as provided for in Section 11 of the basic agreement broke down. The Union then petitioned the coast Arbitrator to arbitrate the dispute over dispatching and working rules. Mention of the

9. Waterfront Employers Association, "Circulars, Releases and Correspondence", Pg. 14.
10. Ibid, Pg. 15

coast working and dispatching rule dispute is here made because it is unquestionably involved in the factual background of this particular case. This is true at least to the extent that part of the union's answer to the Employers charge that the longshoremen have not maintained a reasonable degree of work efficiency is that the production of the longshoremen even if measured by the standard of tonnage per man hour would have been improved during the period from February 20, 1941 to August 20, 1941 if the Employers had proceeded without delay to arbitrate on it merits the working and dispatching rule case.

However it is to be noted that many things happened during the six months period from Feb 20 to August 20, 1941 which altered or affected the coast dispatching and working rule problem. Certain northern ports, Tacoma, Port Angeles and Anacortes formerly within the terms of the basic agreement were certified by the National Labor Relations Board as separate collective bargaining units and therefore no longer within the terms of the basic agreement. This gave rise for a period to discussions between the Employer and the Union as to the status of the basic agreement and of the working rule problem under the agreement. This resulted naturally in further delays as far as arbitration was concerned. Then, too, the fast changing international situation and the Government's National Defense Emergency Plans produced many repercussions and effects on west coast shipping with the result that consideration of the pending dispute on coast working and dispatching rules gave way to the new emergency problems.

There can be no doubt about the fact that the Union has always considered the working and dispatching rule problem as one which is inextricably bound up with its obligations under the agreement of December 20, 1940 to provide the Employers with a restoration of reasonable work efficiency. The relations between working and dispatching rules and work efficiency is an obvious one and in view of the new conditions in the west coast ports created by the post-war shipping needs, there can be no doubt about the fact that any evaluation

of work efficiency at this particular time cannot be made without giving careful consideration to working and dispatching rule problems.

The longshore agreement also provided for a review of straight and overtime wage rates semi-annually after February 20, 1941, and required that wages should be submitted to the Coast Arbitrator appointed under the agreement if the parties could not agree. A wage review was requested on August 20, 1941. The union maintained that existing economic condition warranted a change in the rates of pay. The employers felt they could not agree to any wage increases; however, they were agreeable to proceeding at once with arbitration. The Coast Arbitrator, Mr. Wayne Morse required the parties to make a joint survey to determine ~~whether~~ there had been a decline in work efficiency since 1934.

Regarding this joint survey which the parties were required to make, dispute arose as to the manner in which it should be conducted. The Union wanted a special committee set up for the purpose of visiting the various ports and docks and observing cargo handling operations. The employers said this would not suffice. A mere compilation of opinions would not be a substitute for facts. Looking at a ship in 1941 would not reveal the facts of efficiency in 1935. The Employers proposed engaging a third party, a CPA, to relate the 1935 performance records, based upon exhaustive figures of tonnage and man hours. The Unions proposal was for an observation survey; this was fine if it was looking to the future, but such a survey would have no means of showing now that reasonable efficiency had been restored. The ILWU stated its willingness to examine any company records that employers wished to offer, but felt that hiring a third party was unnecessary. Employers stated that union examination of their records would not be a joint survey. They objected further to the

Union proposal of port visits. The ILWU wanted to ask employers directly what could be done to improve conditions. The Waterfront Employers Association demanded that the union not canvass the Association members in ports regarding work performance. Association officers were in a position to speak for their own members, and the latter would be requested not to talk with union representatives. With this stalemate in negotiations, the joint survey was dropped and the wage review was referred to an arbitrator. In view of the rapidly changing international scene and other duties of the arbitrator and the principals, considerable delay was involved, and the hearing was not held until January 1942.

H. The Price Waterhouse Report

The Waterfront Employers felt that any report on the effect of the slowdown was to be generally acceptable would have to be conducted by impartial persons. He believed that a study so conducted would be relied upon without question in any arbitration proceeding.

Accordingly the Price Waterhouse and Co., Certified Public Accountants were engaged to consult the records of the employers and from those records to determine the experience of the employers in respect to the history of tons of cargo handled per man hour in successive periods designated.

The Price Waterhouse report shows that in San Francisco, despite a trivial recovery in efficiency during 1941, it is still nearly 30% below the work efficiency of 1935. In San Pedro and Los Angeles, after a heavy loss of efficiency in 1934 and 1935, we still find an annual loss from year to year, including 1941, with a present production nearly 15% below that of 1935. In both Seattle and Portland the loss since 1935 has been greater than in Southern California, although not as great as the loss since 1933 11

11. Brobeck, Phleger and Harrison, Employers Brief, Pg. 29

After studying the Employers Brief of the Price Waterhouse survey I have three criticisms to make—

1. Much time was consumed in attempts to cast doubt upon the report and its accuracy and significance by reference to trifling matters of inclusion or exclusion particularly of bulk commodities. In certain instances the notes showed that bulk commodities were excluded because it was believed that they tended to distort the figures.
2. Particular proceedings and particular notes were made by PW employees to aid the employers in showing the extent of the slowdown. For example, criticism was made of the inclusion in the more recent years of lumber handled in Portland for the Mac Cormick Steamship Company by sailors.
3. The PW employees used some questionable statistical methods .

In anticipation that a survey of lost efficiency would be presented, the union witnesses argued that variable factors affecting longshore work precluded the possibility of any successful survey of the efficiency of work. It was claimed that many factors varied to such an extent that accurate results were impossible. In that connection the union argued that variations in cargoes, ships, and their equipment, ship's personnel, and the nature of stevedoring contracts all affected the efficiency with which longshore work could be carried on that no report could avoid errors incident to these variations.

I. The Arbitrators Decision

The record put before Dean Morse was one of the lengthiest in the history of relations between the parties. The transcript covered 2,200 pages and there were in addition some 230 exhibits and lengthy briefs by each side.

The ILWU requested a 25% wage increase and presented many arguments in support of this change. They pointed to raises in comparable trades and industries since 1934. The fact of the rising living costs in a wartime economy was documented. Senator Morse did give weight to the Union's demand

for a wage increase on the basis of upward changes in the cost of living. He was satisfied that the union had the better argument on that issue. Likewise, he felt that the 5¢ per hour straight time increase which the longshoremen have received since 1934 shows clearly that as far as wage increases are concerned, the longshoremen have not received wage increases out of proportion to wage increase trends.

The employers contention of "slow down" was viewed by the union as simply a desire to revive the inhuman speed-up. The employers opposed any wage increase arguing that the prevailing rates were more than fair. No equitable basis for an increase could be found in the face of the reduced productivity and increased cost of longshore labor which they held to be evident.

The entire study of Price-Waterhouse was introduced and Senator Morse has the following to say about it

"However, the Arbitrator wishes to state that he was not impressed by the data of the Price Waterhouse study on the basis of which the employers rested so much of their case on the issue of the "Slow Down". The Arbitrator has spent a long time studying that portion of the record of this case which deals with the Price Waterhouse report and he has decided that it is not entitled to much weight in passing judgement upon the wage issue!" 12

The diversity of methods used in collecting the data, the many limitations and qualifications which the Accountant witness from the Price Waterhouse Company placed upon the data, the many admissions of the witness as to the incomparability and in some instances, unreliability of portions of the data created in the mind of Mr. Morse gave grave doubt as to the value of the study even as indicative of work trends. Hence, he discounted the study and based his conclusions as to the work efficiency problem on other sources.

Morse found merit in the employer's contention that the union has not fully performed the work efficiency obligations under their contract--
he still felt able to grant the increase because he felt that such increase
 12. Morse, Wayne L., Arbitrators Award, "Involving Union's demand for increase in wages under Wage Adjustment Provision of Section 12 of Basic Agreement of December 20, 1940. Pg. 39

would "prove to be such an incentive to labor and improved labor relations within industry that the additional labor cost is well worth the values which will be received there from by industry as a whole." 13

In speaking of the beneficial effects on worker morale of a wage increase, the Arbitrator departed from the record made at the hearing and introduced his own considerations into the matter. There had been no discussion of effects of wage increase on morale of a wage increase, the Arbitrator departed from the record made at the hearing and introduced his own considerations into the matter. There had been no discussion of effects of wage increase on morale or efficiency at the hearing.

If Mr. Morse is right in his conclusions that the longshoremen have not in the past performed to the degree that they should have, their work-efficiency obligations under the basic agreement, what can be said in support of the Arbitrators recommendation that they be given a wage increase at the time? In answer to such a question Morse states the following---

" I am satisfied that at the present time the longshoremen are more than willing to perform their work at a high degree of efficiency. Of course there may be exceptions but in general the good attitude of the long shoremen which the record in this case shows is prevailing at this time. The loading and unloading of ships in the ports of the Pacific Coast is a task so vital to the successful prosecution of this war that the work incentive resulting from a reasonable wage increase at this time should make the cost of a wage increase, money well spent". 14

In granting the wage increase he stated that in his opinion the industry will not be able to pay such high wages after the war and the longshoremen and their leaders had better start thinking right now about wage adjustments downward which will probably have to be made after the war as the nation goes about adjusting its economic system to a peace economy" 15

A labor philosophy which preaches that wages must constantly be increased and must never be reduced is a philosophy which is false, not only to the best interest of the country, but to the best interest of labor itself. There have been times in the recent past when the selfish resistance of labor

13. Ibid pg 21

14. Ibid pg. 28

15. Ibid pg. 14

in certain high pay industries to wage reduction has been injurious to the economy of the country and particularly ruinous to the individual industries involved. Labor leaders cannot rationalize out of existence, the laws of economics, and whenever they defy those laws by applying economic force to an industry that simply cannot afford to continue to pay an ever increasing wage bill and survive labor defeats its own end and shakes the confidence of the public in its program.

In concluding this decision the Arbitrator returned again to the dispatching and working rule problem. He believes that this problem probably bears a closer relationship to the need for improving work efficiency on the waterfront than any other single factor. He hoped that the Employers and the Union through negotiations between themselves can agree to a modification for the duration of the war of such working and dispatching rules as interfere with the maximum of efficiency in handling cargo on the waterfront. It is not to be expected that rules should be adopted which will impair the health and safety of workers but at the same time, little patience can be extended any one, be he employer or long shoreman, who seeks to cling to a rule, the operation of which at this time slows up the efficient handling of cargo on the waterfront.

In view of the preponderance of the evidence justifying a wage increase, Dean Morse ruled that the basic wage would be set at a \$1.10 per hour straight time and \$1.65 overtime. This 10% increase must be viewed as a real union victory, especially as the written decision was studied with comments favorable to the employers position. He declared himself satisfied that at the present time the longshoremen were "more than willing to perform their work with a high degree of efficiency." 16

J. Conclusion

The basic issue facing the parties then was--how to increase productivity? The Employers say the productivity is now one-half what it was before 1934 and the unions say productivity has dropped but not that much. 17 Since 1934 the Waterfront Employers say there has been a deliberate "Slow Down" and the Union maintains that we have normal production now. Unions state that prior to 1934 the longshoremen were slaves and they were definately overworked.

Who is responsible for getting better production ? Employers say the men must work harder and the union contends that the shipping industry is and antiquated indusry and there are many technological improvements which can be made. The Union argues that productivity hasn't risen because capital equipment is old , antiquated, and definately in need of replacement.

Employers say job efficiency and productivity would rise if they could return to the old steady gang set up prior to the hiring hall. The "Waterfront bosses" also want the power to fire men so they can fire the inefficent men and only keep the good ones. Also if men knew they could be fired they would be apt to work harder because their job would be in danger if they continued to indulge in "make work" policies. Employers insist that unless they can select their men and fire them they can't survive.

The Union maintains they need job control,wwhich means a union run hiring hall, in order to stop discrimination and casualization with the resulting job insecurity. The Employers unstated reason for wanting the power to hire and fire I believe is to gain loyalty to the company and the union through job control wants to gain loyalty and have members in its sphere of influence by getting men jobs through hiring halls .

The Waterfront Employers want efficiency and loyalty and the Longshoremen's Union wants security and loyalty. Until these two opposing views can be reconciled there can never be perpetual peace on the Waterfront.

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