

Longshore industry
(1956)

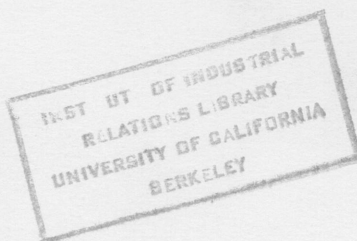
PACIFIC MARITIME ASSOCIATION

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MARITIME

ASSOCIATION

**THE
LONGSHORE REVIEW,
1956**



JAN 30 1957

(RESEARCH REPORT)

[San Francisco] SEPTEMBER 1, 1956

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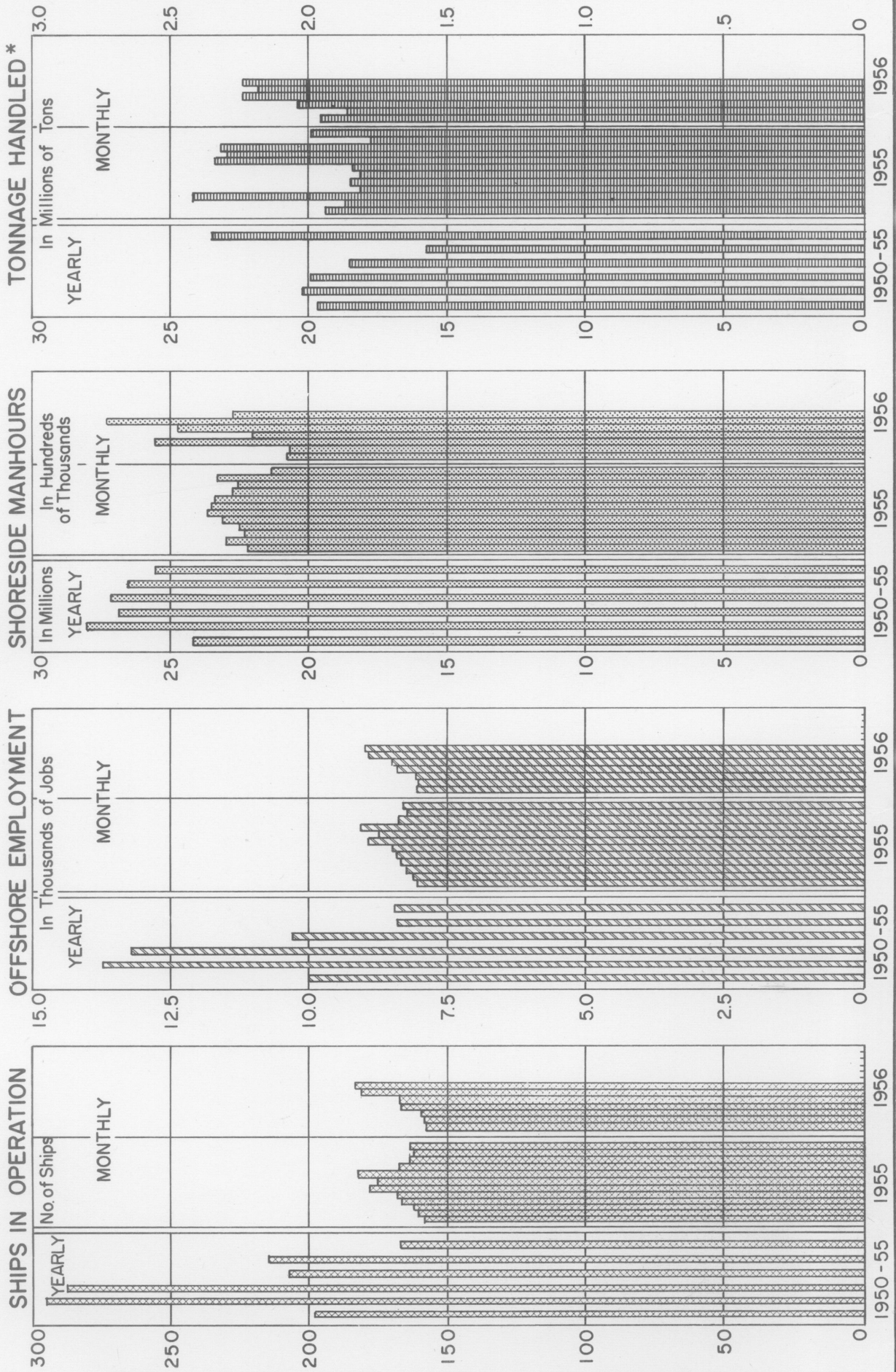
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PACIFIC MARITIME ASSOCIATION SHIPPING INDICATORS 1950-1956



*1956 data preliminary

INTRODUCTION

This revised report is the eighth in a series of annual longshore reviews, designed to assist negotiating committees in preparation for collective bargaining with longshore representatives. The ILWU contract, which expired in June of this year, has been extended to August 1958, and again hinges on the outcome of efforts to achieve a common termination date on both coasts.

The report reviews recent economic and collective bargaining developments, nationally and in the industry. It may serve as a basis for the evaluation of present and future trends, with specific application to the September PMA-ILWU wage review. The material presented is of a general nature, since any portion may be amplified or adapted to special needs. Supplemental studies on longshore earnings and on costs of fringe benefits are available.

As specified in the extension agreement, negotiations began on June 4, 1956, on a number of items. These included: 1) hours and the work shift, 2) a 20 percent differential for all supervisory clerks, 3) a full exploration of work practices, 4) questions of mechanization and manpower, 5) penalties for pilfering and other adjustments of the grievance procedure and 6) vacations. Outcome of these discussions is taken up in subsequent sections of this review.

Economically, the West Coast shipping industry is sharing in the nation's general prosperity. As summed up by a leader in the maritime industry -- "for the first time since the close of World War II, the return on capital invested in the American Merchant Marine has approached a level commensurate with other segments of American industry. Thus there is now reason to hope, despite much unfavorable history of U. S. flag shipping from an investment point of view, that this essential industry may at last be approaching an era when its investors can expect a reasonable return on their heavy capital investment in ships and terminal installations and with some recognition of the risks inherent in shipping ventures." Major stimulus for the domestic trades is the rapid development of plans for roll-on-roll-off ships.

In the path of last year's trends, 1956 settlements continue to stress deferred increases and improved fringe benefits, with emphasis on health and welfare plans, insurance and pensions. There is a decided swing toward long-term agreements. As a result of the settlement in steel, which gave the nod to 52 weeks of supplementary unemployment benefits, it is expected that the so-called "guaranteed annual wage" plans will spread more rapidly. Problems inherent to the shorter workweek and to the small or the "large economy size" revolutions resulting from automation will be among the challenging new frontiers in collective bargaining.

In the current era of "new levels," "all-time records" and "highest plateaus" in practically all facets of the nation's economy, wage patterns are no exception. Overall median increase for the first half of 1956 was 10.2 cents, and median settlement, 10.1 cents. A geographic analysis of settlements finds the West Coast outdoing the rest of the country. The West Coast median increase for the first half of the year was 11.1 cents, and the median settlement, 11.0 cents.

Even with their interim increase of two cents, pending results of the September wage review, West Coast longshoremen have continued to maintain a favorable position with respect to both earnings and wage rates. The six-hour day in the longshore industry, and fringe benefits which now amount to 68 cents per manhour, place the longshoremen in the lead, economically, in the field of industrial workers of comparable skill.

It is intended that this report contain only a review of current developments and a compilation of statistical material from which conclusions may be drawn. Data is presented with no attempt to develop policy recommendations.

SHORESIDE CONTRACTS OF PACIFIC MARITIME ASSOCIATION

Agreement	Effective Date	Contract Expiration	Wage Reviews
International Longshoremen's & Warehousemen's Union (Longshoremen and Clerks)	6-14-54	8-1-58* (60 days' notice of termination)	First, 9-30-56 Second, 8-1-57*

PMA AREA CONTRACTS

Agreement	Effective Date	Contract Expiration	Wage Reviews
SAN FRANCISCO Carloaders (ILWU No. 10)	6-14-54	8-1-58*	Results of Coast longshore wage reviews apply
SOUTHERN CALIFORNIA Carloaders & Sweepers (ILWU No. 13)	6-14-54	8-1-58*	Results of Coast longshore wage reviews apply
COLUMBIA RIVER Dockworkers (ILWU No. 8) Gear & Lockermen (ILWU No. 8)	6-14-54 6-14-54	8-1-58* 8-1-58*	Results of Coast longshore wage reviews apply
SEATTLE Dockworkers (ILWU No. 19)	6-14-54	8-1-58*	Results of Coast longshore wage reviews apply

* Subject to change in accordance with 1956 Extension Agreement when accord is reached with East Coast on a common termination date.

ILWU PLANS FOR 1956

Employer-union efforts to achieve a common longshore termination date on both coasts -- still an unresolved problem -- complicate 1956 negotiations.

Some union demands, voiced at the Longshore Caucus in March, and several others instituted later, have been modified or dropped in subsequent negotiations. Finally, the areas for negotiation of the 1956 open contract were brought into focus through the Extension Agreement and through union commitments on a program of conformance and performance for longshoremen and clerks.

The Caucus Discussions

On Wages

A union news release, dated March 15, indicated the ILWU would seek a 2-cents per hour wage increase to establish "parity" with the East Coast. As the deliberations of the Caucus became known, it was disclosed that a 3-cents increase received considerable attention but gave way to the lower figure -- apparently an arbitrary one -- in order to obtain an interim settlement to permit extension of the contract to a common termination date.

On Welfare

The Coast Committee made no recommendation for increasing welfare benefits or contributions with the exception of continuing the dental program for children of longshoremen. The Coast Committee's report emphasized that while reserves presently exist, they could be wiped out by higher rates for present coverage.

Despite the Coast Committee's recommendation, the Caucus instructed its negotiators:

- (a) To seek catastrophic coverage in small port areas.
- (b) To investigate the feasibility of having the Welfare Fund provide custodial care for indigent longshoremen. This request for custodial care was not limited to pensioners, but was specifically proposed for active men as well.

On Pensions

In accordance with the Coast Committee's recommendations, the Caucus instructed negotiators to expand pension coverage so that in the future, all men would become eligible for pensions. (This coincided with the Internal Revenue Bureau's suggestion to open-end the pension agreement to insure tax deductibility of contributions.)

The Caucus also instructed negotiators to remove the present three-year limitation on work outside the longshore industry. Apparently, this move was made on behalf of some 16 longshoremen with long service on the waterfront but who, during some past period, sailed aboard ship or engaged in other employment for a period in excess of three years. It was estimated that such a demand, if granted, would have an ultimate cost of approximately \$300,000. If spread over the remainder of the present 10-year plan and reduced to an hourly contribution, such an amount would require an additional contribution of approximately one-fifth of one cent.

On Skills and Penalties

The Coast Committee specifically recommended against making any change in present skill differentials and no further action was taken by the delegates to the Caucus.

The Committee, according to reports, attempted to bypass the subject of penalties, but the issue was discussed widely on the Caucus floor. Net result of action taken by the Caucus delegates was to instruct the Coast Committee to investigate the feasibility of increasing certain penalties, eliminating others that are now obsolete, or to keep six or eight penalties and "trade the rest for 3-4 cents on wages."

The Extension Agreement

The Pacific Coast longshore agreement has been extended to August 1, 1958, if that be a common termination date or review date for agreements on both coasts, or otherwise until June 15, 1958.

On Wages

The extension agreement increased the basic straight time rate of \$2.27 an hour by two cents, and the overtime rate by three cents, effective June 18, 1956.

The two-cent increase does not constitute "parity" with the East Coast. It is merely an interim wage increase, considered as partial settlement on the September wage review, and bears no relation to East Coast longshore rates.

Basic straight time and overtime rates will be reviewed in September 1956. If no agreement is reached through negotiations in 15 days, the issue will be submitted to the Coast Arbitrator.

On Welfare

Dental care for children is being continued from July 1, 1956 through June 30, 1957, at an estimated cost to the Welfare Fund of \$412,000. The Pilot Year program expenditures amounted to \$616,000 and since they were less than anticipated, the program was extended through June 1955.

Catastrophic insurance coverage was extended to dependents in small ports, where no medical service plans exist. This item, and an increase in the hospital room and board allowance from \$12 to \$14 a day, will cost the Welfare Fund approximately \$45,000 and became effective July 1, 1956.

The modifications in the welfare program call for no increase in the present 10-cents hourly employer contribution to the Fund.

On Pensions

The pension agreement has been revised to extend coverage to all longshoremen and provisions for disability benefits have been included. Under the plan, a covered longshoreman under 65 years, but who has completed 25 years of qualified service, may retire on a disability pension if he becomes permanently and totally disabled as a result of accident or sickness that does not entitle him to draw Workmen's Compensation.

Monthly disability benefits have been set at \$100, reduced by the total amount received by the longshoreman in unemployment disability benefits or similar benefits under the ILWU-PMA Welfare Plan, or earnings from other employment. The benefit payments will continue until the disabled man resumes work in the industry or elsewhere or until he becomes eligible to retire under the ILWU-PMA Pension Plan.

On Penalties and Skills

The union's demand for a formal discussion on penalties and skills has been eliminated from negotiations in the face of an adamant employer position that the two-cent wage adjustment settled cost items until the September 1956 wage review.

June 4, 1956 Negotiations

In accordance with the terms of the extension agreement, negotiations began on June 4, 1956, on the following items:

- (a) Hours and the work shift
- (b) A 20 percent differential for supervisory clerks
- (c) A full exploration of work practices
- (d) Questions of mechanization and manpower
- (e) Penalties for pilfering and other adjustments of the grievance procedure
- (f) Vacations

PMA flatly rejected the union's demands for increased penalty rates, and for the addition of new penalties and for higher skill differentials. Flagrant abuse by the longshoremen of contract provisions governing payment of penalties already have added substantially to the costs of cargo handling

In rejecting new vacation demands, PMA took the position that the present vacation schedule is liberal, that major concessions, such as a third week after 12 years of service had been instituted only a year ago, and that further changes would disturb the eligibility requirements on welfare and pensions.

Major discussions revolved around the union's demands for a reduction of the present 9-hour longshore work shift to 8 hours without loss of pay, and a 6-hour day for clerks. Memoranda agreements were reached on both proposals on June 14.

The longshore agreement, stressing performance and conformance, which received a 5,303 to 3,505 favorable vote in an ILWU coast-wide membership referendum, follows.

Longshore Memorandum Agreement

1. The Pacific Coast maritime industry would benefit by a reduction of vessel turn-around time in Pacific Coast ports provided such reduction could be accomplished without increased cost per ton of cargo handled and without reduction of tonnage handled during vessel working time in port.

2. ILWU desires to reduce work shifts to not to exceed 8 hours, with certain leeway to finish ship or job if sailing or moving and to relieve long hatches during meal periods, and declares that such reduction should be accomplished without reduction in tonnage to be handled in the shorter work period and without loss of take-home pay.

3. PMA reasserts that it is prepared to negotiate in good faith for the accomplishment of these objectives, as contemplated by the two paragraphs above and by Section 6 of the extension agreement of May 25, 1956, but declares that such negotiations would be fruitless unless ILWU shall secure performance of and conformance with the existing agreements between the parties, in accordance with previous and present commitments and understandings, including the provisions of Section (10) (a) and (b), 14, 16, (a) (3), and 16 (f) of the Pacific Coast Longshore Agreement. Specifically, PMA asserts that the following items should be corrected:

- (a) There shall be no penalties for alleged unsafe working conditions except those now spelled out in the contract.
- (b) There shall be no late starts or early quits except as ordered by the employer.

- (c) There shall be no rules invoked except those that are in the contract, in the port working rules, or in Local or Coast Labor Relations minutes.
- (d) There shall be no "4-on and 4-off" or any variations thereof.
- (e) There shall be no "shirt time".
- (f) There shall be no requirement for employment of unnecessary men, and the provisions of Section 14 shall be observed in this connection.
- (g) There shall be no use of safety claims as a subterfuge in disputes not involving safety.
- (h) There shall be no refusal by either party to observe the provisions of Section 10 (b) and 16 (a) (3) in the event grievances or disputes arise on the job.

4. If the Union will demonstrate that it can and will secure such performance and conformance, and can and will guarantee its continuance, PMA will proceed with negotiations as described in the preceding paragraph, but only after such demonstration has been accomplished.

5. Such negotiations will be carried on in good faith, with recognition of the following factors:

- (a) The objectives set forth in paragraph 1 and 2 hereof cannot be effected without an increase in overall production. Such increase may be accomplished through economical mechanization, and streamlining present operational procedures by elimination of restrictions under the present contract. In attempting to reach the objectives set forth in paragraphs 1 and 2 hereof, the employers will not seek any change as a subterfuge to establish unreasonable speedups; nor will the ILWU resort to subterfuge to curtail production.
- (b) The definition and performance of work as set forth in the contracts between the parties and existing working rules shall be strictly adhered to.

Clerks' Memorandum Agreement

Ship clerks and checkers approved the following agreement by a 658 to 258 vote:

1. The ILWU proposes a change in the method of computing the hourly rate for those checkers and clerks working directly in connection with the continuous transfer of cargo from ship to dock, and vice versa, including sorting and spotting on the dock when such work is ordered by the employer and is a part of the continuous cargo transfer operation. The ILWU proposes that checking and clerking for such work be performed and paid for on a 6-hour day basis, as is the case with the longshoremen.

2. PMA reasserts that it is prepared to negotiate in good faith for the accomplishment of the change for checkers and clerks as proposed by ILWU, as contemplated by Section 6 of the extension agreement of May 25, 1956, but declares that such negotiations would be fruitless unless ILWU secures performance of and conformance with all existing agreements, port supplements and working rules between the parties, in accordance with previous and present commitments and understandings.

3. Specifically, the parties agree that the following clarifications should be understood:

- (a) The employers have the sole right to determine whether or not work covered by the Clerks Agreement, port supplements and working rules, should be performed.
- (b) When any such work is to be done, employees covered by the Clerks Agreement, port supplements and working rules, shall be used.
- (c) Employers shall be entitled to have made available to them adequate numbers of monthly and preferred checkers and key men. All such men must be hired, transferred or promoted in accordance with the applicable provisions of contracts, port supplements and working rules.
- (d) Employers will not exercise their option as to whether or not work is to be performed as provided in (a) above as a subterfuge to have workers other than employees referred to in (b) above perform such work.

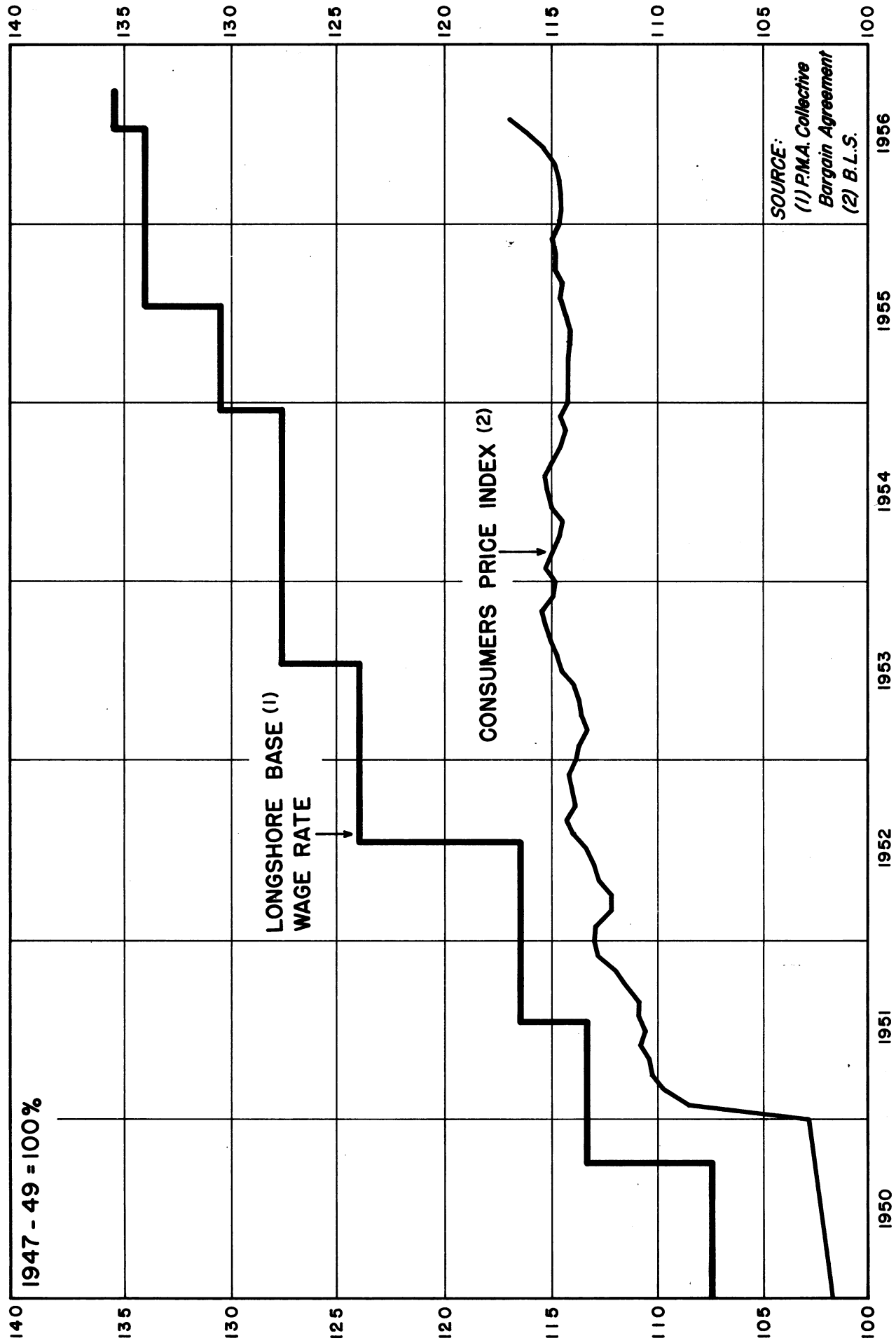
ILWU will not use the understanding that such work be done as described in (b) above as a subterfuge to require employer to place or keep unnecessary men on the job.

4. If the union will demonstrate that it can and will secure such performance and conformance, and can and will guarantee its continuance, PMA will proceed with negotiations as described in paragraph 2 hereof, but only after such demonstration has been accomplished.

5. This memorandum shall be an addendum to the similar memorandum dealing with the longshore work shift, dated June 14, 1956. The principles and understandings enumerated in that document shall govern where applicable to clerks.

PACIFIC MARITIME ASSOCIATION

CONSUMERS PRICE INDEX COMPARED WITH LONGSHORE BASE RATE



THE ECONOMIC CLIMATE -- 1955-1956

The National Economy

Despite some recent "viewing with alarm", the consensus among economists gives the nation a glowing bill of health. Industry, workers and unions continue to draw heavily from the seemingly bottomless pot of gold supporting the nation's economic rainbow. The only disturbing shadow in 1955's bright spectrum was the alarming drop in farm income. This was in the face of the largest consumption of food stuffs and industrial farm products in America's history, at prices only a little down from an all-time high. Concomitant as usual, was a surplus in many agricultural categories.

The farm problem carried over into the early months of 1956, and to it was added another soft spot in the "boom" -- increasing unemployment in the automobile industry. By mid-year, however, the farmer's plight showed a marked improvement. Farm income grew to a rate of \$11.6 billion per year during the first half of 1956, a half billion above the rate in the last six months of 1955. This year's income will be bolstered by payments under the "soil bank" program. In July, with 1956 goals still some distance off, farmers had signed up to take 4.4 million acres out of production. In return, they will receive Government checks of almost 100 million dollars.

In 1955, the nation reached the threshold of a \$400 billion economy, with most activities at new record peaks. Economists predict that the gross national product, which reached the \$408.5 billion annual rate in the second quarter of 1956, and probably will shade that figure by about \$1 billion in the third quarter, will rise to a new all-time peak in the last three months of the year. The rising economic trend, some experts contend, will be occasioned by sustained consumer spending which will be stimulated importantly by 1957 automobile models. Government spending will be a factor also, but business spending may show little change due to the possibility of further reductions in inventories.

Average Wage Earner's Income Up

The boom in business is paying off better than ever before for the average wage earner. The Bureau of Labor Statistics reports average weekly earnings for factory production workers in 1954 of \$71.86 and \$76.52 in 1955. The last six months of 1955 weekly earnings averaged \$78.02 and in July of this year, they were reported as \$78.60.

Annual Earnings Factory Production Worker

<u>Year or Period</u>	<u>Average Weekly Earnings</u>	<u>Annual Earnings</u>
1954	\$71.86	\$3,750
1955	76.52	3,980
1955 (Last six months)	78.02	4,050
1956 (July)	78.60	4,090

The worker is buying a house, outfitting it with new furniture and labor saving appliances, operating a car -- and still has more than ever for vacations, extras and for savings.

The data are based on official reports of the Bureau of Labor Statistics.

Total Employment High

Total employment, at 66.7 million in July, was the highest recorded in the nation's history.

Nonfarm employment dropped by more than 700,000 between June and July 1956, mainly as a result of the steel strike. Apart from the strike-affected industries, however, evidence of strength was widespread in trade, finance, and service, as well as in most durable goods manufacturing industries. Cut-backs in the automobile and supplier industries were much smaller than in earlier months of this year.

Despite the over-the-month loss, nonfarm employment, at 51.0 million was almost 1.0 million higher than in July 1955. Employment in contract construction, at 3.3 million, finance, at 2.3 million, and service, at 6.1 million, stood at an all-time July record. 1/

Union Financial Statements Show Growth

The year 1955 was a prosperous one for labor unions as well as for most business firms.

Financial statements reflect steady, and often spectacular growth in the net worth of big unions. Most of them, in 1955, banked more money than they spent.

The United Auto Workers, for example, doubled its net worth in 1955; the union reported approximately \$40 million.

Reserves of about \$200 million were reported by the International Ladies Garment Workers, including welfare and insurance funds.

In the men's clothing field, the Amalgamated Clothing Workers Union declared about \$8 million in union assets, but it had total resources at about \$250 million -- including two banks, two insurance companies, various housing developments and health centers. The total also covers the treasuries and property of local union affiliates.

Nearly \$19 million in net worth was reported by the Steel Workers as of mid-1955. The Railroad Trainmen declared nearly \$54 million in assets; the Locomotive Firemen and Enginemen, \$34 million; the Brotherhood of Electrical Workers, \$48.2 million, and the Machinists union, \$15 million.

Economic Activity, First Half, 1956

In spite of weakness in key activities, particularly in auto production and in new home construction, total economic activity continued to expand in the second quarter of 1956 to set a new record, according to the Council of Economic Advisers. The Council's July

1/ NEWS from the U. S. Department of Labor, August 8, 1956, page 1.

report shows the gross national product at a new peak of \$408.5 billion, at an annual rate, in second quarter 1956. This estimate of the value of goods and services produced in the nation is up \$5.1 billion from the first quarter rate and \$21.1 billion greater than the April-June period of 1955.

The second quarter rise in GNP is more than three times that recorded in the first quarter. The sharper uptrend in the second quarter is attributable largely to record expenditures by both consumers and business. Government outlays showed little change over the period.

Private domestic investment is figured at an annual rate of \$64.6 billion in the second quarter, up \$500 million from the preceding three months and \$4.4 billion greater than a year ago.

Consumer expenditures set another new record high in the second quarter, reaching an annual rate of \$264.3 billion. The rise of \$2.6 billion from the first quarter rate was largely in increased spending on consumer soft goods and on services. Expenditures on durable goods declined for the third consecutive quarterly period, reflecting largely reduced buying of new automobiles. 2/

For the first month of the third quarter, however, the Council of Economic Advisors reported sizable reductions in both production and employment. These declines were attributed largely to the steel strike. Steel output was at about 14.5 percent of capacity in July, as against 92.5 percent in June. However, preliminary data indicate that the steel industry is recovering rapidly from the strike. At mid-August, it was estimated that steel output was back to about 85 percent of capacity. 3/

Cost of Living 1955

During 1955, the Consumer Price Index fluctuated within the range of 114.2 and 115.0, displaying its greatest stability since monthly pricing of all items was initiated in 1940. This overall stability, however, concealed divergent trends in the two main pricing elements. In broad terms, service items increased in cost, while commodities, especially foods, declined on the average.

2/ Daily Labor Report, Special Supplement No. 16, July 23, 1956, page 1.

3/ DLR, Special Supplement No. 20, August 17, 1956, pp. 1-2.

The 1955 average was 114.5, 0.3 percent lower than the average for 1954, primarily because the index was lower during the first six months of 1955 than the corresponding period in 1954. Beginning in September, the index was higher each month than in the corresponding month of 1954, finishing the year 0.3 percent (0.4 index points) higher in December 1955 than in December 1954.

While the index was "extraordinarily stable" in the three-year period from December 1952 to December 1955, there were sharp differences in both the rate and direction of price change for some of the major groups of living essentials. BLS calls attention particularly to the divergent movements of food prices, which dropped 3.8 percent and housing costs, which rose 3.8 percent. Result is that the relative importance in the index of food dropped from 29.84 percent in December 1952 to 28.55 in December 1955, while housing advanced from 32.18 to 33.18 percent. Relative importance of the other six major groups of items in the index during December 1955 is figured at 9.32 percent for apparel, 11.13 for transportation, 5.19 for medical care, 2.21 for personal care, 5.23 for reading and recreation, and 5.19 for other goods and services. 4/

BLS cautions, however, that in evaluating the relative importance figures, it should be noted that they may not reflect accurately current buying patterns. Reason is that the market basket of the index is fixed; major changes are made only after consumer expenditure surveys.

Cost of Living, 1956

As reported by the Bureau of Labor Statistics, the Consumer Price Index has continued upward since February 1956 and showed another big increase from mid-June to mid-July, bringing cost-of-living pay hikes of four cents an hour to about one million workers, mostly in the auto industry.

The BLS Index for mid-July was 117.0 (1947-49 = 100), a new all-time high for the second month in a row. The rise from mid-June to mid-July was 0.7 percent, the same increase as recorded for the preceding month. The increases of those two months are the largest since February 1951, when prices were rising as a result of the Korean war.

The July rise in the Index extends the uptrend in living costs into the fifth straight month and brings to 2.1 percent the total rise since February. Compared with a year ago, the mid-July Index is up 2.0 percent.

The escalator contracts, which use the mid-July Index as a basis for figuring cost-of-living wage adjustments, compute the raises on the basis of the change in the Index from mid-April to mid-July. In that three month period, the Index went up 1.8 percent, or 2.1 index points.

For the majority of the 1,250,000 workers under escalator agreements, the raise will be four cents an hour. Such adjustments affect about a million automobile workers, and about 80,000 workers at General Motors and Westinghouse.

In other industries, including farm equipment and aircraft, the escalator adjustments range from three to five cents an hour.

BLS officials attribute the mid-June to mid-July rise in the Index chiefly to an unexpectedly large advance in prices of fresh fruits and vegetables which produced a bigger than seasonal increase in average food prices. BLS believes that the Index is now at a "new high plateau", and will fluctuate within a narrow range for the next few months, as seasonal changes in food prices are offset by the long-term uptrend in prices of services and other commodities.

AFL-CIO Standard of Living Budget

The AFL-CIO research department figures that with steady employment at a 40-hour week, a worker now must earn from \$83 to \$105 per week, or \$2.07 to \$2.63 an hour, to provide a four-person family with a "reasonable standard of living", in an American city. These figures, included in an analysis advising union negotiators on the use of budgets in wage bargaining, are based on the family budgets prepared by the Bureau of Labor Statistics and the Heller Committee of the University of California.

Wages adequate to support a family on a comfortable scale are a fundamental trade union goal, according to the report.

PFEL Grosses \$40 Million

Pacific Far East Line, Inc. last week reported a gross revenue of \$40,708,000 during 1955. This resulted in a net profit after tax of \$2,403,000.

Pope & Talbot Awards Extra Stock Dividend

Pope & Talbot, Inc., recently announced an extra dividend of 40 cents per share upon its common stock, payable on January 9, 1956. The company's record of record stockholders of record is 12,381,250 shares.

Important factor in the West Coast shipping and lumber industries since its organization in San Francisco during the gold rush days of 1849. The completion of a green-neer plant at the company's mill near Port Gamble, Wash., is scheduled for early 1956, and will mark Talbot's entry into the field.

P.F.E.L. Dividends

The board of directors of Pacific Far East Line, Inc. has voted a dividend of 15 cents per share on common stock and a dividend of 15 cents per share on first preferred stock of record May 18, 1954.

Matson Net Profit Doubled

Matson Navigation Company last week reported net revenues from all operations in 1955 of \$26,000.

At the annual meeting of stockholders yesterday, American President Lines reported consolidated net income for 1955 of \$6,012,395. This amount, according to the company's annual report, resulted from gross revenue from vessel operations of the parent company and its American Mail Line subsidiary of 1955.

Chairman of the board, and George Killion, president, stated that earnings for 1955 showed an encouraging increase over 1954, and reflected a substantially better performance in general and for American President Lines.

The MARINE DIGEST

W. R. Grace & Co. Net Earnings Up 20 Per Cent

Moore-McCormack Shows Income Increase

Moore-McCormack Lines earned 20 per cent more in 1955 than the corporation earned the previous year, its annual report has shown. Moore McCormack Lines is listed as having earned a net income of \$4,650,000 for 1955, compared with \$3,870,394 for 1954.

Increase in common per share and revenues reported by in its annual report. net income of \$8,780,394 compared with \$7,326 for 1954. Net revenues of common stock are of average \$4.26 per share.

NEWS REVIEW

American President Lines last week reported consolidated net income for 1955 of \$6,012,395, resulting from gross revenues earned in vessels operated by A.P.L. and its subsidiary American Mail Line.

The announcement was made in a report to stockholders by Ralph K. Davies, chairman of the board, and George Killion, president of A.P.L. Translated into per share earnings, the limited number of Class A stock, the per share earnings were \$8.60 on Class A stock, and \$5.34 on Class B stock.

Chairman of the board, and George Killion, president, stated that earnings for 1955 showed an encouraging increase over 1954, and reflected a substantially better performance in general and for American President Lines.

Annual Reports Lists \$6 Million Net Income

(Continued From Page 1)

General improvement noted in merchant shipping during 1955, Chairman Davies and President Killion cited the following reasons why American President Lines advanced its own position in the industry:

1. Improved performance through efficiency and results.
2. Greater operating efficiency.
3. More rigid handling.

Chairman Davies and President Killion concluded their report with a forecast for continued good business through 1956, provided the world can avoid unforeseen "international disturbances."

NEWS REVIEW

Grace Earnings Still Rising

J. Peter Grace, president of W. R. Grace & Co., reported to the annual stockholders' meeting recently a continuing increase in the first quarter of 1956. The company's earnings for the first quarter of 1956 were \$1,042,287 higher than during the same period last year.

Matson's Mid-Year Report

Matson Navigation Company's mid-year report for 1955, issued last week, showed a consolidated net profit for the first six months of \$1,042,287 higher than during the same period last year. The company's first-half net profit totaled \$2,230,009, compared to \$2,145,742 for the first half of 1955. Earnings before taxes were less than at the same time last year, however. The 1956 mid-year profit is equivalent to \$1.50 per share on the capital stock outstanding, up from \$1.43 for the comparable 1955 period. Dividend payments totaled 80 cents a share, or \$1.50 per share of common stock, for the quarter of 1956.

APL Declares Dividends

American President Lines, Ltd. last week announced a declaration of a second quarter dividend of 75 cents per share on its Class A stock, and 15 cents per share on Class B stock, payable July 10 to shareholders of record June 29.

Pope & Talbot Dividend

Pope & Talbot, Inc. has declared a dividend of 25 cents per share on its common stock, payable on July 10, 1956. The usual quarterly dividend of 25 cents per share has been in effect since 1954.

Moore-McCormack Earnings

Moore-McCormack Lines last week reported a net income of \$4,650,000 for 1955, compared with \$3,870,394 for 1954. The company's earnings for the first quarter of 1956 were \$1,042,287 higher than during the same period last year.

The Shipping Industry

As interpreted by the editor of the Pacific Shipper, ^{5/} the year 1955 will go down on the books of most steamship companies as one of the most prosperous they have ever known, at least as far as plain high figures in black ink on the ledgers are concerned. Year-end reports on profits substantiated the fact that 1955 was a record-breaker for the majority. In general, most companies continue to report fair profits and dividends for the first half of 1956.

One of the brightest spots American ship operators could point to in 1955 was the rapid development of the roll-on-roll-off vessel in the domestic trades. Although at year's end these vessels were not in operation on the West Coast as yet, it is expected that the ships will enter the intercoastal and Pacific Coastwise services in the very near future.

In April, 1956, for the first time since the start of this year, monthly figures on Pacific Coast foreign trade made a clean sweep over the same period last year. Both exports and imports were greater than in April 1955, and they were also considerably improved for the four months, January-April.

Imports were up \$20.9 million during the month as against April 1955 and \$67 million during the four months, compared with last year. ^{6/}

Ships in Operation

There was an average of 165 PMA vessels in operation during the first half of 1956. This is three more than the average for the same period in 1955, but six less than the average for the last half of that year. The present fleet represents 40.2 percent of the 410 vessels operating during the peak of 1952.

(Statistical Table I.)

^{5/} Pacific Shipper, December 26, 1955, page 7.

^{6/} Pacific Shipper, July 30, 1956, page 71.

Offshore Employment

A slight decrease (3.2 percent) is shown in the number of offshore jobs between the last half of 1955 and the first half of 1956. There was, however, an increase of 1.1 percent over the same period of 1955. The average number of jobs for the first half of 1955 was 8,212. This figure increased to 8,579 for the last half of that year, then declined to an average 8,305 for the first half of 1956.

(Statistical Table II.)

Shoreside Employment

About 2.33 million manhours were worked monthly by shoreside workers during the first half of 1956 compared to 2.27 million for the same period in 1955. This is an increase of 2.6 percent. The first half of 1956 also represents an increase of 2.1 percent over the number of manhours worked during the last half of 1955.

(Statistical Table III.)

Cargo Volume

Tonnage handled through Pacific Coast ports totalled 12.5 million tons for the first half of 1956. This is an increase of 9.3 percent over the same period of 1955. The first half of 1956 also shows an increase of 2.7 percent over the last half of 1955.

(Statistical Tables IV. and V.)

WAGE PATTERNS IN 1955-1956

The 1955 Look

For most workers, 1955 was a year of higher pay and improved fringes. A study of 1955 wage contracts issued by the Bureau of Labor Statistics shows this about last year: 7/

Of the 1,350 contracts studied, 95 percent called for pay increases. Half of the companies granted new wage increases and provided their employees with added fringe benefits.

In almost all cases, increases amounted to at least five cents an hour. Half of the workers covered received 10 cents an hour or more.

Some agreements, including contracts in chemicals, metalworking and West Coast lumber, were re-opened last year to provide a second wage increase for the year.

Skilled workers received extra pay raises in many settlements reported. About one-third of the 1955 contracts provided wage differentials between skilled and unskilled workers. Among industries giving extra raises for the skilled trades were autos, farm equipment and electrical equipment.

Two-thirds of the 1955 settlements that raised wages also granted improvements in fringe benefits. Health and welfare plans were involved in about two-fifths of the contracts, covering more than half of the workers. About three out of 10 agreements liberalized vacation clauses. Holiday provisions were made more liberal in one of four agreements.

Supplemental Unemployment Benefits appeared in six percent of the agreements studied in the BLS survey.

7/ U. S. Bureau of Labor Statistics.

Wage Patterns, First Half 1956

Wage settlements during the second quarter of 1956 climbed to new levels, surpassing previous highs reached last year. Heavy emphasis on fringe items continued, particularly in pensions and health and welfare coverage. Provisions for deferred increases continued to gain in frequency.

Overall median increase for the first half of 1956 stood at 10.2 cents, and the median settlement at 10.1 cents, reflecting markedly higher increases in the second quarter. Medians for the first quarter were 8.9 and 8.7 cents, and for the second quarter 10.6 cents.

Deferred increases were provided in 30 percent of settlements in the second quarter (28 percent for the half-year). Pensions figured in 12 percent of settlements in the first six months; insurance in 30 percent.

A breakdown of the first half-year's settlements into manufacturing and non-manufacturing shows the heaviest concentration of settlements in both groups to be in the 10-12 cents category. In non-manufacturing, however, 36 percent of settlements were for more than 12 cents, as opposed to only 17 percent in manufacturing. Greater percentage of high-level increases pushed both medians to 10.9 cents in non-manufacturing, while in manufacturing they stood at 9.8 cents median increase and 9.5 cents median settlement. Large volume of high-level increases in construction bolstered the high medians in non-manufacturing.

A geographical analysis of settlements in the first half of 1956 again finds the largest increases on the West Coast. 8/

8/ Facts for Collective Bargaining, July 27, 1956, pages 18:77-79.

FIRST HALF (1956) SETTLEMENTS BY REGIONS 1/

	A r e a s					
	West Coast	Midwest	North Central	Middle Atlantic	South-east	New England
Total No. of Settlements	179	202	503	487	221	194
Percentage Distribution	%	%	%	%	%	%
Decreases	-	-	-	-	<u>6/</u>	-
No Increase	2	1	2	2	3	5
1-3 Cents	1	1	1	1	1	-
4-6 Cents	11	17	15	24	23	16
7-9 Cents	15	27	25	25	25	24
10-12 Cents	36	30	28	23	20	34
13-15 Cents	15	8	13	11	10	13
Over 15 Cents	11	7	10	9	11	4
Unspecified <u>2/</u>	8	8	5	4	7	4
Totals <u>3/</u>	99%	99%	99%	99%	100%	100%
Pensions	15%	8%	12%	13%	6%	12%
Insurance	28	20	27	32	28	32
Deferred Increases <u>4/</u>	27	35	32	25	14	22
Hours Reduced	3	3	2	5	4	3
SUB <u>5/</u>	1	<u>6/</u>	3	0.5	-	0.5
Median Settlement	11.0¢	9.9¢	10.2¢	9.4¢	9.0¢	10.1¢
Median Increase	11.1¢	10.0¢	10.3¢	9.5¢	9.3¢	10.3¢

1/ Data for Rocky Mountain and Southwest Regions not voluminous enough to provide a breakdown. However, such data is available upon request.

2/ Settlements reported to include increases, but amount unspecified; not included in tabulation of medians or bracket totals.

3/ May be more or less than 100% due to rounding.

4/ Increases effective second year or later.

5/ Supplemental Unemployment Benefits (includes various types of guarantees).

6/ Less than 0.5 percent.

Current Bargaining Trends

Clinging to last year's trends, settlements in 1956 continue to stress deferred increases and fringe benefits -- especially insurance, pensions, and health and welfare plans. Supplementary unemployment benefits programs are expected to spread more rapidly as a result of the steel settlement which provides for 52 weeks of SUB. Long term contracts are in increasing favor with both management and labor. Demands for a shorter workweek and problems resulting from automation are beginning to enter the field of collective bargaining.

Long-term Agreements

A recent study, published by the Bureau of Labor Statistics, indicates that the one-year term for collective bargaining agreements is no longer the dominant national pattern. BLS analyzed the duration clauses in 1,424 contracts, covering 8,168,300 workers, and data show that 65 percent of the pacts were negotiated for terms of two years or more. While the heavy concentration among the long-term agreements was at the two-year span, approximately 21 percent were for periods of three years or longer. Generally, the long-term agreements provide for wage reviews or for automatic wage escalation based on the BLS Consumer Price Index. Major contracts of indefinite duration are relatively few and cover about 1.25 million wage earners, chiefly anthracite miners and railroad workers.

Agreements extending into 1958 were signed this year for the majority of workers in aircraft and guided missile plants. The three-year auto workers' contract has two years to run. General Electric Company's and Westinghouse agreements are in effect to 1960. In construction, many local and regional pacts last until mid-1957; some until 1961.

Other recent long-term agreements include a five-year pact for longshoremen in Hawaii; PMA's two-year agreement with ILWU, three-year contracts with the licensed offshore unions and two-year settlements with the unlicensed personnel; a four-year contract between teamsters and the trucking industry in New York, and a three-year contract for workers in major non-ferrous metal companies. The present contract between the New York Shipping Association and the ILA, which expires September 30, was for two years.

Supplemental Unemployment Benefits

The "guaranteed annual wage", not long ago a burning issue in labor, is becoming a fixture in some major industry-labor contracts. Autos, glass, can companies, steel, rubber, aluminum, and others have "bought" the idea. Employers are finding it not so costly as they feared.

But as the plans multiply, changes are being made. Some of these modifications benefit employers; others favor workers.

Lower costs for the employers, for example, are a feature of the steel and aluminum plans. These industries will contribute three cents per hour per worker into the SUB trust funds initially. Should funding prove inadequate, they will pay an additional two cents. Auto companies pay five cents.

A full year of benefits, on the other hand, was negotiated by the Steelworkers. This is double the maximum period provided for in the auto industry.

Eligibility rules are being changed. In steel, an employee must have two years of service before he can collect benefits. This means that younger workers will have to depend on state unemployment checks. In autos, one year on the payroll makes a worker eligible.

Of interest to the maritime industry is the National Maritime Union's employment security plan, which provides for payments of \$30 a week for seamen not eligible for state unemployment benefits, and \$15 a week for those who also get state benefits. The maximum period of coverage is three to five weeks, except in disability cases.

The program covers men laid off because their ships are laid up, sold, or transferred; men waiting to rejoin their ships after a disability leave, and men forced to leave a ship because of urgent family reasons or legal proceedings. It does not cover men who are fired or quit voluntarily.

The lay-off pay idea has spread to England. Extra pay for workers who are laid off was the chief demand that prompted an automobile strike in Birmingham in late July. In Britain, the problem involved in the strike is called "redundancy", the laying off of workers because of a decline in demand for automobiles or as a result of automation. Fifteen unions went on strike against the British Motor Corporation because the company dismissed 6,000 workers no longer needed.

oration because the company dismissed 6,000 workers no longer needed. The unions demanded that those laid off be given extra compensation, or dismissal pay. The British workers wanted a flat payment at time of dismissal, in contrast to the American version of supplemental unemployment benefits.

Shorter Workweek and Automation

The trend towards shorter hours and some sort of answers to automation is picking up force. In PMA-ILWU negotiations, a reduced work shift and the problems of mechanization have become issues which no doubt will become increasingly troublesome with the advent of roll-on-roll-off vessels, increased use of cargo containers, etcetera.

Union views on automation are summed up by the AFL-CIO research department. 9/

Unions welcome technological gains, but they will make every effort to see that new machines bring a minimum of dislocation and that workers share in the benefits.

As AFL-CIO sees it, automation will boost the rate of productivity. Full employment can be maintained only if the economy expands enough to provide jobs for the normal increase in the labor force, plus displaced workers. Such expansion requires "forethought and planning" by labor, management and government. It is labor's contention that the economy has no self-adjusting mechanism to provide the rising consumer buying power needed to sustain high job and production levels.

Unions plan to use collective bargaining to ease the transition to automation. They will seek substantial wage increases and a reduced workweek to spread the benefits. Guaranteed wage plans and severance pay will provide a financial cushion for workers and give management an incentive to plan ahead. In addition, "fair and orderly" procedures will be demanded on layoffs, transfers, rehires, and changes in job and wage structures. AFL-CIO is considering "preferential hiring provisions" giving hiring preference to displaced workers in the same industry or area.

9/ Industrial and Labor Relations Abstracts and Annotations, August 1956, page 11.

West Coast Docks

In anticipation of increased mechanization in cargo handling on the West Coast docks, The Dispatcher, official publication of the ILWU, states, in part: 10/

In the past, the changeover from hand powered to mechanical powered equipment was slow in maritime. But as union strength raised wages and improved working conditions, and as the shipping in and out of the ports continued at a high level, the changeover to mechanization become more economical for the operators. Now we can expect that it will be speeded up...

The main trend in all marine cargo handling is to increase the size of the unit handled and to reduce the number of handlings of each unit on the dock or in the hold of the ship.

The sea train operation on the East Coast is an example of how far ship owners and shippers have already gone in carrying out these principles. Here the unit is an entire railroad car and it is loaded from a special pier onto a special vessel equipped to carry railroad cars and nothing else. Longshore work in this operation is down to an absolute minimum.

The ship is so specialized it can't be shifted to other uses without extensive changes; the investment in the pier is heavy and when loaded with railroad cars the ship has about 50 percent lost space. Yet despite all this, the operation has proved to be profitable because it has reduced the cost of loading the ship and speeded up the turn around of the ship in port.

The trailer ship operation, which uses truck trailer vans, is a similar deal with the same advantages to the shipper. Plans are already far advanced to put trailer ship operations into effect on the coastwise runs on the West Coast.

Our membership is quite familiar with the many methods of reducing the number of times cargo is handled on the waterfront. Pre-palletization away from the docks, the use of unit containers and cargo cribs -- all cut down longshore handling. All of these aim at moving the cargo directly from the bed of the truck or railroad car to right under the hook. In the hold, mechanical equipment is being used more and more to move entire pallet loads and unit containers from the center of the hatch to the wings without the longshoreman touching the loads.

10/ The Dispatcher, August 17, 1956, page 8.

The changes already under way, if not understood and utilized by us for our own benefit and to improve the livelihood of our own members, will eventually push all of the longshoremen on the dock right up to the hook. And the rest will be working in the hold of the ship, under the draft.

Take a look at what's been going on in Southern California in respect to car work.

In the past, members of the ILWU used to do 80 to 85 percent of all the waterfront carloading and unloading. It was a big part of the jurisdiction of the union. Now, many of these same cars no longer come down to the front -- they are being diverted on spur tracks a mile or so from the docks. Here, at large transit sheds, other men, working under wages and conditions quite different from those established by ILWU, move the cargo from the railroad cars into vans, and these are then moved directly onto the docks and under the hook.

Or look at the operation Alaska Steam has developed out of Seattle, which top engineers point to as the direction in which all cargo operations are going to move in the future. It's an operation consisting almost entirely of unit containers, palletized loads, vans and truck trailer units. No one knows accurately how much of the preparation of these loads is now being done by non-ILWU members away from the waterfront, but there's no doubt that it is a great deal.

This loss of work is repeated in practically every other port on the Coast, as more and more of what used to be longshore work is being done uptown or in nearby transit sheds and not under ILWU contracts...

The situation is already a serious one, and every sign points to the fact that as the months pass, it will become more, not less, serious.

Use of Electronics, Port of New York

Electronics, the newest tool of business, is making great changes in shipping. In the Port of New York, two adaptations of the new science have been put to use recently; one by the Grace Line, the other by the Army.

All of the Grace Line's freight bills are being prepared by International Business Machines, and in the next two years, the use of electronics will be extended to embrace the processing of all of the

carrier's affairs. The aim of the program is efficiency rather than economy. It is expected to provide additional information of important value that will outweigh the increased annual cost of \$150,000, a yearly expense that will be reached by July 1, 1958. Also, the plan will mean little saving in personnel numbers, because the present staff is being indoctrinated wherever possible in business electronics. The ultimate work load for the IBM machines now on order by Grace will include such tasks as sales analysis, billing, freight statistics, freight accounting, passenger information, payrolls, inventory control and labor cost distribution.

On September 1, 1956, the Brooklyn Army Terminal, the biggest military ocean cargo installation in the world, introduced a new system compounded of electronics, punch cards and management engineering, which will reduce record keeping from a matter of weeks to one of hours and minutes.

Under the system, cargo will move through the terminal under a single document, much like the "dock receipt" used by commercial steamship lines, and a punch card. The traffic officer will know by 8 AM of the day following the arrival of cargo exactly where in the terminal it is, how much of it there is, where it is to go and how much the Army has to pay to everyone connected with the shipment. The new system has been designed to gear the terminal to meet the transportation demands of an overseas supply line that may soon be shortened by months through the use of electronics. 11/

Settlements

Steel:

Steelworkers Union and 12 major steel producing companies' master agreement calls for a three-year, no strike contract. The union values the package at 45.6 cents an hour, with 20.3 cents in the first year, 12.2 cents in the second, and 13.1 cents in the third. The wage hike is 7.5 cents per hour for job Class 2, plus 0.3 cents increase increment for each higher class; 7 cents for Class 2 plus 0.2 cent increment effective July 1, 1957; 7 cents for Class 2 plus 0.2 cent increment effective July 1, 1958. The average direct wage increase, according to the union is approximately 10.5 cents an hour the first year, and 9.1 cents in the second and third years.

11/ The Marine Digest, August 11, 1956, page 11.

The steel industry figures the package at 52 cents to 55 cents an hour. The estimate is higher than the union's because it includes such costs as greater Social Security taxes, vacation payments, overtime and other items.

The agreement has a cost-of-living provision which will give employees increases up to 4 cents an hour, with a 1 cent an hour adjustment for each 0.4 or 0.5 point change in the Index. The industry granted Sunday premium pay at the rate of 10 percent in the first year, 20 percent in the second year, and 25 percent in the third year. As initial experiment, employers agreed to contribute 3 cents per hour per employee for a supplemental unemployment trust fund, starting June 27, 1956, and an additional 2 cents per hour if needed. Under the plan, all employees with two or more years of seniority may receive up to 52 weeks of SUB payments.

Aluminum:

Aluminum Workers' International Union, which represents some 11,000 employees in seven plants, signed a three-year pact for an estimated 46 cents over the period. The agreement is patterned on the steel settlement. Wages go up 9.5 cents in 1956, 7 cents the next year, and 8 cents the third year. The Aluminum Company of America and the United Steelworkers signed a similar agreement after a nine-day strike in 12 of its plants.

Rubber:

The Big Four in rubber -- U. S. Rubber Company, Firestone, Goodrich and Goodyear -- settled for identical agreements with the Rubber Workers. The contracts gave wage boosts of 6.2 cents an hour plus another 3 cents in supplemental unemployment benefits. The agreements were open on the issue of wages only. Later this year the entire Firestone contract opens for negotiations but the pacts with the other three companies will not expire until 1957.

Nonferrous:

Kennecott Copper and Mine, Mill and Smelter Workers settled on terms along the lines of those reached by the same union and other major companies in the industry; a 10-cent increase in 1956, 6 cents in 1957 and 1958, higher pension benefits and extensive insurance revisions.

Soft Coal:

Miners received a pay raise of 80 cents a day, or 10 cents an hour this spring. The increase is under terms of last fall's agreement, when miners got an increase of \$1.20 a day.

Shipbuilding:

New York shipbuilding companies and the Boilermakers agreed on a two-year contract providing for 7 to 10 cents increases in 1956, plus a 6-cent general increase in 1957. The pact adds an additional half-holiday on December 24 for a total of 8, revises cash severance payments and improves noncontributory health and welfare benefits.

On the West Coast, the Shipbuilders Association of the Pacific signed an agreement with some 14,000 Metal Trades members for an 18-cent increase and revised vacation pay.

Teamsters:

Local 807, International Brotherhood of Teamsters and some 1,250 employers in the New York City metropolitan area negotiated a 4-year pact which provides a package increase of 18.5 cents per hour for truck drivers. The agreement calls for a wage increase of 9 cents an hour, and additional employer contributions of 4 cents an hour to the welfare fund and 5.5 cents per hour to the pension fund. A tractor-trailer driver may now earn a minimum of \$100 for a 40-hour week and qualify for a pension of \$100 a month at the age of 65, exclusive of Social Security benefits.

Airlines:

United Airlines capitulated to an 18-cents per hour wage demand covering 8,000 machinists and other ground personnel under a one-year contract. An additional one cent per hour was negotiated for health and insurance benefits. Union officials estimate that the pay hike ups average rates for mechanics, the basic group of ground employees, from \$2.33 to \$2.51 an hour.

In the California Aircraft industry, the International Association of Machinists negotiated a two-year contract with Lockheed, obviating a strike threat of 22,500 workers against three plants. The average hourly wage increase was 11 cents, with maximum raises of 15 cents per hour for top factory employees.

As of March 5, 1956, the top factory pay was raised to \$2.68 an hour, with \$2.93 the high for office and technical employees.

Construction:

Following a 12-day strike of 16,000 San Francisco Bay area carpenters, the area's home building associations and contractors settled for a package wage increase of 52.5 cents an hour. Provisions include a 12.5 cents increase, to \$3.125 an hour, as of July 7, 1956; a 10 cents hourly contribution to a vacation fund effective January 1, 1957; a 5-cents wage increase and 10 cents hourly pension fund contribution effective June 15, 1957, and a 15 cents wage increase on June 15, 1958.

Plumbers and steamfitters in four northern California counties settled for a 75 cents hourly package spread over three years. The contract provides for a wage increase of 25 cents an hour as of July 1, 1956 and an additional 10 cents an hour on January 1, 1957, the employers will contribute 25 cents an hour to a new fund, designed to provide supplementary payments for disability and unemployment benefits. The money will go into individual accounts, to be made available in the event of unemployment or when a worker leaves the trade. The agreement provides an additional 15 cents an hour pay raise on July 1, 1958.

Warehousing:

A two-year contract, providing for a 5-cents hourly pay raise and 10 cents a manhour for pensions, was negotiated by San Francisco Warehouse Locals 860 and 12, the Peninsula Teamsters Local 665 and some 250 warehousing firms. The agreement, which sets the pattern for 25,000 northern California warehousemen became effective June 1, 1956.

Canning:

California Processors and Growers and 45,000 cannery workers in Northern and Central California, signed a three-year pact, including a 20-cents an hour increase and a pension plan. An increase of 10 cents per hour was retroactive to March 1, 1956, and boosts of 5 cents will go into effect in each of the next two years. The employer paid pension plan for "regular workers" -- those employed 1,600 hours or more during the year -- becomes effective January 1, 1957.

Sugar - Hawaii:

Contract negotiations between 27 Hawaiian sugar plantations and the ILWU resulted in a two-year agreement, with an expiration date of January 31, 1958. The agreement provides for a deferred wage

increase of 6 cents an hour March 1, 1957, and an additional week of vacation for employees with 20 years of service. A separate three-year agreement creates special funds for supplementary severance payments and repatriation benefits.

Shipping:

In wage review negotiations with deep-sea passenger-freighter, tanker and collier companies, the National Maritime Union won: 1) a six percent raise in base pay and overtime rates for all hands; 2) additional increases of \$10 and \$20 per month for 29 special ratings added to base pay before the percentage increase is applied, and 3) parity increases for seven job classifications also added before the percentage increase. The increases went into effect June 16, 1956.

Licensed sea-going unions on both coasts, with the exception of ARA on the West Coast, received 7 percent wage increases as a result of 1956 wage openings. On the East Coast, ARA is currently in arbitration over the "power tonnage" issue -- which is the spread of wages by size of ship and speed. On the West Coast, both "power tonnage" and wages are scheduled for arbitration.

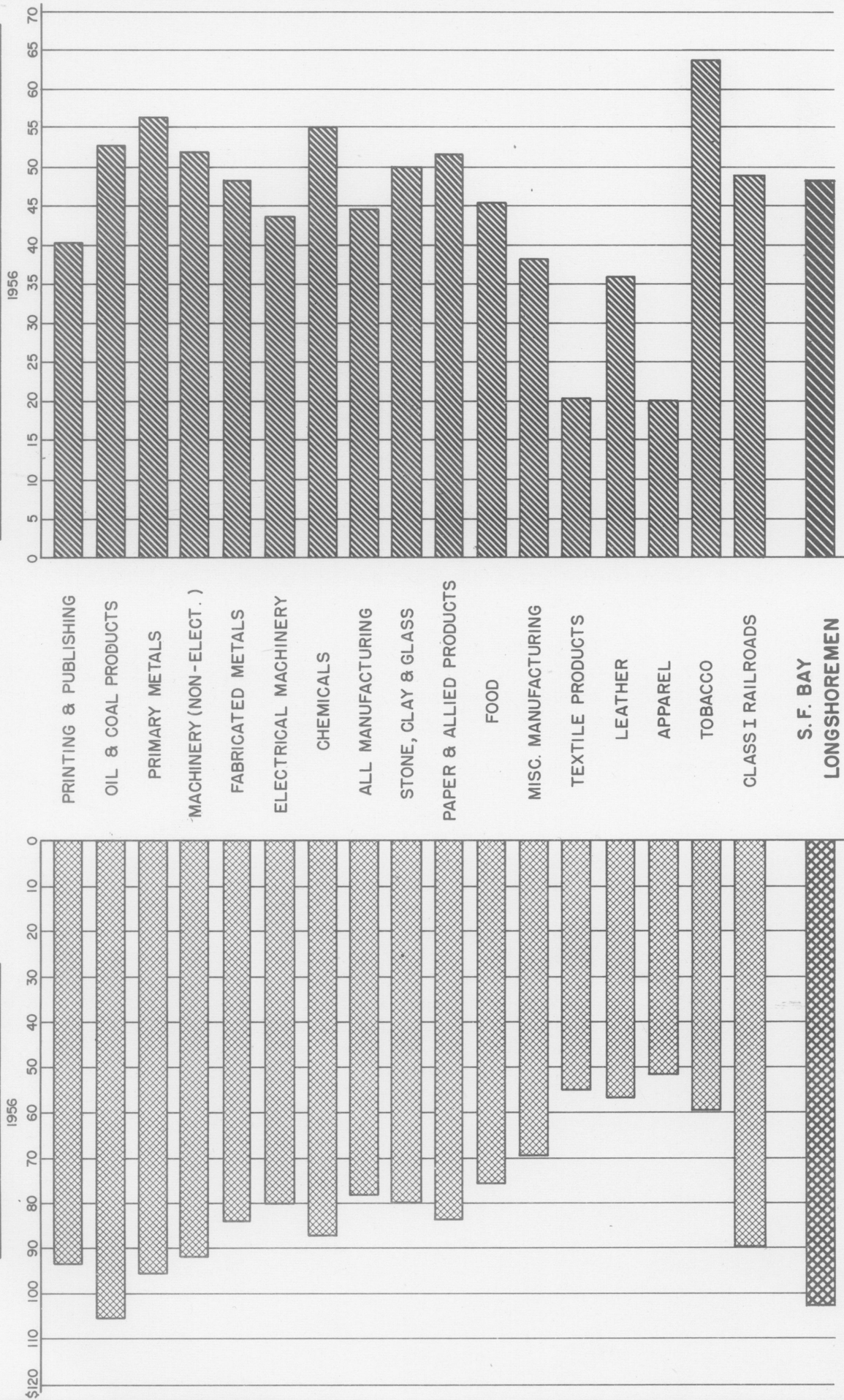
The Sailors Union of the Pacific and PMA are set to begin a wage review on September 30.

PACIFIC MARITIME ASSOCIATION COMPARATIVE WEEKLY EARNINGS

PRODUCTION WORKERS

AVERAGE WEEKLY EARNINGS

PERCENT INCREASE IN AVERAGE WEEKLY EARNINGS



SOURCE: General Industries, U.S.B.L.S.; Maritime Workers, P.M.A. C.R.O.

THE ECONOMIC POSITION OF LONGSHOREMEN

Level of Earnings

The majority of longshoremen working on the San Francisco waterfront earned between \$5,000 and \$7,000 in 1955; 80 percent earned between \$4,000 and \$8,000; and 4 percent made \$8,000 to \$10,000. In terms of annual earnings for industrial workers, these figures are extremely high.

During the first half of 1956, the average longshoreman on the Pacific Coast (all ports) earned \$98.55 for a 32 hour week. Fully registered men, including those who worked only part of the year, earned \$101.16 weekly during 1955. The average hourly rate for all longshoremen during the first half of 1956 was \$3.07 and for the registered longshoreman \$3.115 until June 18 and \$3.14 as a result of the extension agreement. Both are new highs.

(Detailed information on earnings is included in the first of a new series of research reports, "Hours and Earnings under the Pacific Coast Longshore Agreement.")

Relationship to Industrial Workers

The earnings of longshoremen have exceeded by far those of industrial workers of comparable skill during the last few years. A first half comparison of weekly earnings of longshoremen with workers in other industries reveals that longshoremen rank equally with workers in the coal and oil industries, traditionally among the highest paid. This was true also in 1948, and the relationship of longshoremen to industrial workers has been maintained throughout this eight year period. In terms of percentage increases since 1948, the longshoremen appear to have fallen slightly behind leading industrial workers. A ready answer to this lies in the fact that while the cents-per-hour increases granted longshoremen over the period have been roughly equivalent to those granted other workers, these amounts have represented smaller percentages of the longshoremen's much higher hourly rates.

A final point of difference, in comparing the earnings of longshoremen with other workers, is the length of the work week. The weekly earnings cited are for the average longshoremen, including casuals, working a 32-hour week, whereas those of other industries are for a 40-41 hour week. For registered longshoremen who do work 40 hours weekly, earnings are \$125, or roughly 24 percent over those of other workers.

Relationship to Other Maritime Workers

Elsewhere in this report, mention is made of current efforts to arrive at a common termination date for longshore contracts on the Atlantic, Gulf, and Pacific coasts and of attempts to achieve "parity" between longshore rates on all coasts. These efforts are based on a common desire to end the "whipsaw" which has harrassed employers' negotiating on opposite coasts at different times. Earnings statistics for East Coast longshoremen comparable to those maintained on the West Coast are not available, hence earnings comparisons are difficult. Contract hourly rates on the Atlantic are substantially higher than those on the Pacific (\$2.48 vs. \$2.29), but the eastern contract provides for the standard 8-hour day, different hiring procedures, and different work practices, all of which have an important effect on earnings. Available East Coast statistics indicate a much wider range in annual earnings of registered men than occurs on the West Coast. Literally dozens of formulae have been or could be devised utilizing different bases for arriving at "parity" in longshore rates on the two coasts, but it is doubtful if any such formula would establish precise "parity" because of extreme variations in practices. Eventual solution of the "parity" problem probably lies in mutual agreement of all parties concerned to an arbitrarily selected relationship.

On the East Coast, the International Longshoremen's Association and the New York Shipping Association began bargaining sessions in August. The union's demands include: 32-cents per hour pay increase; wage differentials of 25 cents an hour for holdmen and mechanical equipment operators and 50 cents for foremen; new penalty rates; a guarantee of 8 hours pay instead of the present 4 hours; 12 holidays; a union shop; a 7-cent increase in welfare contributions and extension of welfare, pension and vacation plans to the South Atlantic and Gulf ports.

The union also demanded the establishment of a compensation fund, financed by employers. Under this program, an employee drawing compensation from a state, or under provisions of the Longshoremen's and Harbor Workers' Act, would have his benefits supplemented from this fund up to two-thirds of his average weekly wage.

The ILA is pressing for a single coast-wide agreement, covering ports from Portland, Maine to Brownsville, Texas.

In Hawaii, the ILWU negotiated a 5-year settlement, winning West Coast "parity" by 1959, the West Coast definition of longshore work and a common expiration date of August 1 if such becomes the expiration or review date of all longshore contracts.

The steps toward full parity by 1959 will be in these stages:

Six cents retroactive to June 18 of this year, plus whatever is negotiated on the West Coast this September.

Two cents on the review date in 1957, plus whatever is gained on the West Coast.

Two cents on the review date in 1958, plus West Coast gains.

Three cents on the review date in 1959 plus wage gains on the West Coast.

The contract will be reopenable in 1959 on grievance procedure, union security and any other one item of the union's choice except wages.

The pension plan was improved to include medical care for future retired longshoremen.

No recent changes in rates have been made in the ILWU longshore rates in Canada and Alaska.

Frequently during negotiations or arbitration, attempts are made to compare the earnings of longshoremen with those of the men who sail the ships. Again on the basis of comparison is difficult because seamen are paid on a monthly basis.

Furthermore, difficulty is experienced in matching the skills required of longshoremen with those required of seamen. Probably the most valid skill comparison is that between longshoremen and the unlicensed entry rating, i.e. wipers, ordinary seamen, and messmen. On a monthly basis, the average registered longshoreman earns \$485, which compares favorably with \$376 for wipers, \$494 for ordinary seamen, and

\$410 for messmen. Skilled unlicensed ratings earn considerably more, i.e. able bodied seamen, \$600, Firemen/Watertenders, \$526, and Second Cooks, \$559. These earnings figures for seamen are derived from operating reports received since last fall's negotiation of the unlicensed contracts which incorporate a new concept of offshore compensation.

(Statistical Table VII.)

Fringe Benefits

Fringe benefit payments have become an important factor in the wage earner's pay package, with the result that base wages and hourly rates are no longer accurate measures of worker income. In the fringe field, including vacations, pensions, welfare and other benefits, the longshoremen have passed up all other comparable wage earners. In 1945, the total fringe cost (essentially only taxes, insurance premiums and vacations), was 16 cents an hour; in 1956, the cost is 68 cents an hour for greatly expanded fringe benefits.

S T A T I S T I C A L S E C T I O N

Table I.
Vessels in Operation
1949 to 1956

<u>Month</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
January	247	195	218	400	207	175	158	157
February	256	184	222	410	207	165	159	158
March	270	178	235	401	210	164	160	159
April	251	181	254	359	214	165	163	166
May	270	179	275	310	216	168	165	167
June	284	172	296	262	221	167	167	181
July	279	186	307	227	219	168	178	183
August	266	211	322	229	221	166	175	
September	252	233	333	227	210	165	182	
October	228	228	352	215	190	163	167	
November	212	217	363	209	176	159	162	
December	208	214	371	210	175	157	161	
Average	252	198	295	288	206	165	166	

Table II.
Offshore Employment
1949 to 1956

<u>Month</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
January	11,920	9,555	10,832	18,056	10,325	8,456	7,994	8,025
February	12,457	9,092	11,035	18,615	10,348	8,330	8,087	7,999
March	12,544	9,099	11,335	18,262	10,457	8,334	8,132	8,048
April	12,245	9,315	11,963	16,786	10,634	8,377	8,293	8,371
May	12,246	9,209	12,792	14,699	10,799	8,529	8,349	8,452
June	11,716	9,038	13,757	11,100	11,086	8,579	8,403	8,937
July	11,574	9,242	14,332	7,961	10,989	8,544	8,900	8,980
August	10,988	10,849	14,914	10,909	10,930	8,461	8,781	
September	10,436	11,797	15,298	10,990	10,312	8,331	9,065	
October	9,726	11,420	15,855	10,673	9,449	8,077	8,344	
November	7,711	10,596	16,301	10,280	8,833	7,950	8,146	
December	9,691	10,561	16,711	10,418	8,786	7,902	8,232	
Average	11,105	9,981	13,760	13,229	10,246	8,323	8,394	

Table III.

Volume of Shoreside Employment
(Total Shoreside Manhours)
1948 to 1956

<u>Period</u>		<u>Total</u>	<u>Northern California</u>	<u>Southern California</u>	<u>Columbia River Area</u>	<u>Washington</u>
1948		17,769,265	8,081,710	5,350,548	1,162,415	3,174,592
1949		18,085,641	7,077,645	5,977,205	1,549,815	3,480,976
1950		24,397,435	8,893,597	7,679,228	2,665,833	5,158,777
1951		28,096,414	10,550,689	8,478,852	3,733,598	5,333,275
1952		26,833,869	10,885,495	7,936,265	3,396,332	4,615,777
1953		27,056,993	10,903,375	8,479,973	3,191,526	4,482,119
1954	January	2,389,565	868,917	775,297	297,964	447,387
	February	2,044,305	783,725	582,861	275,964	401,755
	March	2,103,299	767,065	668,723	260,485	407,026
	April	2,645,334	873,812	851,758	348,834	570,930
	May	2,249,999	764,808	710,125	288,063	487,003
	June	2,095,633	726,994	663,228	292,004	413,407
	July	2,423,374	869,370	779,147	318,694	456,163
	August	1,898,259	712,025	554,810	242,476	388,948
	September	1,879,501	696,341	525,867	248,962	408,331
	October	2,559,630	978,516	745,275	341,475	494,364
	November	1,867,187	662,754	542,941	277,147	384,345
	December	2,277,598	869,431	678,881	314,829	414,457
1954	Total	26,433,684	9,573,758	8,078,913	3,506,897	5,274,116
1955	January	2,030,083	719,486	727,846	276,308	306,443
	February	2,113,069	787,198	629,633	325,887	370,351
	March	2,021,432	728,207	663,231	291,717	338,277
	April	2,584,944	896,275	837,047	376,903	474,719
	May	2,127,872	732,822	707,151	280,899	407,000
	June	2,759,600	911,950	904,525	364,712	578,413
	July	2,174,161	729,952	714,281	276,082	453,846
	August	2,166,511	791,709	628,276	307,383	439,143
	September	2,625,766	960,445	780,324	353,668	531,329
	October	2,080,022	824,699	618,673	251,648	385,002
	November	2,161,409	816,769	657,753	310,018	376,869
	December	2,450,436	988,825	727,063	333,406	401,142
1955	Total	27,295,305	9,888,337	8,595,803	3,748,631	5,062,534
1956	January	2,074,275	807,680	661,522	273,057	332,016
	February	2,058,716	798,677	638,789	271,721	349,529
	March	2,557,153	926,530	875,875	315,224	439,524
	April	2,100,603	744,386	702,255	280,062	373,900
	May	2,472,644	999,253	712,056	323,680	437,655
	June	2,732,930	950,294	859,727	397,925	524,984
	July	2,272,258	802,034	658,548	336,552	475,214

Table IV.

Tonnage Handled Through Pacific Coast Ports
1945 to 1956

<u>Period</u>	<u>Total</u>	<u>Northern California</u>	<u>Southern California</u>	<u>Columbia River Area</u>	<u>Washington</u>
1945	21,400,818	9,693,028	4,977,858	2,892,083	3,837,849
1946	14,839,234	6,959,423	3,596,117	2,128,084	2,155,610
1947	21,008,163	9,120,341	4,389,783	3,755,373	3,822,666
1948	14,598,932	5,974,802	3,338,963	2,395,546	2,889,621
1949	17,400,723	6,043,749	4,657,997	3,509,308	3,189,669
1950	19,457,988	7,270,071	4,835,867	3,230,149	4,121,901
1951	25,174,433	9,022,905	5,982,100	4,836,596	5,332,832
1952	24,782,564	9,638,041	5,333,846	5,158,890	4,651,787
1953	23,322,568	9,491,398	5,153,665	3,906,119	4,771,386
1954					
First Quarter	5,007,570	2,065,032	1,318,260	708,897	915,381
Second Quarter	5,853,188	2,128,584	1,319,268	1,069,419	1,335,917
Third Quarter	5,221,324	2,015,212	1,133,649	1,198,907	873,556
Fourth Quarter	4,480,089	1,868,340	1,118,005	663,019	830,725
1954 Total	20,562,171	8,077,168	4,889,182	3,640,242	3,955,579
1955					
First Quarter	5,453,164	2,074,220	1,269,764	932,954	1,176,226
Second Quarter	5,894,209	2,308,039	1,493,902	971,787	1,120,481
Third Quarter	6,414,977	2,338,536	1,403,129	1,199,645	1,473,667
Fourth Quarter	5,754,579	2,221,834	1,492,562	1,024,353	1,015,830
1955 Total	23,516,929	8,942,629	5,659,357	4,128,739	4,786,204
1956					
First Quarter	5,840,692	2,123,267	1,597,149	1,039,114	1,081,162
April	2,240,905	920,886	576,229	358,879	384,911
May	2,183,027	770,559	556,773	418,644	437,051

Table V.

Tonnage Handled Through Pacific Coast Ports
By Type
1948 - 1956

<u>Year</u>	<u>Total</u>	<u>General Cargo</u>	<u>Grain</u>	<u>Other Bulk Dry</u>	<u>Lumber And Logs</u>
1948	14,598,932	10,705,538	538,543	2,022,449	1,332,402
1949	17,400,723	12,382,946	1,791,212	1,913,025	1,313,540
1950	19,457,988	15,269,118	1,139,508	1,722,767	1,326,595
1951	25,174,397	17,342,748	2,715,389	3,341,678	1,774,582
1952	24,782,564	15,364,074	3,765,127	3,884,938	1,768,425
1953					
First Quarter	6,025,828	4,059,916	605,476	929,866	430,570
Second Quarter	6,176,302	4,439,146	577,985	559,949	599,222
Third Quarter	5,710,646	4,094,180	456,201	775,796	384,469
Fourth Quarter	5,409,792	3,840,913	465,006	624,084	479,789
Total	23,322,568	16,434,155	2,104,668	2,889,695	1,894,050
1954					
First Quarter	4,874,916	3,411,464	270,179	738,147	455,126
Second Quarter	5,742,824	3,814,887	618,738	728,728	580,471
Third Quarter	5,147,990	3,453,483	793,270	634,535	266,702
Fourth Quarter	4,397,149	3,279,463	160,783	503,966	452,937
Total	20,162,879	13,959,297	1,842,970	2,605,376	1,755,236
1955					
First Quarter	5,452,938	3,896,892	565,096	549,961	440,989
Second Quarter	5,894,209	4,197,521	539,838	678,906	477,944
Third Quarter	6,414,977	4,089,850	983,396	829,091	512,640
Fourth Quarter	5,754,579	3,865,763	572,955	876,699	439,162
Total	23,516,703	16,050,026	2,661,285	2,934,657	1,870,735
1956					
First Quarter	5,840,692	3,807,830	660,103	913,519	459,240
April	2,240,905	1,335,900	292,960	479,406	132,639
May	2,183,027	1,417,023	369,151	266,371	130,482

Table VI.

Comparative Weekly Earnings
of
U. S. Industry Workers and Pacific Coast Maritime Workers

Industry	1948	Average Weekly Earnings			Percent Increase Since 1948		
		1954	1955	1956*	1954	1955	1956
Printing and Publishing	\$66.73	\$86.40	88.24	93.65	✓ 29.5	32.2	40.3
Coal and Oil Products	✓ 69.23	✓ 89.10	✓ 93.89	✓ 105.75	✓ 28.7	35.6	52.7
Primary Metals	61.03	81.54	86.65	95.47	✓ 33.6	41.9	56.4
Machinery: Non-electric	60.52	82.40	83.44	91.96	36.2	37.9	51.9
Fabricated Metals	56.68	80.45	80.34	84.05	41.9	41.6	48.3
Electrical Machinery	55.66	70.74	74.56	79.99	27.1	34.0	43.7
Chemicals	56.23	76.86	79.13	87.13	36.7	40.7	55.0
All Manufacturing	54.14	70.92	73.97	78.36	31.0	36.6	44.7
Stone, Clay and Glass	53.46	69.70	73.31	79.97	30.4	37.1	50.0
Paper and Allied Products	55.25	72.07	75.72	83.85	30.4	37.0	51.8
Food	51.87	68.71	70.58	75.48	32.5	36.1	45.5
Miscellaneous Manufacturing	50.06	63.43	66.09	69.25	26.7	32.0	38.3
Textile Products	45.59	51.10	54.25	54.91	12.1	19.0	20.4
Leather	41.66	51.79	52.44	56.65	24.3	25.9	36.0
Apparel	42.79	47.81	48.60	51.41	11.7	13.6	20.1
Tobacco	36.50	45.97	50.52	59.74	25.9	38.4	63.7
Class I Railroads	60.34	76.78	81.64	89.89	27.2	35.3	49.0
S. F. Bay Longshoremen	\$68.96	\$87.53	93.49	102.24	26.9	35.6	48.2

* 1956 data are July earnings except for All Manufacturing, Leather, and Class I Railroads, which are June figures.

Table VII.

Hours and Earnings
Pacific Coast Longshoremen
First Half, 1956

<u>Port Area</u>	<u>Number Of Men</u>	<u>Total Earnings</u>	<u>Average Hourly Rate</u>	<u>Average Weekly Hours</u>	<u>Projected Average Earnings</u>	
					<u>Weekly</u>	<u>Annually</u>
Northern California	4,602	\$12,232,108.56	\$3.08	33.2	\$102.24	\$5,316.48
Southern California	3,787	10,431,302.27	3.09	34.3	105.94	5,508.88
Columbia River	1,879	4,661,341.33	3.03	31.5	95.41	4,961.32
Washington *	2,549	5,518,216.58	3.04	27.4	83.25	4,329.00
All Ports	12,817	\$32,842,968.74	\$3.07	32.1	\$ 98.55	\$5,124.60

* A small number of these workers may have performed as foremen. In such case, the average hours for this port area may be higher than shown.

Hours and Earnings
Pacific Coast Shoreside Workers
First Half, 1956

<u>Port Area</u>	<u>Number Of Men</u>	<u>Total Earnings</u>	<u>Average Hourly Rate</u>	<u>Average Weekly Hours</u>	<u>Projected Average Earnings</u>	
					<u>Weekly</u>	<u>Annually</u>
Northern California	5,502	\$15,936,277.42	\$3.05	36.5	\$111.40	\$5,792.80
Southern California	4,750	13,779,464.04	3.10	36.0	111.67	5,806.84
Columbia River	2,163	5,665,548.71	3.04	33.1	100.58	5,230.16
Washington	3,423	7,565,447.64	3.08	27.5	84.77	4,408.04
All Ports	15,847	\$42,946,737.81	\$3.07	33.9	\$104.21	\$5,418.92

Table VIII.

C o s t o f L i v i n g
Revised Series

1947 - 1949 = 100

<u>Date</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
January	113.9	115.2	114.3	114.6
February	113.4	115.0	114.3	114.6
March	113.6	114.8	114.3	114.7
April	113.7	114.6	114.2	114.9
May	114.0	115.0	114.2	115.4
June	114.5	115.1	114.4	116.2
July	114.7	115.2	114.7	117.0
August	115.0	115.0	114.5	
September	115.2	114.7	114.9	
October	115.4	114.5	114.9	
November	115.0	114.6	115.0	
December	114.9	114.3	114.7	

SOURCE: BLS National Consumer Price Index.

A P P E N D I X

This Extension Agreement, dated May 25, 1956, by and between the Pacific Maritime Association, on behalf of its members (hereinafter designated as the Employer), and the International Longshoremen's and Warehousemen's Union, on behalf of itself and each and all of its longshore and clerks' locals in California, Oregon and Washington, and all employees performing work under the scope, terms and conditions of this Agreement (hereinafter designated as the Union).

W I T N E S S E T H :

1. The Pacific Coast Longshore Agreement, dated June 16, 1951, as heretofore and herein amended shall remain in effect until and including August 1, 1958, if that date will be a common termination or review date for longshore contracts on the Pacific, Atlantic and Gulf Coasts, or otherwise until June 15, 1958, unless it be terminated in accordance with other provisions in the Agreement or unless the termination date is extended by mutual agreement, and shall be deemed renewed from year to year after such termination date unless either party gives written notice to the other of a desire to modify or terminate the same, said notice to be given at least sixty (60) days prior to the expiration date. Negotiations shall commence within ten (10) days after the giving of such notice.

2. Basic straight time and overtime rates shall be subject to review on September 30, 1956 at the request of either party. The party desiring wage review shall give notice of such desire not less than thirty (30) days prior to the review date. If no agreement is reached through negotiation in fifteen (15) days, the issue shall be referred to the Coast Arbitrator, the award to be rendered by the review date. Any adjustment in the straight or overtime rates agreed to by the parties, or if the matter is referred to the Coast Arbitrator, any award rendered by the Coast Arbitrator shall become effective with the day shift on the Monday nearest the wage review date. The parties agree that the basic straight time rate shall be increased by two (2) cents and that the overtime rate shall be increased by three (3) cents effective 8:00 AM, June 18, 1956. If the September 30, 1956 review is presented to the Coast Arbitrator, this interim settlement shall be presented to him by stipulation and he shall consider it and the reasons for its adoption in making his determination.

3. At the request of either party, basic straight time and overtime rates, welfare contributions and two additional items to be selected by the union, shall be subject to review August 1, 1957, if that is the common termination, or review, date for all longshore contracts on the Pacific, Atlantic, or Gulf Coasts; otherwise, such review date shall be June 15, 1957. The parties desiring such review shall give 30 days notice prior to the review date, such notice to set forth

the proposed items under review. If no agreement is reached through negotiations in 15 days, the issue shall be referred to the Coast Arbitrator, the award to be rendered by the review date. Any adjustment in the straight or overtime rates agreed to between the parties, or if the matter is referred to the Coast Arbitrator, any award rendered by the arbitrator, shall become effective 8:00 AM on the Monday nearest the review date.

4. The Welfare Plan, with modifications already agreed to by the trustees, shall be continued in effect subject to review in 1957. The clerks represented by ILWU Local 52, Seattle, shall be transferred into the ILWU-PMA Welfare Plan and out of the Northwest Welfare Plan as soon as is possible under the rules of the two plans, and so that only one contribution and one set of benefits shall be payable.

5(a). The parties shall sign the First Revised Pension Agreement to extend the pension plan to cover all longshoremen in accordance with its terms.

(b). The parties shall thereupon:

- (i) Modify the eligibility requirements for Participants to eliminate the requirement of 25 years of qualified service within 28 years and substitute therefor a requirement of 25 years of qualified service (as defined in Section 6 d (4) of the First Revised Pension Agreement) in 35 years.
- (ii) Fix and announce a period in which participants who are 55 or older on July 1, 1956, and who then have 15 or more years of service shall file applications for pensions.
- (iii) Determine, on an actuarial basis, when such participants can begin to retire and receive a pension and after such determination amend the plan so as to provide that they may retire in accordance with such determination.

(c) The parties shall commence negotiations immediately regarding the following proposal of the union:

"Disability pension payments shall be provided to men with 25 years qualified service (as defined in Section 6 d (4) of the First Revised Pension Agreement) who are permanently and totally disabled as a result of accident or illness incurred off the job and whose benefits from California Disability Insurance or from disability insurance under the ILWU-PMA Welfare Fund amount to less than \$100.00 per month. These disability

payments are to supplement such benefits to provide a total payment of \$100.00 per month and are to continue after such benefits are exhausted. Such disability pension payments shall continue until the disabled man resumes work in the industry or elsewhere or until he becomes eligible to retire under the ILWU-PMA Pension Plan."

In the event of failure to agree on or before June 15, 1956 in respect to this proposal or on an extension of these pension negotiations and the arbitration date, this matter shall be immediately submitted to arbitration.

(d) The clerks represented by ILWU Local 52, Seattle, shall be transferred into the ILWU-PMA Pension Plan and out of the Northwest Pension Plan as soon as is possible under the rules of the two plans. Arrangements for such transfer shall provide that each of the employees involved shall be entitled to a pension under only one of the two plans, which of the employees shall be eligible under which of the plans, and when the employers shall stop paying contributions into the Northwest Pension Plan with respect to clerks in this unit and shall start paying contributions into ILWU-PMA Pension Plan.

6. The parties shall commence negotiations on June 4, 1956 on the following items covered in the Pacific Coast Master Clerks Agreement:

- (a) Hours and the work shift.
- (b) A 20 percent differential for all supervisory clerks.
- (c) A full exploration of work practices.
- (d) Questions of mechanization and manpower.
- (e) Penalties for pilfering and other adjustments of the grievance procedure.
- (f) Vacations.

In the event of failure to reach agreement on any of these items, arbitration shall be by mutual agreement only.

4.

7. All agreements between the Pacific Maritime Association and International Longshoremen's and Warehousemen's Union will be extended in accordance with the above and the sections of this extension agreement that are applicable will be considered as amendments to those agreements.

Date: May 25, 1956.

PACIFIC MARITIME ASSOCIATION

INTERNATIONAL LONGSHOREMEN'S
AND WAREHOUSEMEN'S UNION

/s/ J. Paul St. Sure
J. Paul St. Sure, President

/s/ Harry Bridges
Harry Bridges, President

AMENDMENT TO THE PACIFIC COAST LONGSHORE AGREEMENT

Pursuant to Section 18 of the Pacific Coast Longshore Agreement, as amended through May 25, 1956, and subject to the customary ratification procedures, the parties hereby agree as follows:

(1) Wages. Effective 8:00 AM October 1, 1956, the basic straight time rate shall be \$2.45 per hour, and the overtime rate shall be \$3.675. Regular payment at these rates shall commence at 8:00 AM Monday, December 3, 1956.

(2) Retroactivity. Amounts due each longshoreman for work performed during the period commencing with the morning shift on October 1, 1956, and concluding with the night shift on December 2, 1956, shall be computed and paid as soon as possible, but in no event later than March 31, 1957.

(3) Related Agreements. Wherever and to the extent that they are applicable, the sections of this amendment shall be considered as amendments to all other agreements between Pacific Maritime Association and International Longshoremen's and Warehousemen's Union, and shall conclude the 1956 wage review contemplated in Paragraph 2 of the Extension Agreement of May 25, 1956, as further extended by Pacific Maritime Association's letter of October 8, 1956.

Dated: November 28, 1956

FOR THE

PACIFIC MARITIME ASSOCIATION

/s/ J. Paul St. Sure

FOR THE

INTERNATIONAL LONGSHOREMEN'S
AND WAREHOUSEMEN'S UNION

/s/ Louis Goldblatt