REPORT TO THE PRESIDENT

THE LABOR DISPUTE INVOLVING LONGSHOREMEN AND ASSOCIATED OCCUPATIONS IN THE MARITIME INDUSTRY ON THE ATLANTIC COAST

SUBMITTED BY THE BOARD OF INQUIRY
Under Executive Order 10490
December 4, 1953

U. S. President. Board of inquiry.

REPORT TO THE PRESIDENT ON THE LABOR DISPUTE INVOLVING LONGSHOREMEN AND ASSOCIATED OCCUPATIONS IN THE MARITIME INDUSTRY ON THE ATLANTIC COAST

PURSUANT TO SECTION 209 (b) OF THE LABOR MANAGEMENT RELATIONS ACT, 1947

BY THE

BOARD OF INQUIRY

CREATED BY

EXECUTIVE ORDER NO. 10490

Date: December 4, 1953.

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LETTER OF TRANSMITTAL

DECEMBER 4, 1953.

THE PRESIDENT,
THE WHITE HOUSE,
Washington, D. C.

DEAR MR. PRESIDENT: The Board of Inquiry was created by Executive Order No. 10490 of October 1, 1953, pursuant to section 206 of the Labor-Management Relations Act, 1947, for the purpose of reporting to you on the labor dispute involving longshoremen and associated occupations in the maritime industry on the Atlantic coast. Under date of October 5, 1953, this Board submitted to you its first report.

Pursuant to section 209 (b) of the above act, you reconvened this Board of Inquiry for the purpose of again taking inventory of the current position of the parties, the efforts which have been made for settlement, and a statement of the employers' last offer of settlement.

Our report setting forth the facts relative to these items is transmitted herewith. In submitting it we desire to acknowledge the able assistance of the Board's executive secretary, John E. Dietz. He has been most helpful at all stages of this inquiry.

Respectfully,

DAVID L. COLE, *Chairman.*

HARRY J. CARMAN.

Rev. DENNIS J. COMEY, S. J.

REPORT TO THE PRESIDENT

Introduction

This Board of Inquiry, created on October 1, 1953, by the President to report to him on current labor disputes affecting the maritime industry, filed its report on October 5, 1953. Thereafter, under direction of the President, the Attorney General petitioned the United States District Court for the Southern District of New York to enjoin the strike then in progress. On October 5, 1953, Judge Edward Weinfeld of said court enjoined the parties in accordance with section 208 of the Labor-Management Relations Act, 1947, from taking part in any strike or lockout. On October 23, 1953, the court amended this injunction by making International Longshoremen's Association–American Federation of Labor a party defendant. The final order directed the parties "to make every effort to adjust and settle their differences in accordance with applicable provisions of law." Under the act, the effectiveness of the injunction will end on December 24, 1953.

Pursuant to section 209 (b) of the act, the President reconvened this Board of Inquiry and the Board conducted hearings in New York City in which it questioned and heard representatives of the International Longshoremen's Association (Independent), the International Longshoremen's Association–American Federation of Labor, the New York Shipping Association, the Boston Shipping Association, Philadelphia Marine Trade Association, Baltimore Steamship Trade Association, and Hampton Roads Maritime Association, the National Labor Relations Board, and the Federal Mediation and Conciliation Service.

The scope of the Board's inquiry and of this report is defined in section 209 (b) of the act which is quoted, with emphasis added, as follows:

> (b) Upon the issuance of such order, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), *the board of inquiry shall report to the President the current position of the parties and the efforts which have been made for settlement*, and *shall include a statement by each party of its position and a statement of the employer's last offer of settlement.* The President shall make such report available to the public. The National Labor Relations Board, within the succeeding fifteen days, shall take a secret ballot of the employees of each employer involved in the dis-

pute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within five days thereafter.

In another section of the act, section 206, the Board is instructed to make no recommendations.

The functions of this Board are, therefore, distinctly limited. In exploring the current positions of the several parties, the efforts made to reach a settlement, and the subject matter of last offers, a considerable amount of enlightening information was elicited. It must be emphasized that this Board is not a mediation agency.

The Current Positions of the Parties

Any statement of the current positions of the parties would be meaningless without a description of what has brought them to their present positions.

In the Board's report of October 5, 1953, it was stated that the two most sensitive points in this dispute are the hiring practices and the question of union representation. It is now clear that the paramount issue is that of union representation. Because of the rivalry of the ILA (Ind.), which has represented the employees in this industry for some two generations, and the ILA–AFL which was created shortly after the old ILA was expelled from the AFL, the bargaining process practically collapsed.

On October 5 it was known that the ILA–AFL intended to file a representation petition with the NLRB. On October 8 such a petition was filed seeking certification as the collective-bargaining representative for the longshoremen alone in the employ of the members of New York Shipping Association, the Deep Water Steamship Lines, and the contracting stevedores of the port of Greater New York and vicinity, explicitly excluding other crafts or classifications designated as clerks and checkers, cargo repairmen, loaders, baggagemen, porters, horses and cattle fitters, grain ceilers, marine carpenters and general maintenance, mechanical, miscellaneous and temporary workers.

On October 22, 1953, the New York Shipping Association filed a representation petition asserting that there were conflicting claims for representation by ILA (Ind.) and ILA–AFL, requesting that an election be conducted by the NLRB and proposing as the proper unit "all regular longshore employees engaged in work pertaining to the rigging of ships, coaling of same, loading and unloading of all cargoes, including mail, ships' stores and baggage, handling lines in connection with the docking and undocking of ships; cargo repairmen; checkers; clerks and timekeepers and their assistants; general maintenance, mechanical and miscellaneous workers; horse and cattle fitters, grain ceilers; and marine carpenters in the port of Greater New York and vicinity."

On November 16, Cargo Repairmen Local 1171 of ILA–AFL filed a petition with the NLRB seeking certification as the collective bargaining representative in a unit of cargo repairmen employed by the members of the New York Shipping Association, Deep Water Steamship Lines, contracting stevedores and cargo repairmen contractors of the port of Greater New York and vicinity.

The cases arising out of these 3 petitions were consolidated and the hearings on all 3 were concluded after 9 days of testimony on November 28.

The ILA (Ind.) contends that the appropriate unit in the industry for representation purposes is one which includes the 11 so-called crafts, together with shenangoes and loaders, employed not only in the port of New York but in the ports of Philadelphia, Boston, Norfolk, Baltimore, and Portland as well. The suggested geographical unit consists of the six ports making up the Atlantic Coast District of the ILA (Ind.).

Not only do the contending parties disagree as to the extent of the geographical unit and the crafts or classifications to be included in the bargaining unit, but there are also some differences as to the amount of service employees should be required to have to be eligible to vote. This question arises because of the casual nature of employment. The New York Shipping Association and the ILA–AFL believe that only those who have worked at least 700 hours in the past year should be eligible. The ILA (Ind.) asserts that the required amount of time during the year should be only 400 hours.

It must be carefully noted that in the five ports other than New York, the ILA–AFL has filed no petitions for certification. Traditionally, however, agreements are not reached in Portland, Boston, Philadelphia, Baltimore, or Hampton Roads until after agreement is arrived at in New York, whereupon New York's wage pattern is automatically adopted at the other ports and agreements are promptly arrived at with such variations and provisions as are necessary to cover differences in local working conditions.

The problem is further complicated by a series of unfair labor practice charges filed with the NLRB between October 8 and December 3, 1953. The ILA–AFL has filed 12 such charges against employers in the New York area, or against the ILA (Ind.), or some of its officers alleging violations of sections of the Labor Management Relations Act. They vary in type but generally charge coercion, discrimination against employees who support the ILA–AFL, or domination by the employers of the ILA (Ind.) by reason of payments made by certain employers to officers or members of this union, or by reason of the employment as supervisors of members or officers of ILA (Ind.). These latter charges are based on findings of the New York State Crime Commission. In addition, 3 charges have been filed in the

Philadelphia office of the NLRB by ILA–AFL against 2 employers in Philadelphia and local 1291 of the ILA (Ind.). On the afternoon of December 3, the date of the Board's hearing, the ILA (Ind.) filed an unfair labor practice charge against the ILA–AFL and one of the New York employers alleging discrimination against one of the members of the ILA (Ind.). All these unfair labor practice charges are still pending before the NLRB.

Pressed by Board members for statements of opinion or intentions, all parties were in accord that if the representation question were not present the economic and other contract issues could definitely be resolved through the normal process of collective bargaining. The employers in the New York region protested strongly that they are powerless to reach an understanding with their employees until they are told authoritatively by the NLRB with whom they should deal as the representative of their employees. The employers in the other ports, recognizing their obligation to deal with the ILA (Ind.), expressed the view that they could not negotiate with any reasonable hope of success until after a wage settlement has been reached in the port of New York.

There was general agreement among all the parties that a strike at all the ports along the Atlantic coast which would presumably start on December 24 would have a most harmful effect on the economy and on the public welfare, more serious in fact than the strike which started early in October and which resulted in having the President invoke title II of the Labor-Management Relations Act. Since it is evident that the NLRB will not make its determination with respect to the bargaining representative of the employees by that time, the employers, represented by the New York Shipping Association, proposed that both unions agree with the employers that there will be no strike or lockout until at least 30 days after the NLRB certifies the bargaining representative.

The ILA (Ind.) flatly refused to entertain this proposition and asserted that the pressure of a strike is needed to persuade the employers to bargain in good faith and to hasten the time when a decision may be expected from the NLRB. This union also insisted that there is so little doubt as to which union truly represents the employees in New York, as well as in all the other ports, that the employers should disregard the proceedings now pending before the NLRB and negotiate and execute agreements with the ILA (Ind.). It suggested that if, contrary to its expectations, it turned out that the ILA–AFL is certified as the employees' representative, then no serious harm would be done; it would simply be a matter of setting aside the agreement. This suggestion was emphatically rejected by the New York employers.

The ILA-AFL expressed concern over the harm that would result to the public from a strike in the Atlantic ports. It offered to consider seriously the possibility of voluntary self-restraint by both labor organizations and the employers' groups until a reasonable time after the NLRB has decided the representative question. It also suggested the possibility of the assurance of peace for a period of time by having the employers make agreements with both unions, in each case for its members only. The ILA-AFL spokesmen argued with great force, however, that bad as a strike in this industry may be, it must be of greater concern to the public if a union with the record of the ILA (Ind.), as disclosed by the Crime Commissions of New York and New Jersey, were permitted to continue to function in this field.

The positions of the employers in the five so-called outports are even more confused. Although the ILA-AFL has not formally claimed in any proceeding that it is entitled to represent the employees in these cities, the employers have found that collective bargaining with the ILA (Ind.) is nevertheless ineffective. The union has either directly or indirectly made it clear that it does not propose to make agreements in these outports until it arrives at a basic wage agreement in the major port of New York, in accordance with established custom. The employers in Boston suggested as a possibility a settlement of all terms and conditions of an agreement other than wages, with a provision that whatever is ultimately done about wages in New York will later be applied in the port of Boston. In Philadelphia the employers and the representatives of ILA (Ind.) met to discuss a contract but could not even agree on the preamble, and consequently did not reach the point where they could discuss economic or other issues. In the other ports, there has been very little pretense of collective bargaining, the plain fact being that there will be no agreement in any of these ports until the wage provisions are established in New York.

Efforts which have been made for settlement

The foregoing account of how the parties have come to their respective current positions reflects to a large extent the fruitlessness of the efforts to reach an agreement since the Board's original report of October 5, 1953. The New York employers find themselves in a dilemma. The duty is imposed on them as well as on the two unions to make every effort to adjust and settle their differences, both by section 209 (a) of the statute and the order of October 23, 1953, of the United States Court for the Southern District of New York. At the same time there are conflicting claims of representation and it is well established that in such a circumstance an employer must not make an agreement with either union until the NLRB certifies which one is entitled to representation rights. The Federal Mediation and

Conciliation Service is powerless to mediate under these conditions and the parties, judging by their behavior since October 5, seem to share this feeling of futility. The few meetings which have taken place in New York and in the other ports have offered no hope whatever that settlements may be worked out by the parties until it is known who may speak for the employees. The only hopeful note is that all are in accord that when this is known, the negotiation of a mutually satisfactory agreement in New York and shortly thereafter in the other ports may be expected to follow.

The Employers' Last Offer

The statute contemplates that at this stage there will be a so-called "last offer" from the employers for submission by the NLRB to the employees to decide by secret ballot whether they wish to accept it or not. In the normal labor dispute such offer would relate to wages, hours, or working conditions, or whatever is the actual issue separating the parties. Obviously no offer which the employers in New York may make at this time can deal with the issue of union representation, and none of the parties labors under the illusion that this dispute may be resolved while this basic issue remains open.

There are other problems in connection with the statutory last-offer concept. It has by no means yet been agreed what constitutes the bargaining unit. The several positions are conflicting and widely divergent. The ILA–AFL insists that it should include only longshoremen and only the longshoremen employed in the port of New York. The New York employers agree the geographic unit should be the port of New York but urge that all the other crafts or classifications should be included in the one unit. The ILA (Ind.) maintains that the unit should include all the crafts or classifications but in all six ports. Until this is decided by the NLRB, to whom should a last offer be submitted for vote?

Then, again, on December 1, 1953, the bistate Waterfront Commission Act of New York and New Jersey became effective. Employees must be registered and under certain circumstances the Waterfront Commission may deny some employees the right to work in the industry. Should such employees have the right to vote on a last offer?

Furthermore, there is the dispute referred to in the Board's original report as to whether in a practical effect this industry in the Atlantic coast district practices industrywide bargaining. It appears, on the surface, to be pattern-setting and pattern-following bargaining. This, in turn, presents another question: Can any offer of a complete contract embodying hiring methods consistent with the new Waterfront Commission Act operative in the port of New York be appropriate for

use in other ports which adhere to the shapeup method of hiring and where there is no legal objection to continuing such methods?

Finally, a favorable vote on the last offer of the New York employers would be meaningless because even then the employers are legally prohibited from making an agreement until it is established by the NLRB which union shall be the bargaining representative. Spokesmen for both unions informed the Board that the employees are being urged to reject this last offer, and the likelihood of a favorable vote is most remote. Moreover, the electioneering incidental to such a vote will be a future source of friction, to no good purpose whatsoever. The impediment to a settlement is the representation question, and once that is determined the belief is that collective bargaining will become effective, and the need for the extraordinary measures provided in title II, including the vote on the last offer, will disappear.

Nevertheless, the employers in the port of New York informed the Board that they have a last offer to make and stated it in these terms:

> Subject to the acceptance of all provisions of our proposal of August 28, 1953, with the two changes subsequently made by us—making the Explosives and Damaged Cargo rates $4.44 straighttime and $6.66 overtime and eliminating the sixteen (16) men gang for palletized cargo—and revising the hiring procedure provisions to be effective on and after December 1, 1953, we are offering a total of eight and one-half (8½¢) cents per hour—of which two (2¢) cents are to be contributions to the Welfare Fund. The amount applicable to wages does not apply to the Explosives and Damaged Cargo rates.

This offer is identical with the "final offer" presented by these employers to the ILA (Ind.) on September 24 and rejected immediately before the strike. The proposal of August 28, 1953, referred to in the above-quoted last offer is a lengthy document which is attached to the statement filed on behalf of the New York Shipping Association with this Board of Inquiry and part of the record of the proceedings before this Board, which is being filed together with this report.

The employers in Boston recently submitted an offer for consideration by their employees but this offer makes no reference to wages and it was not stated to this Board as a last offer within the terms of section 209 (b). In fact, the Boston spokesman frankly acknowledged it is the employers' latest offer but not their last offer.

The Philadelphia employers stated their last offer as follows:

> We submit proposals for new collective-bargaining agreements with Longshoremen (Locals 1290, 1291, 1332, 1566, and 1694), Carloaders (Local 1332), Clerks and Checkers (Local 1242), Timekeepers (Local 1242-1), and Cleaners and Maintenance Men (Local 1566).
>
> 1. All agreements shall be for a period of two years from October 1, 1953, with basic wages only subject to renegotiation at the end of the first year.
>
> 2. All terms and conditions of all proposed agreements to remain as in the expired agreements, except as provided in Items 3 and 4 hereof.
>
> 3. All agreements to be changed to provide:
>
> (*a*) A 6½-cent increase in the basic hourly rate of pay.
>
> (*b*) A 2-cent increase in the per hour contributions to the welfare program.

(*c*) An arbitration clause embodying the present complete system of grievance machinery and arbitration, with Rev. Dennis J. Comey, S. J., as the impartial arbitrator, with powers and authority unchanged.

4. The Deepsea Agreement shall provide that bulk sugar vessels shall be manned and worked as set forth in the awards of the Rev. Dennis J. Comey, S. J.

The representatives of the Philadelphia employers admitted, however, that it is not expected that there will be any settlement in Philadelphia until a wage agreement is made in New York.

The Baltimore employers had no last offer to make for the reason, as they stated, that they are convinced it would be an idle gesture before there is a settlement in New York.

The Hampton Roads employers would be willing to adopt the last offer of the New York employers as their own but stipulated that it would be necessary, in addition, to negotiate all other conditions in keeping with local requirements after wage or money terms have been agreed upon.

No one appeared for the Portland, Maine, employers, and the Board was not informed of any last offer which they desire to submit.

The members of this Board of Inquiry regret their inability to find a clear and definite last offer to be submitted to the employees for a vote, as contemplated by the Labor-Management Relations Act. This dispute is unique in the history of emergency disputes since the statute was enacted in 1947, because the essential differences which seem to be leading to a renewed shutdown of the waterfront are not between the employers and their employees but rather between the two labor organizations which are bitterly contesting the right to represent the employees. The unusual geographic characteristics of the industry and the peculiarities of how the crafts or classifications have bargained add to the confusion over what may be considered to be a last offer. Under all the circumstances, there is grave doubt whether there is actually a last offer the submission of which could conceivably lead to a settlement of this dispute.

Conclusion

The problems clamoring for solution are much more challenging than the dispute originally submitted to this Board on October 3, 1953. Complicating factors have been added. These have generated no little bitterness. In the labor-management theater the current position is akin to guerrilla warfare.

Bargaining is at a standstill. The issue of union representation overshadows all others. Unfair labor practice charges clog the ordinary procedure of NLRB, yet provoke accusations of undue delay. Any last offer of employers must be measured as a fruitless formality. Rejection is almost certain. Even if accepted, the union representation problem remains to haunt those who seek a settlement. From testimony given to the Board a December 24 strike should be expected. A strike that will defy solution by the most expert of mediators.

REPORT TO THE PRESIDENT ON THE LABOR DISPUTE INVOLVING LONGSHOREMEN AND ASSOCIATED OCCUPATIONS IN THE MARITIME INDUSTRY ON THE ATLANTIC COAST

BY THE

BOARD OF INQUIRY

CREATED BY

EXECUTIVE ORDER NO. 10490

Date: October 5, 1953.

NEW YORK, N. Y., *October 5, 1953.*

THE PRESIDENT,
THE WHITE HOUSE.

DEAR MR. PRESIDENT: On October 1, 1953, under Executive Order 10490, you appointed this Board of Inquiry to report to you on the current labor dispute between employers engaged in various pier activities and certain of their employees represented by the International Longshoremen's Association, in the North Atlantic ports from Hampton Roads, Va., to Portland, Maine.

Our report is transmitted herewith. The scope and character of the inquiry, which led to the findings of this Board, are described in the report itself.

Because of close time limitations, our work was carried on under a great deal of pressure, and we desire to acknowledge the able assistance rendered by the Board's executive secretary, John E. Dietz, and the Board's consultant, Arthur Stark.

The report represents in all respects the unanimous views of all members.

Respectfully,

HARRY J. CARMAN,
DENNIS J. COMEY, S. J.,
DAVID L. COLE,
Chairman.

REPORT TO THE PRESIDENT

1. Establishment of the Board

On October 1, 1953, the President created this Board of Inquiry to report to him on current labor disputes affecting the maritime industry of the United States. Executive Order 10490, issued that same day, directed the Board to present its report before midnight, October 5, 1953.

The International Longshoremen's Association is the collective bargaining agent for the employees, engaged in varied phases of waterfront work. The employers are represented by the New York Shipping Association, the Philadelphia Marine Trade Association, the Boston Shipping Association, Inc., the Baltimore Steamship Trade Association, and the Hampton Roads Maritime Association.

The Board found no resolution of a difference between the employers and the Union. The New York Shipping Association insists that its bargaining is confined exclusively to the port of New York. The International Longshoremen's Association with equal insistence argues that the substantial terms of a negotiated agreement apply to all ports of the Atlantic Coast District.

The President's order of October 1, 1953, conferred on the Board the powers and duties set forth in title II of the Labor Management Relations Act, 1947. Under the terms of this act, it is the Board's duty "to ascertain the facts with respect to the causes and circumstances of the dispute," and to report these facts including "each party's statement of its position." The act expressly states that the report "shall not contain any recommendations."

II. Background

In submitting the background of the current maritime dispute, the Board of Inquiry readily agrees that the basic facts are easy to grasp. The existing agreement expired September 30, 1953. Negotiations for a new contract began August 23, 1953. After a number of fruitless meetings, the Federal Mediation and Conciliation Service, having observed the negotiations in their developing stages, formally entered the dispute on September 25, 1953, and attended all scheduled meetings until negotiations broke off, September 28, 1953. The eventuating

strike halted waterfront work in all ports of the Atlantic Coast District.

To limit the background of the dispute to these facts would be to oversimplify a challengingly complicated situation.

Many of the issues raised stem from long-standing differences between employers and employees; these have stirred no little bitterness and have contributed heavily to mutual distrust.

Waterfront workers adhere rigorously to the traditions of their craft. Not infrequently sons follow their fathers into waterfront work; men live side by side and work side by side. Older men are eager to retail stories of hardship, long hours of work, scant returns in wages. These factors are coupled with the dismal prospect of idleness and irregular employment. Men who now enjoy immeasurably better conditions are taught to be apprehensive and vigilant lest the miseries of the past overtake them.

Renewal of contract negotiations invariably stimulates recollection of ancient grievances. Conscious of the strength acquired by union organization, longshoremen and their associates bare their might to warn employers that any determination of wages and working conditions must be a collective effort. The past in all its unpleasant detail is vivid in the minds of waterfront workers. They are habitually suspicious.

Meanwhile employers of waterfront labor, particularly contracting stevedores, face economic pressures that prod them into stubborn resistance. In a highly competitive field, they envision rising costs in wages and other benefits which endanger their business. By an unwritten tradition stevedoring contractors have difficulty in resisting the conviction that their employees are bent mainly on trouble-making disruption of work.

It is not unusual in waterfront industries that the collective bargaining process is entangled in man-made snarls. A confirmed optimist would not dare to predict that a calmly judicious attitude can be expected in future bargaining.

The sifting and evaluation of issues in dispute created a difficult task for the Board of Inquiry. The mood and temper of both parties had been affected by events commanding public attention.

The States of New York and New Jersey made a formal and formidable investigation of conditions in the port of New York. On May 20, 1953, the New York State Crime Commission made its report to Gov. Thomas E. Dewey, picturing the situation in such colors that remedial legislation was immediately prepared. Identical bills were introduced in New York and New Jersey. The legislatures of both States enacted the proposals into law, designed to protect the "public safety, welfare, prosperity, health, peace, and living conditions of the people of the two States."

Later another factor was added to the problem. The American Federation of Labor expelled the International Longshoremen's Association and issued a new charter for the unionization of longshoremen.

All these circumstances, coupled with prevailing tradition, promoted an atmosphere of belligerence. Even though the negotiators approached their task with every intention of bargaining in good faith, the required attitude was lacking. It was hardly to be expected that they would reach a joint solution of a common problem.

Even allowing that untrusting bargainers could have reached an agreement on such problems as wages, welfare benefits, and a guaranteed 8-hour day, the disagreement on the issue of arbitration highlights the background of suspicion and distrust.

In summary, the background of the current dispute is mutual distrust, suspicion of motives, a hardheaded refusal to accept proposals at face value.

III. The Facts With Respect to the Dispute

The Board conducted hearings in New York City, both in public and in private, as authorized in section 207 (a) of the act. The employers appeared through their several trade associations. The primary statement for all the Employers was made by Joseph Mayper, counsel for the New York Shipping Association. The employees were represented by the International Longshoremen's Association, for which its executive vice president, Patrick J. Connolly, acted as principal spokesman. Other spokesmen made brief remarks at the public hearings and many employers and union officials or employees entered into the discussions at the separate private hearings conducted later. It should be noted that a large part of the discussions revolved about problems peculiar to the New York port. Yet in keeping with long-established custom, it was agreed that the settlement of the General Cargo Agreement, which covers stevedoring, would be followed immediately, almost simultaneously, by similar settlements of the several craft agreements in the New York area, and that, in turn, these would serve as the pattern on all basic issues at the other ports in the entire Atlantic District of the Union.

1. Issues and Stated Positions of the Parties.

The demands and positions of the parties changed materially between July 28, 1953, when the Union's first proposals were submitted to the New York Shipping Association, and September 30, 1953, when negotiations broke off and the strike started. As of the latter date there were five major items in dispute, together with some others which the parties believed could readily be resolved if the major differences were settled.

The Union insists on a wage increase of 10 cents per hour and an increase of 3 cents per hour in the employers' contributions to the employees' Welfare Fund. The employers in their final offer before the strike indicated a willingness to grant increases of 6½ cents per hour in wages and 2 cents in Welfare Fund contributions, or a total of 8½ cents per hour.

The Union requests that every man who reports for work under instructions of his employer be guaranteed 8 hours pay whether he works 8 hours or not. The employers maintain that the practice under the expired contract is sufficient. This provided a minimum of 4 hours' pay for a man called in to work, with an additional 4 hours if called for the second work period in the same day, with certain exceptions.

The employers insist that an office of permanent arbitrator be set up with broad powers to impose penalties on either party for breach of the agreement, money awards or damages to be paid in the first instance out of funds derived from deposits made by each employer and employee equal to one-half cent for every hour paid for by the employer, such deposits to be made during the first fiscal year the plan is in effect. Coupled with this general plan of permanent arbitratorship is the employers' insistence that all customs or practices on the several piers which are to be accorded weight by the arbitrator must be reduced to writing and agreed upon. The Union is ready to accept the principle of a permanent arbitratorship but declines to accept the details of the plan proposed by the employers. The main objection is to the requirement that all established pier practices be deemed abandoned unless agreed upon in writing. The Union holds that such customs or practices should be considered as contractually binding even though unwritten. It suggests that the plan as proposed by the employers be thoroughly discussed and rewritten.

The Union would have the new agreement reincorporate all the former working conditions provisions of the expired agreement, although it recognizes that new hiring methods will have to be worked out by the parties if the Waterfront Commission Acts of New York and New Jersey (in New York, chs. 882 and 883 of the Laws of 1953, and in New Jersey, ch. 202 of the Laws of 1953) are held to be constitutional and valid. The Union challenges the validity of these laws. The employers' position is that since the hiring provisions of the statutes go into effect on December 1, 1953, procedures must be incorporated into the collective-bargaining agreement which will be in full compliance with the requirements of the law.

Because of the uncertainty raised by a notice from the American Federation of Labor on September 28, 1953, that it intends to file a representation petition with the National Labor Relations Board for the purpose of being designated as bargaining agent for the employees

in the bargaining unit, the employers have withdrawn their prior offer to grant the union shop to the International Longshoremen's Association and maintain now that any agreement with this Union should cover only its members and no others. The Union contends that it alone is the qualified and accepted bargaining agent for all the employees customarily covered in the agreements with these employers and that any agreement must as usual stipulate the terms and conditions of employment of all workers on the waterfront.

As indicated above, the five described issues are not the only differences between the parties, but the impression was clearly left that the miscellaneous and relatively minor items would be worked out in negotiations if the five in question were first resolved.

2. Board's Comments

A few comments concerning each of the five major issues may be enlightening. As of September 23, 1953, contingent upon other items being agreed upon, the Union offered in writing to accept a total increase of 10 cents per hour to cover both wages and welfare contributions, and a minimum pay of 4 hours for men ordered out for work between 8 a. m. and 12 noon and 4 hours for men ordered out at 1 p. m. When the employers' trade association rejected the offer and made counterproposals, the Union raised its demands on these two subjects and insisted on the total of 13 cents per hour and a flat 8-hour guaranty for men ordered out to work. Nevertheless, at the Board's hearing it was stated by the Union that while the daily guaranty is of major importance to the employees, some modifications may yet be negotiable.

The office of permanent arbitrator is considered by the employers as essential. There have been over 50 work stoppages on the piers in the New York area during 1 year, despite the existence of a collective bargaining agreement, and most have been caused by differences over practices or customs alleged to exist. It is believed that the right in a permanent arbitrator to impose and enforce sanctions, and the elimination of all practices other than those jointly stipulated in written form, will substantially tend to give meaning and content to the no-strike provisions of the agreement. This, it would seem, would be highly desirable and in the interest of the employees as well as the employers. The Union does not question the benefits of such an office but has doubts concerning the cost, the method of assessing employees to provide an available fund for the payment of damages or penalties, and the length of the term to be given the arbitrator.

The two most sensitive points in this dispute are those relating to hiring practices and union representation. The Union is frankly unhappy with the provisions of the Waterfront Commission Acts of New York and New Jersey, contending that grave harm may be done

to men working on the waterfront if their provisions must be observed. For this reason the Union is hopeful it may succeed in upsetting the law. It seems inclined, therefore, to drag its feet in the negotiation of contract provisions which will be in conformity with the statute. The employers are determined, however, that accord must now be reached on contract provisions that will not place them in violation of the law, irrespective of what may happen in any litigation instituted by the Union.

The law outlaws the shape-up method of hiring, requires waterfront workers to be registered with the Waterfront Commission, and stipulates certain new hiring methods, among other things, all effective as of December 1, 1953. As is well know, the Waterfront Commission Acts are identical in New York and New Jersey and were adopted pursuant to a compact between the two States which was approved by the Congress. The Waterfront Commission is a joint agency of both States. These extraordinary measures were taken after extensive investigations by special crime investigating bodies and are in line with recommendations made by these bodies.

The Union maintains that its right to bargain for all waterfront employees has been recognized by these employers for some 35 years and it is quite indignant over the doubts now expressed because of the intervention by the American Federation of Labor in the form of a notice of intention to file a representation petition. In the early stages of negotiations no such question was raised by the employers, but it is now raised because of the aforementioned notice of intention. The expulsion of the International Longshoremen's Association from the American Federation of Labor on September 23, 1953, and the chartering of a rival union by the Federation to represent these employees were also undoubtedly contributing factors to the uncertainty of the employers. It is true of course that the American Federation of Labor has not yet established its right to represent these employees and that its notice of intention will not be a bar to a contract with the International Longshoremen's Association if it does not file a representation petition with the National Labor Relations Board within 10 days. If the petition is filed, then until the representation rights of the two unions are determined by the NLRB, the possibility of an understanding being reached through negotiations between the present parties on this basic question of union representation will be practically nil because of possible charges of unfair labor practices that might follow. If the AFL does not follow up its notice of intention and file its petition, then there is no choice for these employers under the Labor Management Relations Act, 1947, but to continue to bargain with the International Longshoremen's Association as the collective bargaining agent for their employees. In fact, section 209 (a) of title II, under which this Board of inquiry is proceeding, imposes the duty on the

parties to the dispute "to make every effort to adjust and settle their differences," with the assistance of the Mediation Service, even after the district court has issued an order enjoining a strike or lockout. As of this moment, the parties to this dispute are the employers represented by the several named trade associations and the International Longshoremen's Association representing the employees.

It will readily be seen that this labor dispute is unusual in character. The impact on the economy and on the public welfare of a complete strike at all the important ports along the Atlantic coastline is extremely serious. The dispute, however, is not the conventional kind in which differences persist primarily over wages, hours, or working conditions. A great public interest has been aroused in correcting conditions on the waterfront. The parent federation has expelled the Union here involved and has put the employers and the Government on notice that it claims the right to represent the waterfront employees. The Union is actively resisting the new statute designed to correct undesirable waterfront practices, and the employers have selected this negotiation as the appropriate time to take strong steps to put an end to outlaw strikes on the piers. The Union's inclination is to postpone agreement on hiring practices conforming to the new law and on the permanent arbitratorship which is aimed at the wildcat strike problem.

No complete agreement assuring industrial peace on the piers is likely without resolution of the three problems of union representation, working conditions, and outlaw strikes. As of the date of this report, several uncertain factors make full agreement on these three issues most improbable in the immediate future. It therefore follows that because of the strong force of public opinion in this case, the determination of the Union to maintain its sole bargaining rights and to preserve as much as possible of the existing hiring practices, and of the employers to comply with the law and to eliminate the sporadic strike epidemic, the prompt resumption of normal operations on the piers through the usual process of collective bargaining is exceedingly unlikely.

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