

Longshoremen & Warehousemen (ILWU) -  
Shipping industry

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MEMORANDUM OF UNDERSTANDING,  
Between  
PACIFIC MARITIME ASSOCIATION  
(on behalf of its Members)

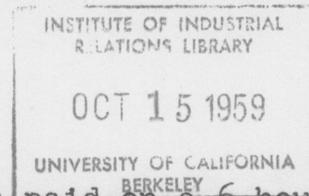
10 Aug 1959 - 15 Jan 1962

And  
INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION  
(on behalf of itself and all Longshore and Marine  
Clerks Locals in California, Oregon and Washington)

The following statements cover those items agreed to by the parties in the 1959 negotiations as amendments to the 1958 ILWU-PMA contracts, which contracts are reexecuted, except as modified hereby:

WAGES

LONGSHORE



The basic straight-time wage rate for men ~~paid on a 6-hour~~ day basis shall be increased by 11 cents per hour effective 8 a.m. Monday, June 15, 1959. This brings the basic straight time rate to \$2.74 per hour and the overtime rate to \$4.11 per hour.

For special categories of Longshoremen historically paid on an 8-hour straight time basis, the basic straight time rate shall be increased by 12½ cents.

CLERKS

The straight time rate for Clerks is increased by 14 cents per hour, bringing the rate to \$2.93 straight time and \$4.39½ overtime. (This is the increase applicable to Longshoremen on an 8-hour basis, plus 1½ cents.)

The Clerks will receive additional increases of 1½ cents effective as of the day shift on the Monday nearest June 15, 1960, and June 15, 1961; thus over the three year period of the contract, getting a total additional increase of 4½ cents. It is agreed that this amount wipes out the earnings differential between Clerks and Longshoremen.

Over and above these increases, Supercargoes and Chief Supervisors are to receive 4 cents per hour additional, effective as of the day shift June 15, 1959, and as of the day shift on the Monday nearest June 15, 1960, and June 15, 1961. It is agreed that this amount (12 cents) wipes out the earnings differential between these men and walking bosses.

RETROACTIVITY

It is agreed that the wage adjustments negotiated for 1959 shall be effective with the day shift on Monday, June 15, 1959, and retroactivity shall apply up to but not including August 10, 1959. If the Union has not approved this settlement on or before August 10, 1959, then the Employers shall continue to pay the rates of pay in effect prior to this settlement and shall continue payments of wages on that basis until notified in writing that the Union has accepted

the revised rates as negotiated. When such written notification is received the Employers will then place the new rates in effect on the day shift of the Monday following such notification, and the application of retroactivity will be applicable for the period starting with the day shift on Monday, June 15, 1959, up to but not including the day shift beginning on Monday, August 10, 1959.

### MECHANIZATION

Mechanization and the utilization of labor saving devices have been a subject of discussion between the parties since 1957. During the course of the 1959 negotiations the following items were agreed to on this subject.

To allow a certain amount of time (not more than one year) for the parties to further study and gain factual experience:

(1) of actual changes made by labor saving machinery, changed methods of operation, or proposed changes in working rules and contract restrictions, resulting in reduced manpower or manhours with the same or greater productivity for an operation;

(2) of savings to the employer because of such changes;

(3) of a proper share of such savings to be funded as hereinafter provided; and

(4) of the manner of distributing such fund to the fully registered work force:

A) PMA proposes to create a coastwide fund for the fully registered work force, through contributions by the Employers to be accumulated during the first ensuing contract year, in the amount of one million five hundred thousand dollars. This amount, in addition to "buying time" for necessary study and experience, represents a recognition by the Employers that savings accrue as a result of mechanization and changed methods of operation, and a recognition by the Union that no additional payment is due for changes made or to be made prior to June 15, 1960. This payment shall constitute a part of the consideration for renewal of the contract, and shall be distributed to the fully registered work force in a manner to be determined. (Tax and legal problems to be resolved.)

B) It is the purpose and intent of the parties, during the course and as the result of this study period, to achieve and meet the following aims and objectives:

1. To guarantee the fully registered work force a share in the savings effected by labor saving machinery, changed methods of operation, or changes in working rules and contract restrictions resulting in reduced manpower or manhours with the same or greater productivity for an operation.

2. To maintain the 1958 fully registered work force, with allowance for normal attrition.

3. To create a coastwise fund for that work force through contributions by the Employers, such contributions to come from savings described in paragraph B) 1. hereof.

4. To provide that this fund will be separate from contractual wages, pensions, welfare and vacations.

5. To guarantee the PMA the right to make changes, and remove restrictions along with protection against reprisals for making such changes, and enforcement under the contract of such changes if and when made.

During the ensuing year, in addition to making of such study, the following agreements shall be in effect:

- a. PMA will accumulate the one million five hundred thousand dollar fund as provided in A) hereof.
- b. PMA shall be free to make such changes as are deemed necessary under Section 14 of the present Longshore contract, and Section 25 of the present Clerks' contract, restricted however by the observance of rules prohibiting individual speed-up and unsafe operations. The load agreement shall continue.

Except for changes in operations made hereafter by introducing labor saving devices in addition to those already used and practiced by him in the past, the Employer shall not invoke the provisions of Section 14 of the Longshore Agreement or Section 25 of the Clerks' Master Agreement during the ensuing year. Nor shall the Employer seek a reduction of gang sizes or number of Clerks, elimination of multiple handling, or other existing contract or working rule restrictions with relation to operations now existing, except during future annual review negotiations or by mutual agreement.

- c. The parties will continue negotiations on the matters outlined in this proposal for a period of not to exceed one year for the purpose of determining a basis for converting the above fund and Employer contributions thereto to a continuing basis which will meet the aims and objectives set forth herein. Such negotiations shall not exclude tonnage taxes, manhour assessments, or any other basis of conversion, nor exclude conversion of present contributions for welfare, pensions and vacations.

- d. The parties shall continue to operate in accordance with the terms of the contract and working rules, with mutual agreement against reprisals and for enforcement of the contracts, working rules and the provisions of this agreement.

### 8-HOUR GUARANTEE

#### A. APPLICABILITY

1. There shall be a guarantee of 8 hours of work to men when ordered and turned to work.

(a) This guarantee shall apply only to fully and limited registered Longshoremen and fully and limited registered Clerks.

(b) It shall go into effect on the day shift on January 1, 1960, for Longshoremen; for Clerks it shall be effective upon approval and ratification, prospectively August 10, 1959.

2. On the day shift, the 8-hour guarantee of work must be provided between the hours of 8 a.m. and 6 p.m.

On the night shift, the 8-hour guarantee of work must be provided within a spread of nine (9) hours from the normal starting time, excluding the meal hour. (This shall not change San Francisco Rule #2, Page 63, Brown Book.)

#### B. METHOD OF PAYMENT - DEAD TIME

1. In the event that dead time results, and 8 hours of work cannot be provided, dead time on the day shift from Monday through Friday shall be paid for at the straight-time rate of pay.

Note: When dead time is created at the beginning of a day shift by starting later than 9 a.m., overtime shall not apply until 6 hours have been worked or until 5 p.m., whichever occurs first.

2. All other dead time - nights, weekends and holidays - shall be paid for at the overtime rate of pay.
3. No penalty cargo rates shall be paid for during dead time.

#### C. EXCEPTIONS TO 8-HOUR GUARANTEE

1. (a) For men ordered, reporting for work and not turned to, the 4-hour minimum shall apply, except where inability to turn to is a result of insufficient men to start the operation. Present port rules defining number of men required to start operations shall apply.

(b) Where a Clerk is ordered to work against a ship and cannot turn to because of insufficient men as in Rule C.1. (a) above and there is no place to shift said Clerk, the 4-hour minimum shall apply.

2. Longshore baggage men and linesmen, but not baggage Clerks are excluded from the 8-hour guarantee, and their minimums remain unchanged from the 1958 minimums.

3. When Longshoremen and/or Clerks are employed at Selby, California, (This applies to Selby only.) Employers may shift men to other operations to fill out the 8 hour guarantee, otherwise the guarantee is only 4 hours. If men are not shifted to other work but are ordered back after a mid-shift meal, a second 4 hour minimum shall apply.
4. The inclement weather exceptions to the 8-hour guarantee shall be as follows:
  - (a) When men are turned to, and work cannot commence or continue because of bad weather (such determination to be made by the Employer), a 4 hour minimum shall apply.
  - (b) When men are ordered to return to work after a mid-shift meal and work cannot resume because of inclement weather (such determination to be made by the Employer), a second 4 hour minimum shall apply.
  - (c) Dead time resulting from inclement weather shall be paid for as provided in Paragraph B.
5. Present rules governing stop work meetings shall continue. Any hours lost as a result of such meetings are deductible from contract minimums. Similarly, any hours lost as a result of short shifts resulting from union unilateral action or mutual agreement of the parties are also deductible.
6. In those ports where a 4 p.m. or 5 p.m. stop is provided by rule for specific days, the minimum guarantee on such days shall be from the starting time, which for payroll purposes can be no later than 9 a.m. to such 4 p.m. or 5 p.m. stop.
7. (a) When an operation of short duration requires extra Longshoremen from the skilled classifications and such men are ordered and turned to, they shall be entitled to a 4 hour minimum, and can be transferred to comparable work on the original dock or ship to fill out this minimum.
  - (b) When such men are shifted to comparable work on other docks or ships or are ordered back after a mid-shift meal the 8 hour guarantee shall apply.
8. When gear men are called in on an emergency, local rules rather than the 8-hour guarantee shall prevail.
9. When men have been ordered and fail to report to work at all or on time, thus delaying the start of an operation, the time lost thereby until replacements have been provided or until the man or gang has turned to shall be deducted from the guarantee.
10. Men or gangs refusing to shift, quitting or discharged for cause, shall be paid only for the time worked.

11. A replacement gang ordered from the dispatch hall to replace a quitting gang shall not be eligible for the 8-hour guarantee, but shall be eligible for the 4 hour minimum. This only applies when a gang quits during the course of the 8 hours of work or quits by refusal to work the extensions for shifting or sailing provided in the agreement.

12. Where men are turned to and work less than 8 hours by reason of quitting, discharge for cause, or injury, and a replacement is ordered by the Employer, the 8-hour guarantee is not applicable and the men shall be paid as follows:

- (a) The man being replaced to be paid for time worked;
- (b) The replacement is to be paid for time worked, or the 4 hour minimum, whichever is greater.

D. MANEUVERABILITY AND FLEXIBILITY OF THE WORK FORCE

1. In order to prevent as much as possible Employers being required to pay for "dead time" or time not worked by the application of the 8-hour guarantee, the Employers shall have maximum maneuverability and flexibility of the work force, Longshore and Clerks. They may shift men and gangs - from ship to ship, from direct employer to direct employer, from steamship company to steamship company or any combination thereof.

- (a) Employers shall have the right to shift men and gangs at their option in order to fill out the work guarantee. Men and gangs must shift as ordered.
- (b) Employers may move skilled longshore classifications, such as winch drivers, hatch tenders, gang bosses, crane men, lift drivers, jitney drivers, etc., to comparable work: 1) on board ship, 2) on the dock, 3) on barges or between any of the locations listed in 1), 2), and 3), and the men shall be obligated to shift. No skilled classifications will be required to shift and do physical labor (hand handling) such as dock work, car work, hold work, etc.
- (c) Skilled classifications of Clerks, such as supercargoes, supervisors, etc., may be shifted by Employers to comparable work or to any Clerks' work to fill out the shift guarantee without reduction in their skilled pay rate.
- (d) Men in ship gangs can, at the option of the Employers, be shifted to any other work including all dock and car work in order to fill out a shift.
- (e) Dock men or dock gangs shall not be shifted to work aboard ships to get the 8-hour guarantee but may be shifted to any work on docks, cars or barges.

(f) In those ports where working rules do not now provide swing men (ship or dock men), the Employer has the option to order up to two swing men for each discharge gear working. These swing men may be used for any dock work and/or for hold work in any hatch. This will hold true whether or not dock men or gangs are ordered and whether or not, under local rules, dock men or gangs must be released as a unit.

In those ports where working rules do not now provide swing men (ship or dock men), the Employer has the option on loadouts to order additional hold men (not to exceed two for each gear working) for assignment as needed. These men may be used for any dock work and/or for hold work in any hatch.

(g) Men in specialty, shoveling, and freezer gangs can, at the option of the Employers, be shifted to any other work including all dock and car work in order to fill out a shift. When so shifted, the penalty cargo rate shall not prevail.

(h) The Employers shall have the right to order back after an initial or any subsequent shift only such gangs as are needed to finish the work remaining. (This is intended to minimize the necessity of shifting men or gangs to other jobs or ships to fill out the 8-hour guarantee.) Such gang or gangs ordered back must be the gang or gangs which the Employers believe in good faith have the most work to do at their respective gear, and they are to finish the work, if any, at the gear of the gangs released at the end of the previous shift if ordered to do so. Under such circumstances the gear priority of the gangs released is suspended. When gangs are not ordered back under this rule they cannot be replaced by new gangs at that gear until the second subsequent comparable shift. This rule is not to be used as a subterfuge for firing gangs.

(i) The shifting of registered and limited registered men to fulfill the guarantee shall be carried out without bumping other men to create available work.

2. Accompanying the obligation placed upon the Employers to furnish 8 hours of work each shift is the obligation on the part of the men to shift from one job to another for the purpose of working a full shift when such move is ordered by the Employers.

3. The Union recognizes that late initial starts will occur and agrees that men will work ships with late initial starts. (See Paragraph B. 1. Note.)

4. The Employers have the right to relieve hatches during meal hours.

5. Existing gear priority rules will be suspended or changed when necessary to facilitate shifting of men and gangs for the purpose of guaranteeing the full 8-hour work shift. "Center line" and "imaginary bulkhead" and similar practices which result in arbitrary division of work among gangs shall be eliminated.

6. Existing contract leeway provisions for finishing ship to shift (2 hours) or sail (3 hours) shall remain unchanged.

7. Men and gangs shall go to meals as directed by the Employer and shall return to complete a shift after a meal when a shift is extended for shifting or sailing.

E. RULES AND EXAMPLES APPLICABLE TO SHIFTING MEN AND/OR GANGS

1. Initial late start orders may be placed at the dispatch hall to work a ship and to shift to a second ship for a late start on the second ship when ordered to do so.

Note: The purpose of men being notified by orders at the hall at the time of dispatch is to know in advance that the ship they are being dispatched to is the second ship, with the first ship being worked as a fill-in job for the purpose of making 8 hours.

2. Men or gangs may be ordered to shift from a job or a ship that they have completed to a late start on another job or ship. Such men or gangs will be released at the end of the shift on the second ship and may be required to work no longer than the extended hours herein provided for, if such extended hours are necessary to complete the work on the second ship for shifting or sailing.

Such shifting of men or gangs may be accomplished without clearance through the dispatch hall.

3. Men or gangs may be ordered to shift from a job or a ship on which they have not completed their original assignment to permit a late start on another job or ship, or in order to fill out the 8-hour work guarantee, or in order to finish the second ship for shifting or sailing. These men or gangs will be ordered back to their original job during that shift or for the start of the next day's shift, and such shifting of men or gangs may be accomplished without clearance through the dispatch hall.

If the work on the second ship is of such amount as to require working the extended hours in order to permit the ship to shift or sail, the men or gangs will work up to but not beyond the end of such extended time.

4. Men or gangs may be ordered to shift from a job or a ship which they have not completed but where they have run out of available work because of delay in arrival of cargo, breakdown of equipment, etc., to another job or ship in order to complete the 8-hour guarantee, and they will be ordered to return to their original job to finish it. Such shifting of

men or gangs may be accomplished without clearance through the dispatch hall. (This rule also applies when a ship fails to arrive as scheduled.)

5. Gangs will have gear priority on only one ship during each shift and will be released to the dispatch hall at the end of any shift in which they have completed their work on the ship on which they had priority. (This does not negate D. 1. (h))

6. There shall be no second or additional guarantee attached to turning to on new assignment after shifting.

F. ONE HOUR LEEWAY TO FINISH CAR WORK OR TRUCK WORK

When dock work on cars or trucks is started but is incomplete at the regular quitting time, an extension or leeway of one hour to finish the job will be permitted, providing men are not sent to a meal.

G. GUARANTEE FOR GANGS THAT TRAVEL

When gangs are travelled and, as a result, their starting time is such as to make it impossible to fill out the guarantee between 8 a.m. and 6 p.m., the guarantee shall be pay or work until 6 p.m., except for the meal hour. For example, if men arrive on the job at 9:30 a.m. following travel, then their guarantee will be 7½ hours.

H. MEAL HOUR

1. The meal hour shall be between 11 a.m. and 1 p.m., that is, the noon meal hour can be at 11, 11:15, 11:30, 11:45 or 12 noon.

2. The night shift meal hour shall be at either 10 p.m. or 11 p.m. in those ports whose normal starting time is 6 p.m. and at either 11 p.m. or 12 midnight in those ports whose normal starting time is 7 p.m.

3. Men and gangs shall go to meals as directed by the Employer.

I. SMALL PORTS

The full provisions of the 8-hour guarantee shall prevail in all ports. However, in small ports - 6 gangs or less - it is understood that if these ports wish to make adjustments in leeway for late starts because no alternative work is available to fill out the 8-hour guarantee, this can be done by mutual agreement at the local level providing there is advance approval by the Joint Coast Committee.

## NEW EQUIPMENT

It is recognized that the Employer has the right to select competent men for all operations. When new types of equipment are introduced in connection with cargo handling covered by the contractual definitions of work, such new equipment shall be operated by employees under the ILWU contracts, with the understanding that competent men shall be made available by the ILWU, with adequate experience or training. This proposal shall not change the status quo as to assignment of other than ILWU workers on existing equipment.

## VACATIONS

The present contract vacation provisions were amended as follows:

### 1. Jury Duty Vacation Eligibility

Any registered man covered by the ILWU contracts who shall be summoned for jury duty shall be entitled to have his actual hours of attendance at court as juror be counted as qualifying hours for vacation eligibility. (NOTE: Actual hours in this instance are all hours at court, waiting to serve on a jury, or actually serving on a jury.)

2. Any registered Clerk or Longshoreman who has 25 qualifying years in the industry and is paid for 800 hours but less than 1344 hours in the preceding year, thus earning one week's vacation, shall receive an additional week of vacation. (NOTE: This leaves unaffected the 25-year man who works 1344 hours the previous year.)

## WELFARE

The Trustees of the Welfare Fund having determined that sound policy requires that a balance of \$800,000 should be maintained (to meet two months' premiums covering existing benefits), it is agreed that at any time during the term of this Agreement that the Fund balance falls below \$800,000 as the result of maintaining present benefits, an additional employer contribution of 1¢ per manhour shall be made for such period as may be required to replenish or maintain such balance. The Trustees shall determine the time during which such additional 1¢ shall be paid, based upon the status of the Fund with relation to the \$800,000 balance formula.

## PENALTY CARGOES

The following commodities were added to the list of commodities carrying a 10 cent penalty:

1. Tapioca flour when sacks are leaking or sifting.
2. Calcine coke.
3. Freshly painted lumber when paint is wet.

It was agreed also that during the coming contract year the parties will study the entire penalty list with the intent of revising it to eliminate commodities where packaging or mode of handling has changed so as to remove the obnoxious features. Any disagreements will be resolved at the June, 1960 contract review.

#### PROTECTIVE CLOTHING AND DEVICES

It was agreed that where protective clothing or devices are currently being furnished, even though not specifically required by the safety code, the Employers will continue to furnish them. At the local level the parties will re-examine this question in order to arrive at an orderly procedure for the issuance, safeguarding, and return of the items furnished by the Employers.

#### RELIEF PERIODS

It is recognized that employees are entitled to reasonable and necessary time off for relief. Relief periods shall be arranged so as to fall around the mid-point of the work period involved, having due regard for the continuity and nature of the work. The ILWU agrees there shall be specific contract language to prevent the abuse of such relief periods or their being used as a subterfuge to operate as a 4-on - 4-gone practice, or variations thereof, and to insure that men will observe specified times for starting, resuming and finishing work.

#### PORT WORKING AND DISPATCHING RULES AND LOCAL AGREEMENTS

It was agreed, with regard to port working and dispatching rules that:

- 1) Any rules which conflict with or prevent the operation of the new contract provisions shall be changed.
- 2) Any other changes in port working and dispatching rules can be made only by mutual agreement.

With regard to local agreements with PMA or with PMA members (exclusive of Walking Boss Contracts) it was agreed:

- a) That any provisions of the Coast Agreement which are applicable to the local agreements shall be incorporated in the local agreements.
- b) That any provisions of the local agreements which are in conflict with the Coast Agreement shall be changed.
- c) Any other changes in local agreements can be made only by mutual agreement.

## LEGAL QUALIFICATIONS

The Pacific Maritime Association has made the agreements on mechanization and the 8-hour guarantee contingent upon satisfactory resolution of certain tax and legal problems. This has been agreed to.

In connection with mechanization, the PMA needs to be assured that employer contributions to the one million five hundred thousand dollar (\$1,500,000) Fund will be currently deductible for income tax purposes.

The PMA needs to be assured that the straight-time rate of pay is the regular rate under the Fair Labor Standards Act and there will be no obligation to pay overtime on overtime.

The Union has agreed to support the PMA in obtaining such assurances. Failure to obtain resolution of these problems would require renegotiation of these issues.

## GOOD FAITH GUARANTEE

As an explicit condition of agreement, the parties exchanged commitments that the Agreement as amended will be observed in good faith. In answer to the Employers' demand for such a guarantee, the Union Negotiating Committee and Caucus unanimously voted to commit every local and every member to observe such commitment without resort to gimmicks or subterfuge. The Employers gave a similar guarantee of good faith observance on their part.

In order to implement this good faith guarantee, it was agreed that whenever the local grievance machinery becomes stalled or fails to work the matter can be referred at once by either party to the Coast Labor Relations Committee for disposition. This understanding applies with special force to issues arising with regard to mechanization under Section 14 of the Coast Agreement and Section 25 of the Clerks' Agreement, and to the application of the 8-hour guarantee. Any problems arising over changes in local working or dispatching rules because of the new contract provisions can be thus referred to the Coast level for prompt disposition.

## LENGTH OF CONTRACT

The contract shall be for a period of three years, terminating June 15, 1962, with an opening on wages, mechanization and hours in June, 1960; and an opening the second year, June, 1961, on wages, hours, mechanization and paid holidays. If settlement is not reached by negotiations, either party may submit unresolved issues to the Coast Arbitrator.

(The Union has agreed without commitment on either side that there shall be discussions regarding the problems of domestic carriers.)

Dated: August 10, 1959

PACIFIC MARITIME ASSOCIATION  
on behalf of its members

INTERNATIONAL LONGSHOREMEN'S  
AND WAREHOUSEMEN'S UNION  
on behalf of itself and all  
Longshore and Marine Clerks  
Locals in California, Oregon  
and Washington

/s/ J. Paul St. Sure

/s/ L. B. Thomas