Longshore industry
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Luncheon Address by Harry Bridges

[before] MARITIME CARGO SYMPOSIUM,

Long Beach, California, September 17, 1964

... Experience With the M & M Agreement

Discussing experiences with the Mechanization and Modernization Agreement - the M & M Agreement, for short - I can say, speaking from the Union's side of the question, that if time hasn't allowed for sufficient experience by now, we certainly have plenty of problems. The agreement has been in effect almost four years, enough time to give the parties a certain amount of experience in its operations, and plenty of time to meet up with numerous problems arising from its day-to-day administration.

First, let me briefly outline the main principles on which the M & M Agreement is based.

First, the men have what amounts to a property right to their jobs. Second, not only is their right to share in industry's gains from mechanization recognized, the right is buttressed by three forms of financial guarantees; these being the right of (A) a minimum number of hours of work for a week, month, or year, or a guaranteed payment of wages if such work

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is not supplied, (B) a guarantee that $5 million a year will be paid into the M & M fund, and (C) less than a guarantee, but implicitly, wage improvements and improved fringe benefits.

The third principle is that men are not required to work under conditions of personal speedup or to work when it is onerous or unsafe to do so. The fourth principle is that when new machines are introduced in the industry, there shall be no layoffs; such machines shall be operated by longshoremen, and that longshoremen shall be trained if necessary to operate them.

The industry, in return, is entitled under the agreement to operate efficiently, and to make as much money as it can, as long as the men's rights - the main ones I have spelled out here - are not infringed upon.

Speaking on the Union side of the question: In trying to make the agreement work properly and looking first of all to the interest of the men, the Union collides with the complaints of the working longshoremen, who believe they are not getting a sufficient return - financially and otherwise - out of the agreement. They compare a substantial increase in tons handled and cargoes moved, with a smaller number of men in the industry, and on particular operations.

This they see as speedup, although the kind of speedup barred under the contract is the personal speedup of the individual and not increase in productivity because of the

introduction of new machines or changing from old to new ways of doing things.

The working longshoremen in all Pacific Coast ports feel they were somewhat short-changed when they see the sharp reduction of ship turnaround time, especially when it comes to some of the big companies. For example, I am informed that in the ports of Los Angeles - Long Beach, one large company has cut back its operations to approximately one or two days a week. I know that this is one instance where a company was able to take full advantage of the contract by adopting containerization on a large scale. To be fair on this point, the same company had started large scale container operations prior to the advent of M & M and existing contracts allowed such a major change.

Separate and apart from containerization, all steamship companies have benefited from such changes in work rules as the relaxation of sling load limits, elimination of multiple handling, and reduction in certain gang sizes. For some of the stevedoring contractors, on the other hand, the agreement has brought only limited benefits. As a matter of fact, speaking frankly of the Union's experiences under the contract, I have found in many cases what seems to me to be as much opposition to the contract from the stevedoring companies, as I have found from many of our union members.

This is understandable to me. The stevedoring contractor

is after all largely a labor contractor. There is less incentive here to gamble large amounts of capital needed to purchase quantities of modern and expensive machines; to have to think in terms of maintenance and to be assured that such machines will be steadily used for the purposes for which they were purchased in the first place, namely, ship loading and unloading. Thus, steamship companies, at least American flag companies, seem to me to have more scope in making changes than the stevedoring company or labor contractor.

On the Union's side, we recognized this difficulty early in the negotiations for the contract. We abandoned the approach we had at the time to price out - at so much per hour - each change in operations, and to build a fund by such means. We had in mind a fund where the Union would receive 50 cents of each dollar of cost savings due to technological and rule changes. It appeared to be too burdensome and complicated and we wound up instead with a contract requiring payment of $5 million annually into a fund. If it seems that I am moving to the other side of the table in making this point, I want to remind you that I am relating our experiences from the Union's point of view.

I know one steamship company executive was quoted (anonymously) in the Journal of Commerce as saying, "If we aren't keeping our loading costs down despite the regular

increases in wages, it is our responsibility and loss." That sums up the situation from the employers' standpoint, as we see it. They have the opportunity under the contract, they have the rules and the flexibility, and they are supposed to have the know-how. It is up to them to use it. But, a discussion of the effects of the agreement on the employers is Mr. St. Sure's province. I won't trespass further.

The idea that workers have a property right in their jobs, although not a new one, is getting new attention and support. Unions have already largely succeeded first of all in safeguarding their members against arbitrary, discriminatory discharge. Such protections are written into practically every union agreement. Almost as universal are rules relating to temporary layoff, usually based on the principle of seniority.

Dealing with this property right to the job under the M & M Agreement, certainly gives the Union plenty of experiences and not a few headaches. One headache that we live with is not only longshoremen claiming their own property right to the job, but asking the same privilege for their sons, grandsons, nephews, in-laws and friends. In dealing with this attitude on the part of the men, I conclude that they not only know that they have a good thing going for them in terms of job security, they want to pass it around to as many relatives and friends as possible.

Coping with this aspect of the job property right is not

as difficult as meeting the issue where all the work, especially the operation of new machines, must be performed by longshoremen. This item has caused us plenty of grief. Here, locally, in the ports of Los Angeles - Long Beach, for example, the use of cranes of various types for the handling of cargo has greatly increased.

It should be apparent to all employers in the industry, and I would say to any fair-thinking person, that the Union did not, could not, negotiate a contract where an employer would have a wide and free range to change methods of operations, introduce new machines, and at the same time bring other workers into the industry to operate such machines. This is something that no union officer could be expected to explain or persuade his rank and file to accept. And, yet, for one reason or another, we have had many hassles over this point with our employers.

Happily, we are getting the matter resolved. It makes sense to use cranes in modern ship cargo handling, and it also makes sense to have an agreement that the men handling the cranes must be longshoremen, protected by the M & M Agreement with its built-in property rights to the job.

Handling more tons with fewer men is, of course, the main reason our employers pay millions of dollars into the M & M fund. In addition, they have agreed to almost complete job protection for the men. No one can be laid off because of increases in

productivity whether due to mechanization, to changes in working procedures, or to more efficient management.

As things have developed, we have had to hire additional men. In the past year some 500 "B" men were moved up into fully registered "A" category, here in Los Angeles harbor, and a similar number of new "B" men were taken on. When we signed the M & M Agreement, in October 1960, we hoped that productivity increases would not exceed the rate of attrition, so that there would be no need to fall back on the wage guarantee which is an added protection for the men. What has happened is that while there has been an undoubted and substantial rise in tons handled per man-hour, more men have retired than we anticipated and, at the same time there has been an increase in tonnage handled. So, we found ourselves needing more men, not fewer. The wage guarantee has never been used.

Our second main principle, the sharing of productivity gains, is working about as planned. The industry is putting aside $5 million each year, payable into the several trust funds set up under the contract. This is the men's share. About 300 men have retired early at age 62. Many more, around 660, have received their vested benefit of $7,920 upon normal retirement. And a number of others are drawing benefits on the basis of retirement due to disability.

Looking back at the other schemes considered during

negotiations, I think we were right to have settled on a flat employer contribution irrespective of experience under the plan. The Kaiser Steel plan at Fontana is running into trouble because cost savings have dropped off, and the American Motors profit-sharing plan does not appear to be popular with the workers because there haven't been enough profits to share. From the point of view of our existing agreement, we (the Union) are not dependent on whether or not the companies save on their costs, or can report a net profit. This is certainly better for us even if we still argue about the amount being too little.

Our third principle -- no speedup, no onerous workload on the individual, and no unsafe working conditions -- is the reverse side of the changes in work rules. We agreed to the workload changes so long as the men had these protections on the job. There has been a lot of argument over these work rule changes. Some of our members feel strongly that the agreement permitted too radical changes with too little protection, and that the employers, in consequence, have gained too much. The Joint Coast Labor Relations Committee has had to spend a lot of time on these issues, and a sizeable number of cases have had to be settled by the arbitrators. Nevertheless, we feel that the new ways of operating have been pretty generally accepted as the almost inevitable trend of modern industry. This doesn't mean that we won't try to improve the deal in 1966 when the

contract runs out.

Just what changes will be agreed to at that time, I shall not even try to speculate about. The Union has not yet begun to formulate its proposals. What I can say is that we see no reason for any modification of the principles I have discussed. The details will have to be adjusted in the light of the 1966 situation, and it can well be affected by what comes out of the East Coast longshore negotiations this year.

Our West Coast M & M Agreement is firm until 1966. I have mentioned, in this discussion, some measures the Union is using to determine whether we made a good or a bad deal. Mind you, I am notimplying any welching on the deal. Another measure will be what happens on the East Coast.

Our Union is watching the current ILA negotiations with East and Gulf employers with great interest and no little concern. As you know, the government stepped in last year; set up a Board headed by Senator Wayne Morse, and virtually dictated a settlement of the strike. One condition involved a study, to be undertaken by the U.S. Department of Labor, to provide the factual basis for this year's negotiations. Reports have now been issued covering New York, Baltimore, and New Orleans, with the Philadelphia report said to be due any day, and others are on the way. At the moment negotiations appear to be more or less deadlocked despite the Labor Department reports. Our

concern is that the government may feel it necessary again to move into the picture in order to force a settlement. We hope such a precedent will not be established in the maritime industry.

The situation on the East Coast, and especially in New York, is much more difficult than the situation we faced here, though the basic issues are pretty much the same. I will mention only two of the factors which make a constructive settlement difficult.

In the first place, there is an overhanging surplus of workers, necessitated by the miserable hiring systems which prevail in all the ports. Because of this surplus only a few men work steadily, while a high percentage are unable to work enough to make a decent living from the industry. In four ports (not named) more than three-fourths of the men worked less than 700 hours per year in the period surveyed by the Labor Department.

While the situation is not nearly so bad in New York, it is bad enough and no real progress can be made until the roster of men is closed. Despite the existing surplus the Waterfront Commission has been adding 3500 men per year to the work force.

In contrast, we had succeeded out here, prior to inaugurating the M & M plan, in reducing the number of regular men to a minimum. There was, therefore, no surplus of union members whose livelihood was certain to be cut off or radically endangered by the introduction of mechanization or reduced gang

size. On the East Coast, the International Longshoremen's Association, as a labor union, is up against the gun. Many of its members would be very severely and adversely affected by the type of rules change which we were in a position to accept, and did accept.

Secondly, the employers there do not appear to have learned an elementary rule of bargaining: if you want to change an established practice which the other side considers valuable, you have to pay for it. At least in the bargaining last year, the New York employers seemed to take the position that gang size, for example, must be reduced before they would consider granting a wage increase. But the men had the wage increase coming anyway. Reduction in gang size should only have been asked in return for new and additional benefits to the men. In our case it was explicitly agreed that M & M benefits were to be separate and apart from existing benefits and in addition to them.

Among the favorable factors on the Pacific Coast, without which the M & M plan would have been impossible, has been a mutual willingness to live and let live -- peaceful coexistence, if you will. With the right attitude on both sides, even the big difficulties can be overcome, and, I might add, overcome without any government interference.