Longshore industry
(1946)

U. S. DEPARTMENT OF LABOR

REPORT AND RECOMMENDATIONS

OF THE

PACIFIC COAST LONGSHORE FACT FINDING BOARD

Appointed by Order of
April 5, 1946

Members of Board:
James Lawrence Fly,
Chairman
Lloyd L. Black
Fowler Harper

May 13, 1946

U. S. DEPARTMENT OF LABOR

Office of the Secretary
Washington

May 13, 1946

The Honorable L. B. Schwellenbach
Secretary of Labor
Washington 25, D. C.

Dear Mr. Secretary:

We transmit herewith the report of the Fact Finding Board which you appointed on April 5, 1946, to investigate and submit recommendations with reference to the labor disputes in the Pacific Coast Longshore Industry. By Order of May 10, 1946, you extended the time within which the Board should file its report and recommendations to May 17, 1946.

We express our appreciation to Mr. Milton Derber, Economic Adviser from the Labor Economics Office of the Bureau of Labor Statistics; Miss Anne Lopatin, Executive Assistant; Mr. Jonas Silver, Research Assistant from the Industrial Relations Branch of the Bureau of Labor Statistics, and Mrs. Alicebell S. Mura for their assistance and cooperation.

Respectfully submitted,

S/ James Lawrence Fly
James Lawrence Fly, Chairman

S/ Lloyd L. Black
Lloyd L. Black, Member

S/ Fowler Harper
Fowler Harper, Member

Report and Recommendations of the Pacific Coast Longshore Fact Finding Board

By Order of the Secretary of Labor dated April 5, 1946, the undersigned were appointed as members of the Fact-Finding Board for the Longshore Industry on the Pacific Coast. The Order creating the Board is as follows:

ORDER

"WHEREAS, labor disputes exist in the Longshore Industry on the Pacific Coast between members of the International Longshoremen's and Warehousemen's Union, affiliated with the C.I.O. and the Waterfront Employers Association of the Pacific Coast acting on behalf of the Waterfront Employers of Washington, the Waterfront Employers of Portland, and the Waterfront Employer's Association of California, which threaten to result in work stoppages; and

"WHEREAS, no settlement of the major issues has as yet been negotiated in these disputes despite continuing conciliation efforts; and

"WHEREAS, a work stoppage in the above disputes will seriously endanger all shipping activities on the Pacific Coast; and

"WHEREAS, the National interest and the reconversion program require the settlement of such labor disputes;

"NOW, therefore, pursuant to the authority vested in me as Secretary of Labor, it is hereby ordered as follows:

"There is hereby created a Fact Finding Board consisting of three members representing the public, which shall investigate such disputes. The Board shall report to me within thirty days from April 12, 1946, its findings of fact and recommendations which shall conform to Federal wage and price stabilization policies.

"I hereby select James Lawrence Fly as chairman, and Judge Lloyd L. Black and Fowler Harper to serve as members of such Board.

"The members of the Board shall serve without compensation but shall be entitled to such expenses and transportation costs as may be determined to be satisfactory by me, or by an authorized official of the Department.

"The Department shall furnish the Board with such stenographic, investigative and other personnel and facilities as may be necessary, and within the limits of the funds provided, make such other disbursements as are necessary to effectuate this order.

"The Board shall meet with the parties on April 12, 1946 at such time and place as shall be hereinafter designated by the Chairman.

"Signed at Washington, D. C., this 5th day of April 1946.

L. B. Schwellenbach"

The Board conducted a preliminary meeting on procedure with the parties on April 12, 1946 in Washington, D. C. Formal hearings were subsequently held in the Fairmont Hotel in San Francisco, California, on April 20, 22, 23, 24, 25, and 26, 1946. This report is submitted pursuant to the Order.

THE PARTIES

The Waterfront Employers Association of the Pacific Coast, acting on behalf of the Waterfront Employers of Washington, Waterfront Employers of Portland, and Waterfront Employers Association of California, and the International Longshoremen's and Warehousemen's Union, affiliated with the CIO, are parties to a coastwise contract covering the great majority of Pacific Coast longshoremen, which contract is hereinafter referred to as the Longshore Agreement. The Waterfront Employers Association of the Pacific Coast is a non-profit corporation which acts on behalf of its members in negotiating and executing the collective bargaining agreement with the International Longshoremen's and Warehousemen's Union. The Association itself performs no work and carries on no business activities; its member organizations, numbering approximately 100, are the direct employers of longshoremen, and for all practical purposes, include all employers of longshoremen on the Pacific Coast [1/]. The labor organization herein involved, the International Longshoremen's and Warehousemen's Union, CIO, represents approximately 16,000 Pacific Coast longshoremen through its various locals. Longshoremen in the Puget Sound ports of Tacoma, Port Angeles, and Anacortes, numbering about 700, are represented by the International Longshoremen's Association, AFL, and are not parties to this proceeding.

1/ The most important exception during the war period and to some extent thereafter is the United States Army which acts as a direct employer of longshoremen on the West Coast.

In addition to the longshoremen, both parties stated for the record on April 12, 1946 (Vol. 1, pp. 12, 13, and 14), that there was no objection to the inclusion in this proceeding of two other categories of waterfront employees - namely the dock workers or carloaders, and the ship clerks or checkers. The dock workers are members of the longshore local unions in the respective local ports, and are covered by port agreements with the local Waterfront Employers Associations as follows:

Seattle - Waterfront Employers of Washington and Local 19, ILWU-CIO
Portland - Waterfront Employers of Portland and Local 8, ILWU-CIO
San Francisco - Waterfront Employers Association of California and Local 10, ILWU-CIO
San Pedro - Waterfront Employers Association of California and Local 13, ILWU-CIO

Ship clerks are members of separate local unions holding contracts with the local port associations. In San Francisco, the agreement is held by the Waterfront Employers Association of California and ILWU-CIO District 1, acting for the Ship Clerks' Association, local 1-34; in San Pedro, it is held by the Waterfront Employers Association of California and the Marine Clerks Association, Local 1-63, ILWU-CIO.

A dispute presently exists between the parties concerning the representation of the clerks in Portland, the ILWU-CIO claiming this group as members of Local 40 since January 1, 1946. Ship clerks in Seattle are represented by the ILA-AFL, and are not parties to this proceeding.

NATURE OF THE WORK

Longshore work as defined in the Longshore Agreement covers:

> "....all handling of cargo in its transfer from vessel to first place of rest and vice versa, including sorting and piling of cargo on the dock, and the direct transfer of cargo from vessel to railroad car or barge, and vice versa, when such work is performed by employees of the companies parties to this agreement...."

Dock work or carloading and unloading work, which is variously defined in the respective port agreements, covers the loading and unloading of railroad cars and barges on the docks and the transfer of cargo on docks,

piers, wharves, etc. either before such cargo is directly loaded, or, after such cargo is directly discharged from the ship.

Ship clerks or checkers are the clerical employees who receive, deliver, and check cargo in connection with its load and discharge. Several categories are included in the term "ship clerk" such as receiving clerk, delivery clerk, hatch clerk, sorting clerk, car clerk, etc.

NATURE OF THE INDUSTRY

Longshoremen and allied waterfront groups handle cargo which is transported by water. On the Pacific Coast, steamship service may be divided into the following five categories:

1. Intercoastal trade - between Atlantic or Gulf Coast ports and the Pacific Coast.
2. Pacific coastwise trade - between Pacific Coast ports, the cargo presently consisting largely of lumber.
3. Trade between Puget Sound and Alaskan ports.
4. Island trade, especially the Hawaiian Islands.
5. Foreign trade.

The domestic trades, including the intercoastal, coastwise, Alaskan, and Island trade have always constituted the great bulk of the trade on the Pacific Coast and the greatest sources of employment both at sea and ashore.

The work of loading and discharging is the function of the ship which is included in its duty under its bill of lading or contract of affreightment. The owner of the cargo, either the consignor or consignee, pays the cost of moving said cargo upon the piers and terminals or across the piers and terminals to the ship's side for loading, and removing it after it has been deposited at ship's side or first place of rest on the dock to a point where it can be received by the consignee.

According to the testimony of an employer witness, the leading types of cargoes handled on the Pacific Coast with particular reference to the Port of San Francisco, are stated as follows:

Intercoastal Trade

Steel and pipe - incoming

Canned goods, tire fabric, tire calp, rosin, furniture, pitch, whiskey, plunder (general merchandise of less than carload lots) - incoming and outgoing.

Pacific Coastwise Trade

Lumber from the Northwest to California

Transpacific

Bulk copra, bag sugar, ores, furniture, rubber, lumber, oils in drums, coconut, general cargo - incoming

Cotton, general cargo, machinery, steel - outgoing

There are two types of employers of longshoremen on the Pacific Coast:

1. The stevedoring contractor who contracts with the ship to perform the function of loading and discharging. This is the predominant type of employer in this industry.

2. The steamship lines themselves which carry on their own direct operations of loading and discharging, at times acting through a subsidiary company.

The longshore industry is a non-seasonal, casual industry in which the employment is determined by the arrival and departure of ships which is, in turn, dependent upon the weather, tides, sailing schedules, etc.

NUMBER OF EMPLOYEES

Faisse says 30.

Longshore and allied work is performed in some 20-odd Pacific Coast ports between the Canadian and Mexican border. The great bulk of the work, however, is performed in the four major ports of Seattle, Portland, San Francisco, and San Pedro (the Los Angeles port area); and, in addition, in the Port of Hueneme in California which was used extensively during the war by the United States Navy and has now been included in the coverage of the Longshore Agreement since January 1, 1946.

Membership figures submitted by the Union show that the total average membership in the 25 Pacific Coast Longshore Locals varied from over 14,000 to over 18,000 during the war, with almost half of the total force located in the port of San Francisco. The salient figures are as follows:[1/]

1/ Figures for the 25 Pacific Coast longshore locals are set forth in Union Exhibit 3.

avers org
Seattle 1908
SF 1914
Port 1921
SP 1923

Monthly Average	6/43-6/44	1/45-12/45	1/46 & 2/46
Total Average Membership (25 Pacific Coast Locals)	14,425	18,629	16,695
San Francisco Membership	6,908	7,788	7,359

Employers' Exhibit N [2/] shows the total number of registered men in the four major ports for 1941, 1945, and 1946 to be 10,119; 18,428; and 14,198, respectively. [3/]

Union Exhibit 4 shows the total average monthly membership of ship clerks' locals in Stockton [4/], San Francisco, Portland, and Wilmington to be 1,177 during the period June 1943 to June 1944, 1,679 during 1945 and 1,555 through February 1946.

2/ Employers' Exhibit N shows the Estimated Number of Registered Men and Men in Gangs for the Four Pacific Coast Ports.

3/ Figures for San Pedro show only registered men; figures for Seattle and San Francisco show registered men and registered permit men; and figures for Portland show registered men for Portland and the Columbia River and registered permit men for Portland only.

4/ Stockton local amalgamated with San Francisco August 1945.

CONTRACT HISTORY

On October 12, 1934, following a strike of Pacific Coast Longshoremen then affiliated with the International Longshoremen's Association, AFL, the National Longshoremen's Board appointed by the President of the United States, handed down its Award which set wages, hours, and working conditions for longshoremen on a coastwide basis. This Award, which contains such provisions as the 6-hour day, jointly controlled hiring halls, etc, although modified in certain respects, has remained the basis of West Coast longshore labor relations. The Award was voluntarily renewed in 1935, and remained in effect until 1936. Subsequent to a strike starting about November 1, 1936, a new agreement was made effective on February 4, 1937. During the same year, the parties negotiated agreements covering penalty cargo rates and sling load limits.

In 1938, following proceedings before the National Labor Relations Board, the International Longshoremen's and Warehousemen's Union, CIO, was certified as coastwise bargaining agent for Pacific Coast Longshoremen save for three Puget Sound ports previously mentioned. Thereafter, a new agreement was negotiated in October 1938. This contract was opened in 1939, and following extended negotiations, an agreement was consummated in December 1940. This agreement, except for certain wage changes, remained in effect throughout most of the war period; and was opened at the end of September 1944. Following disagreement between the parties, dispute case 111-11744-D involving the 1944-1945 contract was certified to the National War Labor Board, heard before a tripartite panel thereof, and decided by National Board Directive Order on August 18, 1945.

On July 30, 1945, the Union served notice of its desire to reopen the agreement. On September 21, 1945, the Union requested that the contract be extended beyond its termination date of September 30,

1945 while negotiations were in progress; and the Employers so agreed on September 26. Negotiations followed which did not result in an agreement. On January 25, 1946, the Union notified the Department of Labor and other Federal agencies that a strike vote was being conducted by secret referendum of the union membership. The vote, which was concluded by February 20, showed 93% of the longshoremen and about the same percentage of ship clerks favoring a strike. The Union Negotiating Committee was authorized to call a strike on or before April 1, 1946.

On March 15, 1946, negotiations deadlocked; and the parties jointly called in the Conciliation Service of the Department of Labor. Meetings were conducted before the Conciliation Service on March 15, 20, 21, 22, 26, and 28, but no settlement was reached. In response to a wire from the Secretary of Labor requesting that the strike be held in abeyance pending the establishment of a fact-finding board, the Union took a second vote of its membership at "stop-work" meetings called for the stated purpose of conserving time; and the Negotiating Committee was authorized to postpone the strike. On April 5, 1946, the Secretary of Labor established this Fact-Finding Board.

THE ISSUES

While the dispute of the parties hinges in large measure upon the basic rate question, the representatives of both parties have submitted a large number of issues on secondary problems. A summary of the issues is set forth in Appendix I; and a full statement will be found in the record. Vol. 1-A, pp. 180 to 187.

This report deals with the issues on the basic wage; the extent to which any increase shall be applied retroactively; the provision for a differential in favor of the hatch tenders at San Francisco; the Employers' right to cancel the agreement in the event of a finally binding court decision that the present method of overtime payment under longshore agreements do not conform to the provisions of the Fair Labor Standards Act; vacations; the demand for a 4-hour minimum guarantee of work or pay when men are ordered and report for work; the problem of productivity and efficiency; and finally, the arbitration and grievance machinery.

In meeting the foregoing issues, the Board has endeavored to treat with the most urgent problems and to offer a feasible basis for their prompt settlement by contract between the parties. In concluding to pass over numerous subsidiary issues, the Board has been mindful of two factors. In the opinion of the Board, the settlement of these at the moment is not essential to a working agreement between the parties. Of equal significance is the Board's consciousness of its own limitations. The solution of many of these subsidiary issues involving complicated working rules and practices, even more than the basic wage issue, should rest upon a detailed and expert knowledge of the industry. The relation of such rules and their possible impact upon the business of the Employers and the interest of the Employees is far from clear. We feel that the parties themselves should proceed in due course to discuss these matters around the table and arrive at a solution by agreement. If outside parties are required to settle or to assist in settling them, this should be done only after a more thorough-going study and understanding of the problems than this Board has been able to achieve in the limited time available. In failing to treat with these issues we are not to be deemed to have expressed any opinion on their merits.

BASIC WAGE INCREASE

The Union has requested an increase in the basic straight time rate for longshoremen from $1.15 per hour to $1.50. East Coast longshoremen are now receiving $1.50 per hour. The West Coast Employers offered on March 11, 1946, an increase of 18¢ per hour raising their basic rate to $1.33.

At the outset it should be explained that the comparatively high hourly rate paid to longshoremen generally is due primarily to three factors - the casual nature of the industry, the strenuous character of the work, and the high degree of occupational hazard. Work in the industry is irregular and erratic depending upon shipping schedules, weather conditions, and the volume of trade. Longshoremen are expected to be available to work at any hour of the day, on any day, and may be called upon to work as many as 12 hours at a time. While generally, absence with notice is excused, availability of employment depends upon continuous availability of the employee.

Despite increasing mechanization of equipment, the loading and discharging of cargo is work requiring considerable physical strength and endurance. Heavy weights are lifted and moved by individuals. Working space is frequently cramped. Much work is out-of-doors, and, therefore, subject to all of the variations of weather conditions. Because of the nature of the work and the fact that much of it is performed at night and during inclement weather the accident rate is exceedingly high. According to studies of the U. S. Bureau of Labor Statistics, the longshore industry had the highest injury-frequency rate recorded for any industry in 1942.

Screened against this background, the question of wages has been examined by the Board in the light of the prevailing Federal

wage-price policy [1]. Section 3(e) of Executive Order No. 9697 (issued February 14, 1946) specifies that:

> "All arbitration awards, and all recommendations of publicly-appointed fact-finding panels, with respect to wage or salary issues shall conform with the standards of this order and the regulations and directives issued thereunder. No wage or salary increases shall be put into effect in accordance with any such awards or recommendations, hereafter announced, unless and until approved by the appropriate wage or salary stabilization agency, or unless such awards or recommendations are voluntarily accepted by the parties on the basis stated in the first sentence of subsection (c) of this section."

The Order setting up the Board likewise provides that its findings of fact and recommendations "shall conform to Federal wage and price stabilization policies."

Federal Wage-Price Policy is set forth in Executive Order No. 9697. Section 3 (a) of the Executive Order reads as follows:

> "3(a) The National Wage Stabilization Board or other wage or salary stabilization agency having jurisdiction with respect to the wages or salaries involved shall approve any wage or salary increase, or part thereof, which it finds is consistent with the general pattern of wage or salary adjustments which has been established in the industry or local labor market area, between August 18, 1945, and the effective date of this order or, where there is no such general pattern, which it finds necessary to eliminate gross inequities as between related industries, plants or job classifications, to correct substandards of living, or to correct disparities between the increase in wage or salary rates in the appropriate unit since January 1941 and the increase in the cost of living between January 1941 and September 1945. The Board or other designated agency shall have authority with the approval of the Stabilization Administrator, to establish special standards for approval of wage or salary increases, differing from the foregoing general standards, to be applied in particular industries or classes of cases if it finds that such action is necessary to effectuate the purposes of this order."

1/ All wage increases which require an increase in OPA price ceilings or increase the cost of Government contracts, require the approval of the National Wage Stabilization Board. In recent years the great bulk of the cargo has been loaded and discharged in Pacific Coast ports under Government contracts.

On March 7, 1946, the National Wage Stabilization Board issued a guiding statement of policy in explanation of Executive Order No. 9697. The relevant portion of this statement is as follows:

> "Section 3(a) provides first that if there is a 'general pattern' of reconversion wage or salary adjustments in the industry or area involved, a wage or salary increase submitted to the Board shall be approved for purposes of price relief or increased costs to the Government only to the extent that it comes within that pattern.
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> "This 'general pattern' standard appears for the first time in Executive Order 9697. After V-J Day, wage and salary controls were substantially relaxed and American industry and labor were given free rein to make, through collective bargaining, whatever reconversion wage and salary adjustments seemed appropriate. Thousands of voluntary agreements were negotiated, in hundreds of industries all over the country. Where agreements could not be reached, wage differences were referred to arbitrators and to publicly appointed fact finding panels. Executive Order 9697 accepts the results of these negotiations as standards for determining the approvability of future adjustments worked out in these same industries and areas.
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> "The 'pattern' referred to in the Order are patterns of post-V-J Day increases. Wartime wage control standards, insofar as interplant comparisons were concerned, were in terms of rate levels. Under the new standard, it is the amount of the increase generally indicated that becomes the guide.
>
> "The Executive Order refers, not to a single pattern, but to those various patterns which have developed during this six-month reconversion period in various industries and localities. Wage rates have always varied in this country as between various industries and trades and as between various local labor market areas. The impact of reconversion forces on various wage conditions has not been uniform. Some patterns have developed in terms of percentages; others in cents per hour. This reconversion wage standard must be so applied as to permit account to be taken of the variety of factors which has resulted in these differences in actual wage adjustment results.
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> "The question of what constitutes a 'general pattern' will of course depend upon the circumstances presented. Where, in a particular industry, there is a 'dominant' company or group of companies, wage adjustments or settlements since V-J Day by that company or group may be assumed to reflect the adjustment of wage rates considered appropriate to meet the reconversion impact...."

Under this national policy the focal point of inquiry is whether or not a dominant pattern has been established in the longshore industry. Numerically, New York City employs more than one and one-half times as many Longshoremen as are employed on the entire Pacific Coast. On December 31,1945,

the Honorable William H. Davis, serving as arbitrator, awarded an increase of 20 percent to the 25,000 longshoremen of New York City - raising their basic rate from $1.25 per hour to $1.50. Early in March 1946, a similar increase was extended by agreement of the parties to 5,000 longshoremen in Baltimore and 2,500 in Philadelphia. It, therefore, becomes clear that a "pattern" has been established for the longshore industry as defined by Executive Order No. 9697 and the interpretive statement of the National Wage Stabilization Board.

The fact is undisputed that wage changes on the Atlantic Coast and the Pacific Coast have influenced one another. This is clear from an examination of wage increases on the two coasts since 1934. In October 1934 as a result of the award of the National Longshoremen's Board, the basic straight time hourly rate on the Pacific Coast became the same as that on the North Atlantic Coast - 95-cents. However, the Longshoremen's Board gave the Pacific Coast workers an advantage by directing that a basic 6-hour day be established and that the overtime rate of time and one-half be paid for all hours in excess of six between the hours of 8 A.M. and 5 P.M. On the Atlantic Coast the straight time rate was paid for all hours between 8 A.M. and 5 P.M.

In the years immediately following, the basic wage rate on the Atlantic Coast was increased to offset this advantage. Thus, Atlantic Coast workers received 5-cent hourly increases in October 1936, October 1937, and October 1938, while the Pacific Coast rate remained unchanged. The 1938 increase was offset by a similar increase on the Pacific Coast in February 1941 which was the result of more than 15 months of negotiations commencing around September 1939 and concluding in December 1940. This left a differential of 10 cents per hour.

In October 1941 the Atlantic Coast received a wage increase of 10 cents per hour. In February 1942 the Pacific Coast received a similar increase. In November 1942 the Atlantic Coast received another wage increase of 5 cents per hour. This was matched by a War Labor Board award

of 5 cents per hour to the Pacific Coast longshoremen made effective as of October 1, 1944. In December 1945 the Davis Award of 20 percent, retroactive to October 1, 1945, was rendered.

Although a clear relationship is evident, the above outline of wage movements on the two coasts indicates that the West Coast has tended to lag behind the Atlantic in the time of granting wage increases. At least one important reason for the lag is that whereas Atlantic Coast increases have resulted from collective bargaining agreements negotiated by the Employers and Union (the Davis Award is the first exception in 30 years), Pacific Coast increases have generally resulted from awards of private arbitrators or governmental bodies after prolonged collective bargaining negotiations failed. The only basic wage increase negotiated by the parties on the Pacific Coast required over 15 months to consummate.

Moreover, this sensitivity of wage movements between the two coasts was recognized by the Employers[1/] and the Union in this proceeding. It was also specifically recognized in the dispute before the National War Labor Board in 1944-45 (Case No. 111-11744-D)[2/]. In their brief to the War Labor Board, dated January 13, 1945, the Employers stated: "Pacific Coast and North Atlantic rates are now stabilized with reference to one another." (P. 25) And again: "The Union was at such pains to assert a relationship of sensitivity between rates for longshoremen on the various coasts of the country. The fact is that sensitivity is such that longshore rates on all coasts have been stabilized at fixed historical relationships and any change in one of them must necessarily bring about a disruption in the stabilization rate structure for the country as a whole." (P. 29).

The Employers have contended that the Davis Award does not establish a "pattern" for the longshore industry and that their offer of an 18 cents per hour increase is in accord with the national pattern of

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1/ Transcript of Hearings before Fact-Finding Board. Vol. III, Page 45.

2/ See Report and Recommendation of Chairman. Page 7.

wage increases as well as with the cost of living formula which permits wage rates to be increased to a point 33 percent above the level of January 1941 [1]. As demonstrated earlier, the Employers have misinterpreted the stabilization policy with respect to "patterns" of wage adjustments since V-J Day.

It is true as the Employers pointed out that the recommendations of the earlier Fact-Finding Boards have generally fallen below a 20 percent increase as heretofore established by the Davis Award. The recommendations of these Boards have varied from 14 percent in the Greyhound case to approximately 20 percent in the Meat Packing case. It is worthy of passing note that there have been only three Board decisions subsequent to the adoption of the pattern policy as set forth in Executive Order No. 9697 on February 14, 1946. It is also worthy of some note that most of these industries receiving a lower rate of increase quite naturally followed the pattern set by steel. Indeed the broad sweep of industries that are closely allied and related to steel is indicated by a relatively large number of these cases. In view of the remoteness of steel and like industries to the longshore industry, it cannot well be contended that such a pattern should be applied here in contradiction to the authoritative pattern established in this industry. The Davis Award has been approved by the Wage Stabilization Board and its terms have been extended to other eastern seaports. This is the inexorable fact which we face.

The Union bases its demand upon the principle that a "gross inequity" exists between the levels of rates on the Atlantic and Pacific Coasts and that uniformity or parity should be established. Because of differing basic work days [2] the question of wage parity between the two coasts is

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1/ The longshore wage rate became $1.00 per hour in February 1941. The War Labor Board held that the 5-cent increase granted in February should not be charged against the cost-of-living formula because it resulted from more than 15 months of negotiations prior to January 1941. $1.00 x .33 equals 33 cents, which represents the cost-of-living allowance since January 1941. From this should be subtracted the 10-cent increase awarded by an arbitrator to the longshoremen in 1942 and the 5-cent increase directed by the War Labor Board in 1945. This leaves a wage increase of 18 cents per hour as permissible under the formula.

2/ On the Atlantic Coast straight time is paid for all work between the hours of 8 A.M. and 5 P.M. while on the Pacific Coast time and one-half is paid for all hours in excess of six between the hours of 8 A.M. and 5 P.M. On both coasts all work between the hours of 5 P.M. and 8 A.M. is paid for at the rate of time and one half.

somewhat ambiguous and is not subject to precise treatment. A parity figure on wages can be obtained for any fixed schedule of hours within a day if basic wage rates alone are considered. But with each change in the period of hours or other terms the parity figure becomes more elusive.

Furthermore, we think it clear that the Union is unwarranted in demanding the East Coast figure of $1.50 as a basic wage rate. A substantial differential between the coasts may be attributed to more than a historical factor. It has continued to be founded upon certain contractual advantages enjoyed by the Pacific Coast longshoremen including, but not limited to, the six-hour day. A rate of $1.50 per hour would destroy rather than preserve parity in the industry. We, therefore, reject this demand.

We are also convinced that the ten-cent differential heretofore existing in favor of the East Coast must be re-examined. Our basic approach here is designed to effectuate a percentage increase which, in the light of recent contractual changes, will be comparable to the percentage increase received by the East Coast. This involves the rejection of what has been termed by the Employers as the Union's offer of settlement at the basic rate of $1.40 per hour.

In discussing the parity concept, the Employers urged that other factors besides basic wage rates should be taken into account. For example, skill differentials, such as the 10 cents per hour premium for winch drivers, are not paid in New York but are paid on the Pacific Coast. The number of penalty cargoes likewise appears to be greater on the Pacific Coast. Carloaders receive less pay than longshoremen in New York but are about to be equalized with longshoremen on the Pacific Coast. The vacation plan is somewhat more liberal on the Pacific Coast than in New York.

By no means all of the advantages are in favor of the Pacific Coast. For example, the standard gang in New York is 20 men, whereas in San Francisco it is only 16. Moreover, most of the differences, such as the skill differentials and penalty cargoes, existed for years before the war. It can, therefore, be safely assumed that they were given such consideration as they merited by the parties, previous arbitrators and governmental bodies like the War Labor Board.

However, since the War Labor Board decision the Pacific Coast longshoremen have received or been offered certain advantages over the Atlantic Coast which merit some consideration. The Employers have offered to eliminate the present 10-cent differential between carloaders and longshoremen. They have also agreed with the Union on March 18, 1946 to give two weeks paid vacation to men who worked at least 1,500 hours in both 1944 and 1945 although the War Labor Board ordered only a one week vacation.

We are conscious of the fact that the adoption of the percentage method of wage increase will itself broaden the differential heretofore existing between the coasts from 10 to 12 cents per hour. In the light of the recent actual or offered changes, we believe a further broadening of the differential by one cent is in order. The Board, therefore, recommends a basic wage increase of 20 percent less one cent per hour, this being one cent below the allowance based upon the pattern of percentage increase established by the Davis Award.

While an increase of 20 percent less one cent is substantial, it will restore only a portion of the reduction in take-home pay which has occurred in the longshore industry since the end of the war.

This is shown in the following table relating to the earnings of longshore gangs in San Francisco. Evidence submitted by the Employers indicates that the drop in earnings in other Pacific Coast ports is even more severe. The expectation of the industry is that when the reconversion process is completed work hours in San Francisco will decline below present levels. It should be added that the decline in earnings recorded below was accompanied by a decline in the number of gangs from 355 in August 1945 to

249 in March 1946. The Employers have insisted there should be a further reduction in available working force. Yet, the actual decline to date only accentuates the overall decline in take-home pay.

Average Earnings of Longshore Gangs, 1/ San Francisco
July 8, 1945 - March 16, 1946

Four-week period ending	By 4-week periods	
	Average earnings	Percent decline from average for period ending January 20 - period ending August 4, 1945 ($337.84)
August 4, 1945	$306.79	9.2
September 1, 1945	236.28	30.1
September 29, 1945	210.65	37.7
October 27, 1945	228.47	32.4
November 24, 1945	211.94	37.3
December 22, 1945	289.80	14.2
January 19, 1946	245.53	27.3
February 16, 1946	237.83	29.6
March 16, 1946	212.18	37.2

In a message of October 30, 1945, President Truman expressed the view of the Government on the question of maintaining "take-home" pay. He said in part:

> "It has been estimated that, unless checked, the annual wage and salary bill in private industry will shrink by over twenty billons of dollars. That is not going to do anybody any good - labor, business, agriculture, or the general public. . .
>
> "However, we must understand that we cannot hope, with a reduced workweek, to maintain now the same take-home pay for labor generally that it has had during the war. There will have to be a drop. But the Nation cannot afford to have that drop too drastic.

1/ True data on earnings are not available. The data presented to the Board were based on the records of the Hiring Hall in San Francisco and include only straight-time and overtime hours but do not cover skill differentials and penalty rates. Moreover, the data are for gangs and not for individuals. Gang members rarely work the full gang hours. Extra men, as a sample study reveals, work less than gang men.

"Wage increases are, therefore, imperative - to cushion the shock to our workers, to sustain adequate purchasing power, and to raise the national income."

As a result of this and other official statements of the Government, each of the Fact-Finding Boards thus far appointed has carefully examined the question whether take-home pay has declined and, if so, to what extent wage rates should be increased in order to compensate for part or all of the decline. The recommendation of this Board is in keeping with this policy.

In accordance with: (a) the national policy to at least partially restore the severe decline in "take-home" pay since the end of the war, (b) the "pattern" principle of wage increases set forth in Executive Order No. 9697, (c) the Davis Award of 20 percent which raised the basic wage rate to $1.50 for New York Longshoremen in the dominant American port, and (d) the additional equity granted Pacific Coast longshoremen by the more liberal vacation plan and the elimination of the carloaders' differential, the Board recommends that the basic straight-time wage rate for longshoremen and dock workers on the Pacific Coast shall be increased by 20 percent less one cent, which is the equivalent of an increase from $1.15 to $1.37 per hour. The clerks should also receive an increase in cents per hour equal to that accorded the longshoremen. This is in accordance with the traditional practice of the industry and the agreements of the parties. The overtime rate shall be time and one-half of the straight-time rate. NB

RETROACTIVITY

The Union has requested that all wage adjustments shall be made effective as of October 1, 1945, the first day after the termination date of the old agreement. The Employers object to the payment of any retroactive wages.

Where the employees give timely notice and remain on the job without strikes, it is the more common industrial practice to make basic wage rate increases retroactive to the date of the expiration of the old agreement. This practice, except in unusual situations, was followed by the War Labor Board. The Employees (in accordance with the contract procedure) notified the Employers sixty days prior to the expiration of the agreement of their desire to negotiate a new wage contract. The companies have, therefore, had warning since August 1, 1945 to prepare necessary reserves for retroactive wage liabilities. Despite the prolongation of negotiations over a period of more than eight months, the Union has refrained from striking. In the light of the unsettled economic conditions and the numerous strikes which have occurred since V-J Day this example of self-restraint should be commended, not penalized. The Davis Award on the East Coast was fully retroactive. The Employers failed to submit convincing evidence that they were financially unable to pay the comparatively small proportions of the retroactive liability which is not reimbursable to them under Government contracts.

Therefore, we recommend that the increase in the basic wage rate (straight time and overtime) shall be retroactive to October 1, 1945.

CARLOADERS DIFFERENTIAL NB.

The Employers have agreed to grant carloaders or dock workers who presently receive 10 cents per hour less than longshoremen an additional increase of 10 cents per hour. This will correct an inequity between groups of workers performing comparable work under identical conditions. The Board recommends that this 10 cent per hour increase be placed into effect upon the effective date of the new agreement.

PAY FOR SATURDAYS

In conformity with the practice on the Atlantic Coast, the Employers have agreed to pay the rate of time and one-half for all work on Saturday. The Board recommends that this payment shall take effect on the effective date of the new agreement.

HATCH TENDERS DIFFERENTIAL

The Union requests that hatch tenders in the port of San Francisco shall be paid a skill differential of 10 cents per hour, similar to the differential received by winch drivers in all of the Pacific Coast ports and similar to the differential received by hatch tenders in the ports other than San Francisco. The Employers reject this demand on the ground that in two of the other major ports the hatch tender also acts as gang boss whereas in San Francisco there is a separate gang boss who receives a 10-cent differential.

The Board notes that in San Francisco hatch tenders and winch drivers frequently but irregularly alternate at winch driving and hatch tenders must be skilled winch drivers. However, while the job of hatch tending involves considerable responsibility for the safety of the workers, it does not require any special skill or effort which warrants extra compensation. The Board also notes that in San Francisco the winch driver and the hatch tender informally divide the 10-cent per hour winch-driving differential. This procedure is highly convenient to the men and raises difficulties because of pay roll deductions and income tax returns.

Were there only two men who regularly alternate on these jobs, we might offer a solution which would eliminate these practical administrative difficulties. However, since more than two men may be involved and the division of hours may be highly irregular, we can offer no workable solution which would not unduly burden the Employers. Without, therefore, advising against further consideration of the problem, we conclude that for the time being, the present winch-driving differential should be left undisturbed.

THE WAGE AND HOUR PROTECTION REQUESTED BY THE EMPLOYERS

There are cases pending in the Federal district courts involving the conformance of present contractual overtime provisions in longshore agreements with the overtime requirements of the Fair Labor Standards Act 1/. An adverse decision of final authority would directly affect Employers and Union and entail extremely serious financial liabilities on the part of the Employers, thereby necessitating at the outset, a renegotiation of the wage and hour provisions of the agreement.

The Employers demand that the agreement contain a provision which would require the renegotiation of the contract in the event of a final adverse decision and would permit either party to terminate the agreement at any time "following rendition of such decision". The Union offers immediately to renegotiate the wage and hour provisions to the extent to which such provisions would be affected by a final court decision.

The Board recommends the addition of a provision to the agreement that, in the event of an ultimately binding court decision holding that the present contractual overtime provisions are not in conformance with the overtime requirements of the Fair Labor Standards Act, then forthwith the agreement shall be subject to termination and renegotiation at the request of either party.

While the Board recognizes the onerous character of the liabilities which may fall upon the Employers, and the resulting need

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1/ Actions have been brought by individual longshoremen under the provisions of the ILA agreements and by warehousemen employed under the terms of ILWU warehouse agreements.

for speedy redetermination of the relevant provisions of the agreement, we hope and expect that such changes as may be necessary will be arrived at through the processes of collective bargaining and that neither party will feel impelled to terminate those numerous sections of the contract which are not affected by the issue.

VACATIONS

On March 18 of this year, pursuant to a Directive Order of the National War Labor Board, the parties concluded an agreement providing for vacations with pay for the first time in the history of the industry. Under the vacation plan, a longshoreman who worked 1,500 hours with Employer members of the Association in 1945, receives a one-week vacation; a longshoreman who worked 1,500 hours in 1944 as well, receives a two-week vacation.

The Union demands that the present vacation provisions of the agreement be modified to the extent that qualifying hours shall be 1,200 or 80 percent of the work hours of the port, whichever number of hours is lower, provided that 80 percent of the port hours is not less than 800 hours of work. The request is also made that computation of the hours requirement shall be based on crediting overtime hours at equivalent straight time hours and that longshore and ship clerks work hours be credited interchangeably as vacation qualifying hours.

Due to the recent inception of the vacation plan, administrative experience is completely lacking. No reliable information is available as to the number of workers who would qualify or fail to qualify under the 1,500-hour minimum. Since the 1,500-hour qualification was based on the extraordinary wartime hours of work, it may be that the 1,500-hour provision will prove to be too high a requirement for vacations under the peacetime volume of cargo handling,

particularly in the smaller ports. This Board is in no position to fix accurately the minimum number of qualifying hours that would render a substantial number of longshoremen eligible for vacations based on this year's work experience with the added flexibility of hours for the smaller ports. And we are naturally reluctant to disrupt a plan not yet actually in operation. We therefore conclude that the vacation arrangements should remain unchanged at this time.

CALL PAY

Call pay work rules vary from port to port on the Pacific Coast as to the number of hours of pay allowed workers (from one to four hours) who are ordered to report for work and find little or no work available. The San Francisco longshore rules provide for a minimum of two hours' pay when work is not available or lasts less than two hours, except between the hours of 1 A.M. and 5 A.M. during which a minimum of four hours' pay is required.

The Union requests a uniform four-hour call pay rule for all ports. The Employers object to changing the present provisions because of the existence of short jobs which require less than four hours to complete.

Because of the present variations in call pay rules from port to port, presumably arising out of situations peculiar to the locality, it is not deemed practicable to substitute a uniform four-hour call pay rule with respect to week days. We therefore recommend against the Union's broad demand. However, the Board recognizes the special character of Sundays and holidays as days of leisure on which work is performed only at the penalty rate. Longshoremen called out or ordered to report back to work on these days and finding little or no work available should receive a minimum of four hours pay at the Sunday and holiday rate regardless

of the time of the day or night at which the men are ordered to work.

It is, therefore, the recommendation of the Board that the parties amend the present port work rules so as to provide that men ordered to work, or ordered back to work on Sundays and those holidays presently specified in the coastwise longshore agreement, whether or not work starts, shall receive a minimum of four hours' pay at the overtime rate.

EFFICIENCY

The Employers made their wage offer conditional upon the restoration of productive efficiency which they insist has fallen steadily since the recognition of the Union in 1934. The Union denies the validity of this charge.

The charge of the Employers is a serious one. Similar claims have been made by the Employers for many years and the issue has been the source of considerable friction in the industry.

Unfortunately the factual data which are essential to a proper understanding of the issue are almost entirely lacking. The Employers have submitted some specific evidence of a limited nature which lends support to their position. However, the record in this proceeding contains insufficient evidence to support the charge; nor has it been substantiated in prior investigations. In some proceedings of a semi-judicial nature serious apprehension has been expressed. This is not a healthy condition. It is, therefore, essential that the relevant facts on efficiency should be obtained and the issued removed from the area of debate at as early a date as feasible.

The Board, therefore, recommends to the Secretary of Labor that he proceed to conduct basic studies of productivity in the Pacific Coast longshore industry in close cooperation with the Employers and

the Union. Both parties have indicated to the Board[1/] their willingness to cooperate with the Department of Labor in the preparation of such studies. The job should be thorough going. It can be started now, but it should not be completed until sufficient experience has been gained after substantial reconversion from wartime operations.

The questions of productive efficiency and occupational safety have been closely linked together in the longshore industry. While the Employers have made commendable efforts to reduce accidents, the accident rate of longshore work continues to be among the highest in American industry. If the Pacific Coast longshore industry is to maintain its economic health in the highly competitive postwar world, both Employers and Union must strive to achieve maximum productivity consonant with maximum safety of the workers.

Continuing studies should be made by both parties as to ways and means of increasing efficiency and reducing hazards. It is to be hoped that this will be a cooperative endeavor.

1/ Transcript of Hearings, Vol. 6, P. 890

CONTRACT COMPLIANCE

The demand is made by the Employers that the agreement contain a provision empowering the arbitrator or impartial chairman to award compensatory damages for breach of the contract by Union or Employers. The Employers point to 12 years of "distressing experience" with the ILWU, and assert that only a provision of this type will bring about proper observance of the contract and put an end to costly work stoppages.

The Unions' approach to the industry's admittedly chronic collective bargaining ills, calls for preventive rather than punitive measures. According to the Union, the present agreement suffers from a lack of adequate grievance-arbitration machinery with the result that disputes which should be settled under the terms of the contract erupt to the point of work stoppages.

It is clear from the evidence submitted in this case that collective bargaining, as the term is generally understood, has met with little success in the Pacific Coast longshore industry. Strikes, lockouts, and short-lived arbitrators characterized the relations of the parties in the prewar period. There are present signs that the improvement in collective bargaining relations which appeared during the war years, is being replaced by the familiar pattern of work stoppage and lockout. Under these circumstances, there is little to be gained by substituting punitive measures for lack of genuine collective bargaining.

In recent months, remedies of the type sought by the Employers were proposed by certain major manufacturing companies in the course of collective bargaining negotiations. In no instance did the final contract settlement result in the inclusion of a compensatory damage clause. The Board can find no precedent in the collective bargaining agreements in manufacturing or non-manufacturing industries to support the Employers' demand to empower the arbitrator or impartial chairman to award compensatory damages against either party.

The President's National Labor-Management Conference, which met in Washington, November 5-30, 1945, considered as one of the items on the agenda the responsibility of both parties to live up to the letter and spirit of collective bargaining agreements. The Labor-Management Committee, to which this item was referred, unanimously agreed that:

> "It is of fundamental importance that contract commitments made be observed without qualification by employers, employees, and labor organizations. Both parties to the agreement must impress upon their associates and members and officers the need for careful observance of both the letter and the spirit of collective bargaining agreements. Employers, employees, and unions should not provoke one another into any action in violation of the labor agreement."

While the Board wishes to re-emphasize the principle of unqualified observance of collective bargaining contracts as an absolute prerequisite to stable industrial relations, it is our position that such measures as may be necessary to enforce contract compliance must be considered a matter for national policy on which any recommendations made by this Board could hardly be regarded as authoritative.

We are convinced, however, that the present disorganized state of the grievance-arbitration procedure constitutes a serious handicap to efforts on the part of either party to secure the prompt and orderly settlement of disputes. The Union has expressed itself rather strongly on the need for reorganization and implementation of the grievance-arbitration procedure. The Employers, by their forceful presentation of the compliance issue, have emphasized the necessity for effective, orderly means of adjusting contract disputes.

Accordingly, the Board recommends that there be promptly incorporated in the agreement the change contained in the Directive Order of the National War Labor Board of August 18, 1945 with regard to a permanent Impartial Chairman who shall be a member of the Coast Labor Relations Committee. The Board also recommends that the parties proceed without delay to negotiate a provision which shall re-establish the system of Port Agents who shall be available to render prompt interim rulings at the request of either party on all minor disputes arising on the job.

We are convinced that such machinery is indispensable to the avoidance of work stoppages arising out of disputes on the job in the various ports which would otherwise have to proceed through lengthy intermediate steps in the grievance procedure before final adjustment.

The Board is aware of the fact that grievance machinery, however effective in theory, can easily be made meaningless in practice where either party is bent upon securing demands through one form of coercion or another. We have examined rather carefully the history of collective bargaining relations in the Pacific Coast longshore industry and find no difficulty in reaching the conclusion that there has been little genuine effort to observe the spirit of collective bargaining. The Board strongly urges that the recent cooperation between the parties, which constituted a significant contribution to the war effort, be carried over into peacetime and that Employers and Union endeavor in good faith to make collective bargaining work.

CONCLUSION

In concluding we take the liberty of emphasizing our conviction that the public interest, indeed the mutual interests of the parties, requires an improvement of both the attitude and the effectiveness of the parties in meeting problems of the industry.

The contract with which we deal has only a few months to run. We believe the solution offered here should be accepted and promptly placed in operation in order that an effective working peace may be established in the longshore industry.

The intervening months to October 1, 1946, are critical. We hope they will not be spent in jockeying for position, or in maneuver and counter maneuver. Cooperative endeavor is in order. The public is going to watch this period with a critical eye - and we, likewise, with hope founded in large measure on our interest in the industry and on our recognition of the deep public interest which requires industrial peace and an economy which functions for the common good.

S/ James Lawrence Fly
James Lawrence Fly, Chairman

S/ Lloyd L. Black
Lloyd L. Black, Member
(Specially concurring)

S/ Fowler Harper
Fowler Harper, Member

CONCURRING STATEMENT OF LLOYD L. BLACK

I concur with all of the recommendations set forth in the foregoing report and likewise with all of the report itself except that I am only partially in accord with the reasons for the recommendations as to the $1.37 per basic wage and the full retroactivity thereof.

I have no desire to detail in what respects my reasons as to such items differ from those of my colleagues. I do wish to state that I have endeavored to give serious consideration to all of the contentions of each side.

If we were entitled to disregard the $1.50 per hour basic wage paid on the East Coast, the contention of the Employers that a basic wage of $1.33 per hour is fully in accord with the Federal Wage Stabilization Policy would have great weight. It may be that when the Employers first offered that hourly basic wage such was in accordance with the wage stabilization and cost-of-living formula as it then existed. But since such offer was first made, and prior to this Board's being convened, the national policy was so modified as to require this Board to give due consideration to the East Coast wage scale. The differences between the two coasts as to overtime hours, penalty bonus rates and some other items on the whole favor the employees on the West Coast sufficiently that, in my judgment and that of the Board, $1.37 as the basic hourly rate is the fair equivalent for the East Coast $1.50 under the unsatisfactory quantity of relevant

evidence available. The many variables between the two coasts are such, even with much more data, as to make impossible absolute scientific exactness. But $1.37 is the closest parity we can achieve.

The Employers, I am satisfied, have been and are sincere in believing that the $1.33 which they offered was and is in full compliance with the stabilization pattern. But they seem to have given insufficient consideration to the recent policy modification.

I am mindful of the I.L.A. (AFL) contract recently consummated between that Union and the Employers covering certain ports on Puget Sound. It is entitled to serious consideration. I have given it such. If it had no escape clause that contract would have been entitled to more weight. But, by virtue of the escape clause, that Union in effect received a guarantee of the compensation therein specified, in any event, plus the additions, as provided therein necessary to equalize its rates with those which the Union here involved might secure.

That our recommended figure of $1.37 is approximately correct appears for another reason. According to the record, as I read it, the Union representative in March, and before this Board was appointed, in an endeavor to reach a compromise settlement with the Employers offered to accept $1.38 with full retroactivity. The Employers rejected such offer which, of course, released the representative and the Union therefrom. But it is unlikely that $1.38 would have been suggested had the Union not believed that it was at least equivalent to the East Coast's basic $1.50 rate under the different hours and conditions there prevalent. However, I have the idea that if the Union had believed the Employers would have accepted $1.37 as the rate that the Union would in March have offered the same figure which we now recommend. At least, as I see it, the Union actually came within one cent thereof which is rather persuasive corroboration.

The West Coast Employers have objected to any retroactivity. If the Board were privileged to again ignore the East Coast there might be

considerable merit in a claim that only partial instead of full retroactivity should be recommended. But again, neither in fairness nor in accordance with the recently modified wage stablization program have we any right to ignore the fact that after a strike on the East Coast the longshoremen there were by arbitration awarded full retroactivity from last October 1. The longshoremen on the West Coast have most commendably refrained from ceasing their necessary services on the waterfront. In order to achieve a parity for them with the East Coast no other course seems open than for us to recommend similar full retroactivity.

I am also very mindful of the fact that the general policy of the other Fact Finding Boards has been to recommend only partial instead of complete retroactivity. Varying situations different from those before us confronted those other Boards. If they had encountered similar awards of full retroactivity to dominant numbers of men in the industries before them there is no reason to believe that such Fact Finding Boards would not have made recommendations in that respect identical with ours.

S/ Lloyd L. Black

Lloyd L. Black, Member

APPENDIX I

Summary of Issues

Union Proposals

1. Basic wage rate for longshore and carloading work of $1.50 straight time and $2.25 overtime. Equivalent increase in cents per hour to ship clerks.
2. Money items retroactive to October 1, 1945.
3. Hours:
   (a) 4-hour guarantee of work or pay for men ordered and reporting to work.
   (b) Full prevailing rate of pay to continue during interruptions of work due to breakdowns, etc.
   (c) Maximum shift of 8 hours except men starting work after 5 P.M. shall not work in excess of 6 hours. Exceptions shall be safety of vessel, or 2 hours to finish ship for sailing.
   (d) No job to start after 7 p.m. or before 7 a.m.
   (e) Saturday and Sunday to be overtime days paid at time and one-half; time and one-half of time and one-half to be paid for day work after 6 hours and the first 6 hours between 5 p.m. and 8 a.m.
4. Vacations:
   (a) Qualifying hours to be 1,200 or 80 percent of the work hours of the port, whichever is lower, provided that 80 percent is not less than 800 hours.
   (b) Overtime hours to be computed at equivalent straight time hours.
   (c) Hours worked by longshoremen as ship clerks and vice versa to be vacation qualifying hours.
5. 10 cents straight time differential to hatch tenders in San Francisco

Employer Proposals

1. The Employers have offered $1.38 per hour subject to the conditions hereinafter mentioned and also subject to the elimination of vacations, or $1.33 per hour with vacations.

2. The Union has agreed to the Employers' proposals of March 11, 1946, concerning ship gangs in San Francisco, renegotiation of sling load limits, and a pledge that there be no make-work practices. The first two items are in accord with the National War Labor Board Directive Order.

3. The Employers have indicated a willingness to pay overtime for Saturday work as such.

4. All wage offers of the Employers are conditioned upon their proposals respecting restoration of efficiency and contract enforcement.

5. The foregoing issues apply to carwork or dock work so far as applicable.

6. Ship clerks in Northern and Southern California are likewise covered so far as applicable, except the Employers' wage proposal is $1.43 without vacations or $1.38 with vacations.

7. Restoration of efficiency requires the following minimum measures;
   (a) Restoration of steady dock men, availability of special gangs and the right to shift men between ship and dock and between hatches and gangs.
   (b) A provision whereby the Union will assume financial responsibility for losses sustained by the Employers in the event of illegal stoppages of work or other job-action as determined by the arbitrator or impartial chairman acting under the agreement.

Employer Proposals (Cont.)

8. Incorporation of a clause to the effect that if under the judgment of any court it is hereafter held that the overtime rates under longshore agreements do not conform to the requirements of Section 7 of the Fair Labor Standards Act, the wage and hour provisions in the agreement shall be subject to renegotiation and the contract to termination.