

Longshore Industry
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INFORMATION AND UNION COMMENT ON THE 1960 MECHANIZATION AND MODERNIZATION FUND AGREEMENT

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BETWEEN

THE LONGSHOREMEN OF THE PACIFIC COAST
AND

THE STEAMSHIP AND STEVEDORING EMPLOYERS

International Longshoremen's and Warehousemen's
Union (Ind.)  100
San Francisco, 1960



OLD

NEW

Published November 1960

By

**INTERNATIONAL LONGSHOREMEN'S
& WAREHOUSEMEN'S UNION**

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Coast Labor Relations Committee

INTRODUCTION

With the new longshore agreement on mechanization and modernization the INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION has taken the first step among American unions in trying to meet the workers' problems arising out of the technological revolution now sweeping American industry.

The union realizes that a complete and absolute solution to the problems resulting from machines displacing men can't be found under our present economic system. Employers invest in expensive equipment because they expect to make money. To employers the costs involved are the dollar costs; and they add little or nothing to these costs for the men whose work opportunity is being reduced.

As a union we could have embarked on a program of "no machines" or a program of letting the machines come while we used our union strength to keep "witnesses" on the job. Either program in our judgment would not work and would be disastrous for the union. We debated these alternatives at a Coast caucus of longshore, shipclerks and walking boss locals at Portland in 1957 and unanimously decided that the time had come to use our union strength in order to get a share of the benefit from the new methods by not resisting their introduction and operation. The new agreement amounts to just this. It is a program to get benefits and security from the new methods, such as early retirements, a floor under earnings, vesting rights in the fund, etc., in addition to the wages, hours and conditions we already have and will improve in the future.

We have nailed down job security for the entire fully registered work force, with a guaranteed income, no layoffs, and a beginning of making the work easier, cleaner and safer. With the machines and the new methods come a guarantee against speedup and harder work.

A backward industry is like a backward country. An undeveloped nation will never be able to raise the standard of living of its people without industrialization. And an industry which persists with back-breaking, hand labor will be in the same spot.

In addition, we have exclusively reserved a portion of the easier dock work for those of our members who are older, ill or disabled and though not yet eligible for retirement still able to do some "light" work. They will continue to have this work and make a living until they retire.

We recognize how tough it's going to be to make a change from the way we have been doing things on the waterfront for the last quarter of a century. The age-old fear of the machine by the

workers has been well founded. But let's never forget that what the worker fears is *the way the machine is used*, the manner in which his skills or his job security is wiped away. He does not fear the machine as a producer of more goods, as a means of living a longer and happier life, as a provider of safe, cleaner and easier work. Workers who smashed machines in the past were not trying to "hold up progress," they were hitting back at a system which denied them any benefits from the new machines and from progress.

The union feels that this new agreement on mechanization and modernization is the greatest achievement of the union—and the greatest step forward since the establishment of the hiring hall, decasualization and union security after the 1934 strike. Just as that opened up a new way of life for the men on the waterfront, the present agreement will prove an equally significant turning point in the life of the union and the membership.

I. THE AGREEMENT The memorandum of agreement, reached and initialed October 18, 1960, runs from the time of ratification (probably at the end of this year) to July 1, 1966.

The agreement is in addition to and amending the previously existing Longshore Agreement covering hours, wages, working conditions, vacations, health and welfare, and children's dental care; which agreement, renewed in June 1959, has been extended to coincide with the length of the mechanization and modernization agreement.

The regular pension agreement, under which pensioners receive \$100 a month over social security and full health care for themselves and their dependents, plus free life insurance, is reviewable under its terms on July 1, 1961.

II. SUMMARY OF PROVISIONS

The mechanization and modernization agreement provides that for the regularly employed work force, i.e., fully registered longshoremen and shipclerks (approximately 15,000 on the West Coast of the United States), there shall be no layoffs, a guaranteed weekly minimum wage to be annually computed, early

retirement or a lump benefit at normal retirement, and additional death and disability benefits.

Benefits will begin after ratification at a date to be set by the Trustees.

The employing stevedoring and steamship companies, through their association for collective bargaining, THE PACIFIC MARITIME ASSOCIATION, agree to establish a Mechanization and Modernization Fund at the rate of \$5 million per year for five and one-half years in order to provide the benefits mentioned above. This fund, running to July 1, 1966, will amount to \$27.5 million of itself, and there will be added to it \$1.5 million which was negotiated as a pilot fund in 1959, bringing the total fund available for benefits to \$29 million.

Union Comment

Recognizing that the maritime indus-

try was on the threshold of a major technological revolution, the union decided—in October 1957—to use its bargaining power to win a share of the benefits or gains resulting from modernization or new methods. The alternative of holding the line and “hanging tough” on past practices and methods, of resisting the machine by guerilla warfare, was discarded by the membership after discussion and by vote as an outworn policy which could only dissipate the union’s strength without achieving any real success. At best such a policy would have proven costly to the employers while producing no new gains or benefits for the men on the job.

In our current negotiations the union recognized a new factor. No matter which presidential candidate was elected, the climate for labor would worsen. Along with the present economic recession labor faces the possible application of anti-trust laws and specific legislation against “feather-bedding” or makework practices. The passing of time would not strengthen labor’s hand.

Using the full power of the union, the goal of getting a “bite out of the machine” was decided upon. And in this contract it was won, with the unique feature that

the machines and elimination of obsolete work practices but not the speed-up of the men will provide the increased output which the employers are after.

The key to the break through in 1960 was the agreement in principle reached with the employers at the end of 1957 that the union had a right to share in the benefits and savings flowing from new methods, from machines and from the lifting of restrictions and of work rules which new machines had made obsolete. This was followed by a formal agreement, including the token payment of \$1.5 million into a Mechanization Fund, in 1959.

The ILWU, anticipating the kind of a solution which would one day be reached, prepared for it by permitting the registered work force to shrink. By insisting upon—and winning—a guarantee against layoffs, the registered force declined as a result of normal attrition through deaths and retirements.

By using the unified bargaining strength of the union, current work rules and working conditions were frozen during the 1959 negotiations. This guaranteed that when the time for a change came around there would be something to bargain over.

In negotiations with the employers in 1958 and 1959, the work shift was reduced from 9 hours to 8, and an 8-hour guarantee was established for every man turned to on the job. (This did not change the basic 6 hour day and payment of overtime after 6 hours and for all work at night, weekends or holidays). These gains were part of the over-all union approach to mechanization and reduced work opportunities.

III. BENEFITS

The Fund will be used to put a floor under earnings, to permit retirement as early as age 62, to provide a lump sum amount upon retirement to men who do not retire before age 65, and graduated death benefits. All benefits apply only to the basic work force, i.e., fully registered men. Actual benefit amounts will be determined by the Trustees after the Fund has been set up. The benefit amounts given here

are those proposed by the Union and estimated to be feasible within the limits of the Fund.

The men's share in cost savings resulting from the use of machines will finance the early retirement and vesting benefits. Elimination of make-work practices adds enough more to finance the floor under earnings.

Floor Under Earnings

Whenever work opportunity declines to the point that men cannot earn the equivalent of 35 straight time hours of work per week, their earnings will be supplemented from the Fund up to the level of 35 straight time hours. This means a guarantee of \$98.70 per week at present wage levels ($\$2.82 \times 35$). The guarantee applies whenever hours fall below 35 due to mechanization and improved efficiency; it does not apply to a drop in hours due to economic recession.

Men will need to make themselves regularly available (unless sick or injured) in order to be eligible. It is planned to work out provisions for shifting men from areas of low work opportunity to areas of high work opportunity. Since registration is on a coast-wise basis, this can be managed with a minimum of difficulty.

Union Comment

The plan is substantially different from the Supplemental Unemployment Benefit Plan in effect in the auto and electrical industries and elsewhere. These apply only in case of layoffs and serve as supplements to state unemployment compensation benefits. Eligibility is determined by the state agency, and duration of benefits is limited by state law—usually to 26 weeks. Under the UAW contract with General Motors, for example, supplementation is limited to an amount sufficient to bring weekly income up to 65 percent of take-home pay, with a maximum of \$30. These are maximum amounts, payable to long seniority men only so long as the money holds out.

Under the ILWU-PMA Mechanization and Modernization program no layoffs are permitted. The Fund will supplement earnings on the job if supplementation becomes necessary. No need for supplementation ap-

pears likely during the first year since work opportunity has been averaging about the equivalent of 40 straight time hours. In fact it appears unlikely that there will be any need to use the floor under earnings for a period of several years. With the present rate at which men die and are retired, assuming that productivity rises at the rate of 10 percent a year, and that there is no increase in the volume of shipping, average hours will not fall below 35 until the fourth year of the Plan.

However, if and when the need develops there is no maximum for supplementation and no limit on duration. Rules regarding eligibility will be determined by the Trustees. The Fund is actuarially sufficient to provide the full 35 hours guarantee for the life of the contract.

Early Retirement

Provision for voluntary early retirement permits withdrawal from the industry with a guaranteed income for life, plus substantially complete and prepaid medical and hospital coverage for the men and their families. (In other words, free coverage.) There is thus the basis for an orderly decline in the work force if work opportunity declines.

Men who have worked 25 years or more in the longshore industry will be eligible to retire at any time between the ages of 62 and 65 with a monthly pension of \$220 (the normal industry paid pension of \$100 plus the equivalent of present maximum social security). This amount will be payable until a man reaches age 65 when he will go on the regular \$100 per month pension and will be eligible for his social security benefit.

If work opportunity falls drastically, early retirement may be made mandatory by a joint determination of the parties. In this event the men forced to retire shall receive an extra \$100 from the present pension plan, or a total of \$320 per month (plus lifetime medical and hospital coverage) until age 65 when each would pick up his normal pension.

Vesting

After 15 years of service in the industry each fully registered longshoreman becomes entitled to a vested share in the Fund. After

25 years his right is fully vested and amounts to \$7,920 which is the amount he would receive in 36 monthly payments if he retires at age 62. If a 25 year man does not retire early, he receives the full \$7,920 upon normal retirement at age 65.

Men who become unable to work in the industry because of disability are entitled to their vested share in the Fund upon leaving the industry. The amount varies from \$2640 for a man with 15 years' service up to the maximum of \$7920 with 25 years. The 25 year man is also eligible for the regular disability pension irrespective of age, and to medical and hospital coverage.

In the case of a man who dies before receipt of his vested share, his beneficiary receives the amount to which he is entitled on the basis of length of service, up to a maximum of \$5,000.

Other Death Benefits

Beneficiaries of registered men with 5 to 15 years of service are entitled to a death benefit of \$2,640. This is in addition to a regular death benefit provided under the ILWU-PMA Welfare Plan of \$2,000 or \$4,000 in case of accidental death.

Union Comment

The guaran-
tees and ben-
efits will out-

weigh the conditions given up by the workers, and the whole agreement will spell increase in emolument both to the workers and the employers. The union is satisfied that the employers will find their \$29 million investment profitable. It is ready to accept the guarantees and benefits provided as an answer to mechanization as it affects the ILWU membership on the waterfront.

In return for the security provided, the employers are relieved from restrictions in the contract and working rules dealing with sling loads, first place of rest, multiple handling, gang sizes and manning scales "so as to permit them to operate efficiently, change methods of work, utilize labor saving devices and direct work through representatives while explicitly observing the provisions and conditions of the agreements."

IV. GUARANTEES

guarantee that there shall be no infringement of safety rules.

In addition, and applying to the entire work force at any time, including casuals or extra men, there is a firm individual speedup and no

Union Comment

So far as we have been able to de-

termine, this represents the first time in the history of organized labor that any group of workers has been guaranteed against onerous physical labor. What the agreement says, in effect, is that if more or faster production is to be obtained, it shall be by means of more men or machines or more efficient utilization of men and machines. The language of the document is precise on this point. It says:

“Speedup shall be understood to refer to an onerous workload on the individual worker. It shall not be construed to refer to increased production resulting from more efficient utilization and organization of the work force, introduction of labor saving devices or removal of work restrictions.”

V. CHANGES IN METHODS

Under the agreement, the employers will be under no obligation to perform work with unnecessary men, or “witnesses” as they are sometimes called. The men necessary to any longshore operation will be based upon a determination to be made in accordance with the agreement. In this respect the agreement takes into account contractual provisions for relief and the fact that during many operations all men will not be working at all times due to the cycle of the operation.

Union Comment

Makework,
double handling, job

"witnesses," and four-on four-off practices are eliminated. In handling cargoes in bulk, frequently more men are required at the onset and close of the work, and when gear has to be adjusted or moved, than during the rest of the shift. This will continue.

Necessary men are all the men required to do the job. While the old contract required that men be on hand at all times, even if there was no work to be performed by them at the moment, the new agreement sets forth rules under which the necessary number of men can be determined. When men are swung away to other tasks because they are no longer necessary on a job, they will continue to get their 8 hour guarantee; while the men remaining are guaranteed that the work will not become harder with fewer men at hand.

Any man required for any part of a job is a necessary man and he will work a full shift.

The old sling load limit (2,100 pounds) will continue to apply to all loads built by longshoremen where conditions, number of men on the dock, and in the ship, and the method of operation is the same as when the original sling load agreement was negotiated. This will be the standard by which the union can measure changes which do take place.

Sling load limits are lifted for changed operations or where new commodities or operations have developed. For these, loads will be as directed by the employer, within safe and practical limits and without speedup of the individual. An increase in the number of men manhandling cargo or use of machinery to move or stow cargo on docks or ships will be considered a changed operation permitting loads in excess of the standard previously agreed upon.

The union may at any time raise the issue of onerousness or safety of work through the grievance machinery of the contract.

Union Comment

Sling load limits under old methods

of work have not been without reason. Safety and practicality will still be controlling factors on the size and weight of loads. However, another factor governed negotiation of load limits under the old method. This was the matter of "meeting the hook." Extra large loads mean speedup in the hold, where only limited numbers of men have room to work. If the loads are overly large, the stowage task in the hold becomes onerous and unbearable. Men are then unable to keep up with loads or "meet the hook." (The hook refers to the cargo hook on the winch fall which picks the load up from the dock and lowers it into the hold of the ship or vice versa).

If any new loads make work onerous, the union will exercise its rights under the grievance machinery of the contract.

The agreement spells out longshore work between the first and last place of rest as follows:

- (a) High piling or breaking down high piles
- (b) Sorting
- (c) Movement of cargo on the dock or in a terminal or to another dock, terminal or warehouse
- (d) The removing of cargo from longshore boards
- (e) The building of all loads on the dock

The employer is not required to perform all of the above work, but he may not use any but longshoremen if such work is done.

Union Comment

The jurisdiction of longshoremen is pro-

ected by this provision which is spelled out in somewhat more detail in the language of the agreement.

(The full text of the agreement is available in the October 21, 1960 issue of THE DISPATCHER, obtainable at 150 Golden Gate Avenue, San Francisco 2, Calif.)

Eliminating Skimming and Multiple Handling

Past practices which resulted in over-standard loads being skimmed or cargo being removed from pallet boards and placed on the skin of the dock while intransit to or from the ship's hold are eliminated. This will end unnecessary handling of cargo to the benefit of the employers; it will eliminate these jobs from the industry.

The men so employed in the past are assured that there will be other work for them. Men incapacitated by age or illness and therefore unable to handle ship work will be guaranteed priority on the dock work.

The hold gang for cargo which continues to be hand-handled will continue to be at least six men for discharge and eight for loading. The minimum basic cargo gang may be reduced to four men in the hold when the employers add mechanical equipment, or under other special circumstances detailed in the agreement.

The employer may bring machinery and machine drivers into the hold and swing out an equivalent number of hold men, but four basic hold men must be retained at all times where hold men are required.

When loads above contractual limits are moved manually, additional men or machines will be provided to guarantee against onerous individual work loads.

Flexibility in certain situations is permitted to the employer within the spelled-out limitation upon the number of loads handled and the amount of time allotted for it.

VI. GENERAL PROVISIONS

The employer receives protection from refusal of any local to abide by the provisions of the agreement. Dispute, if it occurs, will be processed by grievance machinery, which has a terminal in arbitration. Ratification of the agreement, by decision of the Coast Longshore, Shipclerks and Walking Boss Caucus, shall be by majority vote and all locals shall be bound by the decision.

Recapitulation of Gains Made By Pacific Longshoremen and Clerks in the 1960 Agreement

- 1** *Guarantee against layoff.*
- 2** *Guaranteed weekly minimum wage of 35 hours (\$98.70 at present hourly rate).*
- 3** *Contractual provision defining and prohibiting speedup.*
- 4** *Rigid enforcement of safety rules.*
- 5** *Voluntary early retirement at age 62 at \$220.00 a month with transfer to regular pension plan at age 65.*
- 6** *In the event of mandatory retirement before age 65 pension benefit of \$320 per month up to age 65 and transfer to regular pension plan.*
- 7** *Full pre-paid, non contributory medical coverage for the individual and dependents during early as well as regular retirement.*
- 8** *Individual who is not retired early accumulates vested right and early retirement benefit amounting to \$7,920.00 at age 65 with 25 years service. FULL BENEFIT PAYABLE UPON NORMAL RETIREMENT.*



OLD

*Newsprint is heavy,
hard to handle and
easily damaged—*

*—until a “whaleback”
lifts ten rolls at a time!*



NEW

*Sacked cargo loads
and unloads slowly with
muscle and sweat—*

*Raw sugar flows
through gantry and
flume at 480 tons an hour!*

