

Supplement to

MEN and MACHINES

A Summary of
New Provisions in the
Mechanization and
Modernization
Agreement

between the

International Longshoremen's &
Warehousemen's Union

and the

Pacific Maritime Association

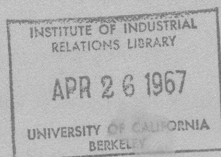
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longshore industry
(1966 folder)

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THE 1960 Mechanization and Modernization Agreement which terminated on June 30, 1966, was extended for five years to run from July 1, 1966, to June 30, 1971. It was apparent at the negotiations that the Plan had proved of great benefit to both parties. The Pacific Maritime Association reported sharply-increased productivity, and the Union was pleased with the early retirement and vesting provisions.

Under the new Agreement, as under the original Agreement, the shipowners and stevedoring contractors are freed of restrictions on the introduction of labor-saving devices, relieved of the use of unnecessary men and assured of the elimination of work practices which impede the free flow of cargo or ship turnaround. These guarantees to industry are in exchange for a series of benefits for the workers, designed to protect them against the impact of the machine on their daily work or on their job security.



The new Agreement is essentially an extension of the 1960 Agreement, but contains some significant modifications:

1. The annual contribution by the PMA was increased from \$5 million to \$6.9 million.
2. The entire fund is to be used for early retirement and vesting, since the wage guarantee provision has been eliminated.
3. Further changes were made in working rules, particularly with regard to manning scales. At the same time, the procedure for handling protests that the workload is "onerous" was strengthened in order to facilitate quick disposal of these cases.
4. The use of new or improved machines and methods was made mandatory where "economically feasible and practical."

Changes in Benefits

1. The vesting and disability benefits were increased from \$7,920 to \$13,000.
2. The wage guarantee feature of the 1960 Agreement was eliminated.
3. In addition, under the regular pension agreement, the basic pension, for men retiring after July 1, 1966, was increased to \$235 per month and the normal retirement age was reduced from 65 to 63.

The early retirement and vesting benefit was improved by raising the vesting amount from \$7,920 to \$13,000. To be eligible a man must, as before, have 25 or more years in the industry. The \$13,000 is payable at retirement at any time between ages 62 and 65, but since the normal retirement age has now been reduced from 65 to 63, it is anticipated that many more men will choose to retire before age 65.

Payments will be made in a lump sum with the approval of the Trustees, or in monthly install-

ments, as follows: \$216.67 per month for 5 years; or \$270.83 per month for 4 years. These amounts are on top of the regular pension, now increased to \$235 per month for all men retiring after July 1, 1966.

A new feature was introduced which provides that after age 65 the \$13,000 vesting benefit is reduced at the rate of \$1,000 per year by monthly amounts of \$83.33 for each month that retirement is delayed beyond age 65. This provision is intended as an inducement to leave the industry before reaching age 68 when retirement is mandatory.

Mandatory retirement may be invoked by joint action of the parties. It was never necessary to utilize the mandatory early retirement feature of the original Plan, and the parties do not anticipate any need for mandatory retirement during the life of the new Agreement.

No change was made in the disability provision, except that the total amount payable to 25-year men was increased to \$13,000. Men with service of 15 to 25 years receive a pro-rated disability benefit, as under the previous Agreement. The death benefit was not changed, the maximum amount remaining at \$5,000.

At the suggestion of the Union, the wage guarantee feature of the old Agreement was dropped. Because tonnage had increased beyond all expectations, the wage guarantee had never been used. Work never dropped to the point that the men earned less than 35 straight-time hours' pay. Indeed, together with the increased attrition rate, the rise in tonnage handled made it necessary to add some 2,000 men to the work force.

Over the five and a half years during which the original Agreement was in effect, approximately \$13 million had accumulated in the Wage Guarantee Fund. This money was distributed equally

among the registered work force. Each man who was on the fully-registered list on July 1, 1960, and June 30, 1966, received slightly more than \$1,200.

The no-layoff provision was also dropped. The parties are convinced, on the basis of the experience of the past five years, that they can control the size of the work force so that no layoffs will be necessary. It must be pointed out that both the no-layoff provision and the wage guarantee were limited to reductions in work opportunity occasioned by increased productivity, and neither was applicable in the event of curtailment of work opportunity attributable to general economic recession or depression.

Changes in Work Rules

The principal work rule changes concern the organization of gangs, gang sizes and manning, the objective being greater efficiency of operation and greater flexibility in the use of skilled men. The principal change in the "basic gang" is the requirement that two of the four holdmen must be skilled, i.e., able to drive a fork lift. The composition of the "basic gang" is fixed for the life of the Agreement.

In the main, except for the "basic gang," manning scales are subject to change at the initiative of either party through the established grievance machinery. The guiding rule, so far as reductions in manning are concerned, is that there shall be no "unnecessary men." The guiding rule, so far as the men are concerned, is that the workload shall not be "onerous."

If a man or a gang decides that the way the work is being done is onerous, he (or the gang) may stop work. This has long been the privilege of the men if they believe the work to be unsafe. The safety provision has now been extended to cover complaints of an onerous workload.

If the employer and the men are in disagreement, the area arbitrator, who is on call night and day, is brought down to the job to render an immediate decision as to how work shall proceed. If he decides that the work is onerous, the men are paid for the time they stood by. If he rules the work is not onerous, the employer may require the men to work to make up the stand-by time, provided this does not exceed two hours. Or, rather than having the men stand by, the employer may, if he chooses, assign them to other work, pending a decision.

Mandatory Use of Machines

The most unusual feature of the new Agreement is the provision, adopted at the Union's insistence, that machines—labor-saving devices—be used wherever possible. The actual language is as follows:

"The Employers agree that it is desirable from the standpoint of both parties to mechanize and/or improve methods of operation where such is economically feasible and practical."

In order to implement this last phrase, the parties are negotiating "ground rules" on the basis of which it will be possible to judge in a particular case whether the use of a machine or method is "economically feasible and practical."

The entire collective bargaining agreement between ILWU and the PMA was subject to renegotiation in 1966. Besides the changes in the Mechanization and Modernization Agreement (technically a supplement to the Pacific Coast Longshore Agreement), there were changes in the regular pension plan, as already indicated, and improvements in wage rates and other fringe benefits. The basic straight-time wage rate was increased by 50 cents an hour, from \$3.38 to \$3.88 and will be further increased by 20 cents in 1969 and again in 1970. The Mechanization and Modernization Agreement is not subject to change during its five-year period, except by mutual agreement.

CHANGES IN PENSION AND M&M BENEFITS

	1961-1966	1966-1971
Regular Industry Pension		
Normal retirement age	65	63
Normal monthly retirement benefit	\$115 until 6/15/65. \$165 effective 6/15/65.	\$235 for men retired 7/1/66 or after. \$165 for men retired before 7/1/66.
Disability retirement benefit after 13 to 25 years of service	\$59.80 - \$115.00 \$85.80 - \$165.00 effective 6/15/65.	\$122.20 - \$235.00 for men retired after 7/1/66. \$85.80 - \$165.00 for men retired before 7/1/66.
M&M Benefits		
Early retirement age	62	62
Total Vesting Benefit at retirement	\$7,920	\$13,000
Monthly Benefit (payable in addition to industry pension)	\$220 for 36 months	\$270.83 for 48 months or \$216.67 for 60 months
Disability Benefit	\$2,640 to \$7,920 after 15 to 25 years.	\$4,333.33 to \$13,000.00 after 15 to 25 years.
Death Benefit	Range from \$2,640 to \$5,000	Same as before.
Wage Guarantee	Up to equivalent of 35 hours pay per week.	No guarantee.

MEN AND MACHINES may be obtained from ILWU, 150 Golden Gate Avenue, San Francisco, California 94102 for \$1.95.