BEFORE

THE BOARD OF INQUIRY

CREATED BY EXECUTIVE ORDER OF THE PRESIDENT

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IN THE MATTER OF LABOR DISPUTES AFFECTING

THE MARITIME INDUSTRY OF THE UNITED STATES

- -

STATEMENT OF POSITION ON BEHALF OF

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO.

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STATEMENT OF POSITION ON BEHALF OF INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO.

The ILA is an International labor union consisting of over 80,000 members. Administratively, it is divided into three geographic districts: (1) The Atlantic Coast District, which embraces the ports from Searsport, Maine to Hampton Roads, Virginia; (2) The South Atlantic and Gulf Coast District, which embraces the ports along the Atlantic Coast below Hampton Roads and continuing along the South Atlantic and Gulf Coasts to Brownsville, Texas; and (3) The Great Lakes District, embracing the ports on the Great Lakes. This dispute involves the Atlantic Coast District and the South Atlantic and Gulf Coast District.

The contract which expired on September 30, 1964 was made in January 1963, covering the two year period commencing October 1, 1962. Following past practice, a Master Contract was entered into between the ILA and its affiliated Locals on the one hand, and the employers along the North Atlantic Coast between Maine and Hampton Roads, on the other. This Master Contract covered the issues of wages, hours, pension and welfare contributions and duration of agreement.

The ILA's Negotiating Committee for the Atlantic Coast District consists of representatives of the International, the District, and the various Locals in the ports from Maine to Virginia. The ports outside New York are directly involved in these negotiations, not only because the Master Contract applies specifically to them with respect to key issues, but also because the New York negotiations in other respects set a pattern for contractual provisions elsewhere.

Negotiations commenced June of this year when the ILA submitted its demands to the New York Shipping Association. A copy of these demands for the general cargo contract are annexed hereto and made a part hereof as Exhibit A.

The negotiations with the New York Shipping Association cover not only the longshoremen engaged in general cargo operations, but also certain other affiliated crafts whose members are

employed by members of the New York Shipping Association and who perform vital tasks in connection with the movement of water-borne cargo. These affiliated crafts are: the Checkers and Clerks, General Maintenance Men, Cargo Repairmen, Marine Carpenters and Grain Handlers. Copies of the demands of these crafts are annexed hereto as Exhibits B through F, respectively.

After the ILA had served its demands, the New York Shipping Association submitted the employer demands to the Union. These demands involved principally the reduction of the working force and so-called management right to give maximum "flexibility" to employers.

After several bargaining sessions, the parties jointly agreed to invite the participation of a panel to be appointed by the President of the United States. This procedure was taken in accordance with the provisions of the 1962-64 collective agreement.

Thereafter a federal panel, consisting of Assistant Secretary of Labor James Reynolds, Professor James Healy and Mr. Theodore Kheel, participated actively in the negotiations.

Late in the evening of Friday, September 25, 1964, the federal panel submitted its recommendations on the disputed issues. Thereafter, until the expiration of the contract on September 30th, these panel recommendations served as the focal point of the continuing negotiations of the parties.

We shall now set forth the position of the ILA with respect to the panel's recommendations and the final offer of the New York Shipping Association.

1. It has been the Union's consistent position that no reduction in jobs or job opportunities could be considered without the firm assurance of a guaranteed annual wage to those attached to the industry. Particularly in an industry such as this, where guarantees of employment rarely extend beyond a particular day, no union and no group of workers can be expected to surrender job rights without receiving the compensating security of a guaranteed annual wage.

On this point the federal panel divided. The majority, Messrs. Reynolds and Healy, although recognizing the justice of a guaranteed annual wage, did not recommend that such a guarantee be instituted within the term of this contract simultaneously with the reduction in jobs, which they did recommend. Instead, they suggested that the guaranteed annual wage be made a subject of study as a "long range problem" requiring "a consideration which they do not believe the present time limitations permit".

It should be made clear, therefore, in the light of large public misconception that the majority recommendation did not contain, and did not purport to contain, a provision for guaranteed annual wage. The majority did evince a sympathetic concern for the plight of displaced workers and did suggest that employees in this industry receive an assured 75% of their earnings during a prescribed base period. This, however, is a far cry from a guranteed annual wage since substantial numbers of ILA members who are not in the higher earning brackets would have no assurance of the level of income which would enable them to support themselves and their families and would not even be assured of maintaining the levels previously reached by them. A guaranteed annual income means that all workers attached to an industry are assured of a minimum, fixed level of earnings; and the ILA cannot consider any reduction in jobs without this assurance.

The New York Shipping Association, moreover, sought to whittle down even further the recommendation of the majority of the panel. The majority recommendation, while providing little if any protection to those employees at the lower end of the scale, would have at least served as some protection for employees at the top of the scale. The employers in their last offer substantially modified the recommendation of the panel by seeking to place a ceiling on the guarantee so that in many instances employees would not even receive the 75% recommended by the panel. Thus, the workers with lower earnings would receive no assurance of income stability and little if any protection, while those with higher earnings would not even be assured 75% of what they had formerly

received. And this in the face of recommendations which would have inevitably reduced the number of jobs and the amount of time worked to a substantial degree.

The majority recommendation, moreover, introduced a substantial element of distortion which would have been grossly unfair to many ILA members. The base period on which the 75% would be computed covered a period in which many piers and terminals were closed or inactive for a substantial time. Thus, a large number of workers who have achieved good working records during their working careers would have had their 75% guarantee measured by a distorted period which did not truly reflect their contribution to the industry. When the Union sought to ascertain whether the employers were agreeable to considering an expanded base which would eliminate distortion, the response was negative.

The minority of the panel, Mr. Kheel, did recommend a guaranteed annual wage. Under his proposal all workers attached to the industry would be treated alike and be assured an annual income based on 1600 hours of work. This proposal alone would assure a measure of income stability to the workers and would constitute in a measure a deterrent in this port-wide area to reckless denial of job opportunities to union workers. It would, moreover, treat all workers alike and fairly. A Union cannot afford to accept any other standard.

Accordingly, the principle suggested in the minority recommendation - the only one which accords a guaranteed annual wage - is acceptable to the Union.

Clarification is needed, however, with respect to the proposal that a worker's failure to appear at the hiring center shall result in a deduction from his guaranteed wage. Excusable unavailability for reasons such as sickness, injury or causes beyond the worker's control cannot be permitted to reduce the guarantee if it is to remain meaningful.

2. In connection with "flexibility" the panel has recommended, among other things, that employers shall be required to hire only the number of clerks, checkers, other crafts and terminal labor "as may be necessary to perform the work". The panel has also recommended that "frozen details as now constituted shall be eliminated". The reference to frozen details, as we understand it, is intended to eliminate idle time on the part of employees who have finished a particular assignment and whom the employer would wish to switch to another job within his craft. This is a subject which was discussed in the report of the United States Department of Labor undertaken pursuant to the 1962 collective agreement.

The portion of the panel recommendation giving employers unlimited freedom to hire only such employees "as may be necessary to perform the work" created another problem altogether. The bargaining sessions reveal that the employers understood this recommendation to mean that they would have the right to dispense with jobs where the employee was admittedly not idle at any time but, on the contrary, was performing productive work throughout the full period for which he was being paid. This was not a matter of eliminating idle time, but of eliminating, on a wholesale basis, jobs that were actually being performed. This, moreover, was a subject which was not included in the Labor Department study and cannot be justified by anything contained in the Labor Department report.

The situation was further aggrevated by the fact that the union was unable to learn the number of jobs which the employers considered covered by this proposal and, therefore, the number of jobs which would be jeopardized by the acceptance of this recommendation in its present form. Under the circumstances, the union cannot accept this form of "blank check" to the employers; nor can the union agree to any procedure that would authorize a third party, during

the term of this contract, to decree the total elimination of substantial numbers of jobs which are actually being performed.

3. The panel recommended the reduction of the general cargo working gang in two stages from the prior figure of 20 to 17. Difficult as it is for a union to consent to surrendering a right which it had won in collective bargaining, and held for many years -- particularly one involving security of its members -- the ILA was prepared to face up to this problem, if the remainder of a contractual "package" could be worked out.

4. The panel recommended an increase in pension contributions so as to provide a pension of $175 per month, effective October 1, 1965. In principle, the panel recommendation is acceptable to the union. However, since contributions in this industry have traditionally been based on man hours paid for and not on tonnage, the ILA must insist that any reductions in man hours -- and such will inevitably result from other recommendations of the panel -- must not be allowed to reduce the total contributions envisioned in the panel's recommendation.

With respect to the health and welfare plan, the same problems exist and the same proposals must prevail. Here, however, the ILA must insist on an increase in contributions not provided for in the recommendations, so that its members and their families can enjoy the benefits to which they are justly entitled.

5. The panel's recommendations on mobility, absenteeism controls and closing of the Longshore Register are, in substance, acceptable to the union.

6. The panel has recommended increased participation of union representatives at the hiring halls. However, under its proposal, full administration and operation of these hiring centers would continue to be vested in the Waterfront Commission. In view of the changed conditions

and circumstances of today, and, particularly the new responsibilities that would be thrust upon the Union in connection with the program envisioned by the panel, the recommendation cannot be considered acceptable. Only a hiring hall administered and operated jointly by management and labor, with ample safeguards to protect the public interest and with due observance of the registration procedures of the Waterfront Commission can adequately serve the interests of the waterfront workers of this port.

7. The majority of the panel has recommended a four-year contract with a a three-stage increase in wages of 34¢. The minority, Mr. Kheel, has recommended a five-year agreement with a wage reopening at the end of three years and terminal arbitration in the case of deadlock on the reopening.

The union is of the firm position that the total wage increase suggested is inadequate for the length of the proposed contract, either on a four or five-year basis. In the light of the wage increases generally prevailing throughout the nation today, the increased needs of workers and their families and the immense savings which would accrue to the employers under other recommendations of the panel, the wage increase proposed is inadequate.

The majority recommendation would set at this time the wage increases over a full four-year period. In the union's view the uncertainness of so long a period makes this suggestion inequitable. Under the minority recommendation there would be a wage reopening at the end of three years which would take into account the then prevailing conditions. The union regards the minority recommendation as both fair and reasonable and favors the principle of a five-year contract with a reopening.

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The ILA has been informed that negotiations have been held in the South Atlantic and Gulf Coast District and other ports between the ILA subdivisions and the various employers but that no contracts have been agreed upon.

Respectfully submitted,

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