

DEPARTMENT OF LABOR

PRESIDENT'S PANEL ON LONGSHOREMEN'S STRIKE

Hon. W. Willard Wirtz
Secretary of Labor

Hon. John Connor
Secretary of Commerce

Hon. Wayne Morse
A United States Senator from the State of Oregon

James Reynolds
Assistant Secretary of Labor
for Labor-Management Relations

David Stowe, Director
Manpower Utilization and
Job Security Project
Department of Labor

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FLORIDA

Conference Room B
Department of Labor
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P R O C E E D I N G S

SECRETARY WIRTZ: I am sorry that we are late. The meeting which had been tentatively suggested with the West Gulf group for 5:00 to 5:30 will not be held at that time. It will be held sometime in the early part of the evening. We will be in contact with you about a more definite time on that.

Before turning to the South Atlantic area problem, as such, we have talked with Mr. Gleason, President of the ILA, about the desirability of his making a statement. He has indicated that he would like to do so at this point.

We would be glad to receive a statement at this point from Mr. Gleason and his associates.

STATEMENT OF THOMAS GLEASON, PRESIDENT
INTERNATIONAL LONGSHOREMENS ASSOCIATION

MR. GLEASON: Mr. Secretary, Honorable Members of the Panel: I have no prepared statement, so I will make this as brief as I possibly can.

First of all, I am very, very sorry about the position we are in. I am sorry for the tie-up. I think that it is something that should never have happened. First of all, I want you to know that since the tie-up has begun, we have worked every ship with military cargo and every request the United States Government made of us to move cargo.

We thought when arrangements were made by the panel in

1962, with the recommendation of the study, that we would never find ourselves in this type of a position again. As you know, we went overboard in New York. We had to take two votes to let our membership know the facts; that we had to meet the mechanization and automation problems, and we did, after a certain number of days, convince them to take what we still think was the best package that the ILA has ever gotten for its membership. We got that based on the report and the study which was made by your Department.

We then felt, as we usually did after a period of 40 or 50 years, that whatever the pattern was that was set in New York, we would not have any trouble in the other ports, because the tendency was there to then spread the package down along the other ports along the coast, with the exception of certain peculiar conditions that were peculiar to the various ports along the coast.

But outside of New York and Philadelphia, the report and study was not implemented. In 1962, when we did have to call the panel in again, or you did, yourself, the same areas had question.

If you recall it, the membership in the West Gulf Area did not at that time want to accept the recommendation of the panel because it did not include the size of the gang. But Captain Brady, who was President at that particular time, insisted that was as far as we could go, and that the recommendations of the panel had to be accepted. We all abided with that. Then we felt that when the study came in and the report showed that the West Gulf and the

East Coast of the United States was understaffed, that something would be done this time by the study group to make sure that these two particular areas would be protected because with that agreement that we have now negotiated, it is the longest that we have ever negotiated in our life. It was for four years.

We did this because we felt we had to face the issues of mechanization and automation again, and we felt also that unless these two areas were protected by either a guaranteed wage or a gang size, that automation would take its toll in these two particular areas.

We felt the gang size would be much better in these particular areas because these ports were small ports, some of them; they could not give the annual guaranteed wage, and they were handling cargo in some of these ports that were low on revenue and they could not give the guaranteed wage that normally we could get in the big ports like Houston, like Mobile, or like New Orleans and Galveston.

We told these fellows that they would have to work out their problems on the gang size and meet the requirements to protect themselves for the next four years, but that has never happened.

We have had several meetings, and I have felt personally myself that the International official should not go into an area and browbeat the people who handle these difficult problems during the life of the agreement, and where the employers and the union officials get along very well it may be better to leave them to their own ways of doing things.

Now, while this was all going on, I made several trips around, to New Orleans, Mobile, Galveston a few times, trying to convince those men that they have to meet the issues of the day. We were successful at a meeting yesterday morning in having the West Gulf give to its employers a contract or a group of proposals that would make a contract, not something that they wanted but something that would actually make a contract.

We believe that possibly that could have been done, if there was some good faith on the employers side. It is easy for me to sit here and say the employer is the loghead, that the union is not. But I think that over a period of 15 or 18 years, when a man sits back and doesn't make any effort to at least set up the gang sizes in that particular area, or meet the problems that have taken their effect on our members over there, then something is absolutely wrong.

The papers have quoted that I had turned down the efforts of Mr. Meany and Mr. Johnson, through Mr. Wirtz, to have these men return to work. We met in Galveston to give that consideration, and

while on Tuesday night I did tell Mr. Reynolds that at this particular time we were not going to order our men back to work, we had made another meeting for 5:30 yesterday, which I believe, with the help of all the Executive Boards and the pressures we could have brought upon everybody, we would have had some kind of good bargaining out of Mr. Dunn, that we wouldn't have to face a panel here today.

I don't think anybody in the ILA wants to be strike-happy. We are not. The only ones we are strike-happy against are the Commies, the Russians, the Cubans or something like this. We don't want to move any of their cargo. But we don't want to tie up our own country. We don't want to hurt our Nation. I think every rank and file member of the ILA is a patriotic man. I don't think you will find a more patriotic union in this country than the ILA, itself.

I have never turned down Mr. Meany. I respect Mr. Meany too well to turn him down point blank. I think that I hedged and waited for an opportune time to find out, to protect my people. I still would do that. But I think it is about time that something is done to make uniformity a practice in this industry.

Here is the same shipping operators operating out of Mobile and New Orleans, giving the gang size over there, and with certain hiring conditions over there, and they refuse to give it to our membership over on the West Gulf, West of them, and they refuse

to give it East of Mobile to our membership, when these same lines operate there. There is something peculiar or weird about this. You don't do this. You don't ordinarily hold up a contract and keep 75,000 or 80,000 men in the street because you want separate conditions that puts you in a better competitive basis, on a better competitive basis, than the other fellow.

I think it is about time that everyone of us had the same conditions in every port. I am talking now about the size of the gang, the way they operate, and the conditions. This is the only way we are going to have stability in this industry. Since we have gotten together on this report, and it was a fine study, and I have taken the issue to the papers and said it has been a fine study, I think it has, it has helped everyone of us -- for the life of me, I cannot understand why we implement it in two areas and we don't implement it all along the Coast. I think it is fair.

I think the report for the Miami area, which takes in North Carolina, South Carolina, Georgia, Florida, Mississippi and Texas, which are right-to-work states -- and this is the reason we have to protect them, this is the reason we have to keep pressure on them down there. Otherwise, they will rip our people to pieces. The proof of it is I think the reports will show that they work with far less men in the Texas ports and in the East Coast ports than they do in Mobile and they do in New Orleans on every single commodity that the longshoremen handle. I think now

is about time that somebody does something to stop this strike, these types of strikes, every two or three or four years. We don't want them. It has taken its toll, not on the country alone. But our men are losing wages, they are losing fringe benefits. We don't want it. But the only way we can do it is to stick together. I think this is what we are all here for, to stick together as good unionists, good trade unionists. And I think we want the same contract in every port.

Senator Morse, you have had your experience with this group before, and you should know whether we are right or whether we are wrong. I think the last time -- I am repeating myself in this -- the issue at that time was the size of the gangs. We had to force them back to work. We had to do the same thing in Miami.

This time I think, if the Panel is going to make its recommendations again, that some recommendations should be made to protect the men in these areas, because if they don't, automation and mechanization is going to take its toll and those men who are working in those areas will not be protected. There is nothing in the contract that is going to protect them.

Yesterday we made a group of proposals. Any experienced man in the labor movement knows they do not mean anything at all. I understand that Mr. Dunn has said that the 80 cents brought three men out of the gangs in the North Atlantic. This is not so. Sixteen hundred hours. If Mr. Dunn wants to give a 1600-hour guarantee

all along the line from Moorehead City to Brownsville, Texas, we wouldn't have any argument with him, because then we would know every man on the register would be protected. But the three men in the gang was brought because of the guaranteed wage and the closing of the register on the New York and Philadelphia waterfronts and this would not take a job opportunity away from a single individual.

I think this is what you have to give consideration to, not what Mr. Dunn says about the cost of the package, because over four years, which is the longest contract in the history of the ILA, 80 cents may not mean anything. You must give this also consideration, that there is not an escalator clause in that contract. Inflation may come in here. It is creeping in gradually little by little. So 80 cents -- and it is not take-home money, but 36 or 38 cents is take-home money and the rest is fringe benefits.

You gentlemen know what the costs of hospitalization is and the other kind of clinical benefits you must pay for today. So 80 cents over a four-year period would not buy three men out of the gang or buy additional men into the gang. I think what you have to do in your recommendations is to find some way to protect those men that are in that industry down there now.

you will find, and I read that report back and forth, that the recommendations are in there for an increase in the size

of the gang from Moorehead City to Brownsville. There is some question about the hiring practices. They have plenty of experience about the hiring practices in those areas because they have one group of hiring practices in New Orleans and they have a different kind of hiring practice in Mobile.

The report did not question these types of hiring practices, with the exception that there was too many men in the port of New Orleans.

Lastly, I would like to say this, that as far as this union is concerned -- and I say this with the backing of everybody, and my board -- this country comes first before this union. I have so testified before other committees. It isn't that I am just sitting here being arbitrary and holding these men out. I am trying to protect every single man I represent, and protect his family; nothing else.

If our country was in difficulty tomorrow, I would say to hell with the contract. The men would go back to work at the same contract, and I so informed this to Mr. Meany. I so informed Mr. Reynolds of this -- that if the country needed the men, there would be no question of a hold-out over a contract because the men would be back to work immediately.

The only thing that we are looking for here is justice and equity for our people in that area. And this gentleman down there, he sits on a white horse. I sat with him three hours and

all he said was "no" to every single thing he was asked to do. He did not bargain in good faith because he came in and told the union unless they took the request for the gang size off the table, he wasn't going to discuss any other problems.

I don't think this is the way to do business. This is the way he has been doing business since he has been there. He tells you they have given raises every year for 29 years. He got the same raises that we did. Possibly we increased his wages. Every time the longshoremen got a raise in wages, Dunn got a raise in wages. But again, I say to you, I am happy to be here.

We rode all night and got into Kennedy Airport and couldn't land here this morning. I lost my bag. Everything got wet, as it started to rain. But we are here. I want you to know that I did not slough off Mr. Meany's request. I hedged with it for a while because I was applying as much pressure as the statement of Mr. Johnson and Mr. Wirtz said, I was applying as much pressure as I possibly could to get this thing over with as fast as I possibly could and protect every man I represent.

Thank you.

SECRETARY WIRTZ: Mr. Gleason, I have one or two points. I am not quite clear with reference to the question yesterday afternoon or to the meeting before. I don't want to express anything beyond what is appropriate. You did say if the country needed the men at work, they would be at work.

I should say to you that the country needs, very, very much, and immediately, and quickly, the operation of the ports as a matter of critical economic need and as a matter of critical need to the welfare. I say this only because of what you have said and because I am not quite clear about your reference to yesterday afternoon's meeting. But I do make that statement, that the interests of the country demands hour by hour the restoration of these operations. We need it very, very much.

The only other point --

MR. GLEASON: Can I answer that one first?

SECRETARY WIRTZ: Surely.

MR. GLEASON: The reason we had the meeting --

SECRETARY WIRTZ: I would like to make my other point, first, because it is related to it. It is this: I appreciate, too, what you say in terms of the relationship of this broader matter to the particular matter before us. You have referred to the difficulties which you feel you have had in bringing these negotiations to a head.

I would like to point out to you that the President has, in the setting up of this proceeding, done everything conceivably possible to see to it that these matters in the West Gulf and the South Atlantic will receive, now, the fastest possible action, so that there can be no question about the full assistance of the Government being brought to bear to meet the point. Among others,

the point to which you refer. So I say the two points are inter-related.

If there has been, in connection with the position that you have taken on the other ports -- if there has been in that any element of relationship to this matter of seeing to it that the West Gulf and the South Atlantic are brought quickly to a head and not permitted to drag, I simply point out that these proceedings are for that purpose, along with whatever others may be involved.

MR. GLEASON: I appreciate that very much. I would like to say this to you about the meeting: We went to Houston, Texas, to bring our Executive Board there, to stand by continually with negotiations in case the union, the local unions in that area, was asking for unreasonable demands.

While we were there, some people began to think that we had gone down there to vote the South Atlantic and Gulf out of business and bring all the movement of freight through the North Atlantic ports. Some operators began to make arrangements to ship their commodities through the North Atlantic ports and starve out the South Atlantic and Gulf ports.

Then we took the position on Tuesday afternoon that we should remain firm, because if the operators had felt that we were going to leave our men drift apart then they would take every advantage of them in that area.

Then we called the meeting for 11 o'clock yesterday

morning and we took a very strong position with the local officials and the district leaders of that area, and told them they had to cut out all the frills and take it and lay it on the table with them how far we were going to back them, and that we were going to back them for the 80-cent package and the gang size. We told them -- I told them in no uncertain language -- that there were some claims about abuses of the hiring practices which must be corrected, and that unless they did that, they were going to lose our support, if they did not meet it. I requested it. I didn't order it, I didn't direct it, but I requested them as soon as possible to make that up. And they did. They did make that up.

For the first time, they went in and they met in a meeting. Mr. Reynolds had arranged a meeting with Mr. Dunn and his committee for two o'clock. When we gave it to Mr. Dunn, his answer was "no", without giving -- well, he couldn't give an answer before he went back and sat down and ate up as much time as he possibly could again. We were standing by with another meeting at half past five with our entire Executive Board there to find out what was going to take place, and then make a public statement and make a request, answer your request, answer Mr. Meany's request, and all the wires received from the Senators telling them what our position was.

But when we went in there, Mr. Reynolds had this statement from the President and, naturally, this changed the whole

picture around. But we went down there, Mr. Wirtz, to clean up. I think we sent Mr. Fields into Philadelphia and he did a good job. We sent Bowers into Baltimore and he did a good job. Everybody has worked in cooperation here with one another, and without their help nobody could pull the chestnuts out of the fire in New York.

You, yourself, know that was a job well done, because you said so. All we ask in return -- well, we met that issue. That issue has been burning up there for as long as I can remember, 30 years. Mechanization is nothing new on the docks. When I went to work there, there was 315 men doing the work that 110 men now do. So over that period of years we have lost jobs without guarantees.

We believe now that we did something with the guaranteed annual wage to start in the Philadelphia and New York area, and eventually this will spread down the line, but we don't want to be classed as mavericks. The ILA is not maverick. They respect their superiors, they respect their government, as well as anybody else. But we don't want to be put in the same position every time our contract terminates. We either go back at the request of what the operator wants to give us, or we are threatened with compulsory arbitration. We don't need compulsory arbitration.

What we need is industrywide bargaining. We requested this in 1955. The operators went to court against us. They denied us. We were lucky enough to win it for the North Atlantic, but the operators in the South Atlantic and Gulf would not give it because they are divided up into four areas.

All you need is to make some sort of suggestion for four years hence. But four years from now, God knows, I hope we are not faced with the same issues again. All you need here is to establish a gang size in those areas, and a recommendation for industrywide bargaining, because I think it is needed here or we wouldn't be in this fix here at all.

SECRETARY WIRTZ: Secretary Connor?

SECRETARY CONNOR: I have no comment.

SECRETARY WIRTZ: Senator Morse?

SENATOR MORSE: I would like to ask a question or two,

if I may, Mr. Gleason.

First, I want to commend you and the other officers of the union for the reception that you gave to the Department's study and report that led to the agreement that was negotiated in the North Atlantic. I want to have the record show that I think you and your associate officers in the union are to be commended for the position you took in recommending to your membership that they should approve of that agreement in the first place, and the position you took at the second ballot, urging again that it be adopted.

The questions I want to ask you about deal a little bit with the past history of the union in the three areas. It is true, is it not, that the union has always given autonomy to the West Gulf and to the South Atlantic in negotiating with the employers there in what you have referred to as special circumstances, or peculiar conditions relating to those areas? You have always recognized the right of the unions in those areas to negotiate on some issues separate agreements, have you not?

MR. GLEASON: Yes, sir.

SENATOR MORSE: That has included separate agreements based upon what they consider to be the special problems of their ports in regard to gang sizes, and rain benefits, and the other issues that have arisen in these other two areas?

MR. GLEASON: Well, on gang sizes, we have had this come up continually, Senator, from 1947. That is 18 years. While they

have, and we respect them -- well, there are employers sitting here now who will tell you that when I met them, and this happens to be a decent set of employers, in my opinion, on the East Coast, when I met them in Miami with the union officials, I went in there and I told them I came down there to say hello, and if there were any problems that I thought I could help out on I was standing by to do it. If there were any unreasonable demands, I would rather take a position on them. But, I said to them very clearly, "I wouldn't want you to give me anything or do anything for me that you wouldn't give for the people who service you every day in the week and who represent your people every day in the week." They are here and they will tell you that.

I have never gone into a port demanding something greater off the employers in that particular area than the local unions themselves were looking for. The only time, this time here, this has to be a must, because I think Secretary Wirtz knows this, and he has talked a lot about automation, but if these men do not get the gang size this time, they are sacrificed in the East Coast or the West Gulf of Texas. They must get this. It is a must, believe me.

It is not so because the unions say it is a must. It is a must for the American working man, to protect him and his family in that particular area. With the evolution coming in the loading and discharging of ships, these men will be left by the wayside unless something is done, and some of them have 15, 18, and 20 years

in the business, some 25, who will not receive a pension, will not receive any benefits because they are not 62 or 65 years of age.

This is where we are. We have a moral obligation here to protect these men, besides the trade union principles. But every one of the employers will tell you that I have never -- I have never -- gone in there or sought greater demands or looked for greater demands than the men themselves in those particular areas wanted.

Now, about the report, I give you full credit for the report. You are a tough guy to do business with. You really put it on us for five days. You cut the time down this time to a day and a half. I guess it is a little more of an emergency, but that time you really hustled me. You really put your arm around me and hugged me, but you really buried me.

SENATOR MORSE: I had nothing to do with the fixing of the time. That was done by the President then, as it is now. But I understand your view on the substantive problems that confront the union. I understand your view that you have been seeking industrywide bargaining, but you haven't been able to obtain industrywide bargaining.

This Board is confronted now, and I am speaking only for myself, this Board now is confronted with some difficult procedural problems, as I see them, growing out of the history of your past bargaining. You have had your North Atlantic agreement time and

time again, most of which has been accepted in the South Atlantic and the West Gulf, but you have recognized always, as a union, the autonomy on the part of your locals in those other two areas to do their special bargaining in regard to what they considered to be special conditions that are involved there.

I mentioned rain. I mentioned the diversity of the agreements on foremen, for example, and diversity of agreements on gang sizes, and diversity of agreements on some other working conditions. I wanted to have this record show as to whether or not the ILA as a totality hasn't recognized that jurisdiction right of autonomy on the part of those locals in these other two areas.

MR. GLEASON: We recognize the autonomy, but when we make our proposals up, Mr. Senator, those areas do have the right to make those areas up, and then we sit down in a group and try to work out so they will be uniform.

It is a funny thing about this industry. We are the only group in the industry that doesn't -- the operators don't -- give national bargaining.

SENATOR MORSE: I understand that.

MR. GLEASON: They never have. The only autonomy they ever had down there is their port conditions, because when we established the Master Contract in the North Atlantic, the wages, the size of the gangs, the hours, and these things, were part of the Master Agreement, but we were unable to establish it in the South Atlantic because the employers do not want a Master Contract in

that area, not the complete national contract, but a contract -- well, what I would call a "civil war contract", the Northern Contract and the Southern Contract.

Down there, I tell you they are half free and half slaves, the way it is going on.

SENATOR MORSE: The only purpose for my observation, so that neither side will misunderstand my point of view in case of any position I finally take -- and I don't know what my position is going to be -- is you never have been able to apply the North Atlantic agreement in totality to the other two areas because you have recognized their privilege of making modification, and their collective bargaining to date in this instance shows that they are making different approaches to some of the issues that are made in the North Atlantic.

MR. GLEASON: They have it now, Senator. They have a different size gang in Mobile, and they have a different size gang in New Orleans than we have in the North Atlantic ports, but isn't it peculiar that these same people who are getting subsidy off the United States Government, operating out of these ports, and getting this money, do not want to give the same size gang east and west of these two ports?

SENATOR MORSE: That goes to the substantive feature of it, which I don't want to discuss now. I only want to make perfectly clear what the procedural set-up has been for these years.

MR. GLEASON: There are some things that we would like to back them for. We would like to back them for something that you thought of many years ago, when a man puts his overalls on, he is entitled to a day's pay. They don't get it down there. They have to shape six times a day and they may not go to work. This went out with the horse and buggy days.

These operators want 7, 1, 8, 10, 5, 3, and 6. You don't see that any more. The waiters in the restaurants don't shape that way anymore. The rain down there is just as wet down there, Mr. Senator, as it is in New York City or Philadelphia.

SECRETARY WIRTZ: Secretary Connor?

SECRETARY CONNOR: I have no questions.

SECRETARY WIRTZ: Would you like to have us put in the names and titles of the Board who are here?

MR. GLEASON: I will ask them to stand up for themselves.

First, we are not telling them what to put in the contract. You understand that. We are only helping them get a contract.

SENATOR MORSE: That is what I was trying to bring out procedurally, the point I just made.

MR. GLEASON: The only thing is that I think here somewhere along the line, if the image and the strike-happiness of the ILA will be taken away from us as far as contracts is concerned, this is the one item that has to be rectified and changed, nothing else. No matter who is here, if Sam Houston came back and tried to run

Texas again down there, these fellows would rise up against Sam Houston for the gang size in that area.

I have Executive Vice President John Bowers. Willie Winchen, a Vice President. Fred Fields, General Organizer from New York. Moran from Boston. Dickson from Mobile. A thousand dollar a day man, Jake Henry from New Orleans. Judge Henderson from Miami. Hopkins from Houston. Hsale from Baltimore. Arthur Green, our Secretary-Treasurer. Tommy Burke from Savannah.

I have more Vice Presidents than the Waldorf has cooks.

SECRETARY WIRTZ: Thank you very much. We will go right ahead now with the South Atlantic consideration.

MR. GLEASON: Thank you.

SECRETARY WIRTZ: We will take the union first.

Gentlemen, we recognize this as being a separate proceeding from the one this morning, involving, as it does, the dispute between the International Longshoremens Association and the South Atlantic Bargaining Committee, covering a group of ports in the South Atlantic.

There was reference this morning in more extended form, and I simply want to refer to it shortly, to the procedures under which we are meeting, based as they are on the President's statement of yesterday, and the procedures which were established following up on that.

It is our expectation that we will, at the conclusion of this session, make arrangements with you which will involve our meeting later tonight with you again, to make recommendations

in accordance with the President's suggestion.

I should like to add to that only this, in addition: I said this morning, and it cannot be said too often, that the situation in which the country finds itself today involves elements of difficulty going far beyond those which are involved in our discussion here today. The country is in trouble. This is one piece of that trouble which we can clear up. The President has asked us to report to him by noon tomorrow.

Judge Henderson, and your associates, I know you will agree with us that there is only one appropriate report from all of us to the President tomorrow noon, and that is that we have settled this particular problem in one way or another, in a fair manner and in an equitable way, but we have to settle this particular piece of the Nation's difficulty. The circumstances, I don't think, warrant taking any more time along this line.

Also, it has come to our attention, on the basis of the consultation we have had with Mr. Reynolds and Mr. Stowe, that there is some reason for believing that you have yourselves narrowed the issues in this matter down to what is perhaps one or two issues, perhaps even to the single issue of the manning involved. Without prejudice to any other issues that you may have remaining between you, if it is your feeling that by our concentrating on this one issue alone we could help you find the key to this one issue, it will be perfectly all right.

JUDGE HENDERSON: Mr. Secretary and Members of the Panel: We were down to four points. The employers gave us a proposal on the four points as a pack. Two of those points we are in agreement with, and there are two of them that we are not in agreement with.

We have a serious problem down in our district. We are not asking for any annual guaranteed wage. We don't get 4 hours when we are called out to work in that district.

We are giving a counter-proposal which we thought was flexibility, if they would come up with something on the gang size. Our employers have told us outright that they are prejudiced in that area of the bargaining. They don't want to bargain on that particular point.

We are not asking for any featherbedding. So far as the machines, we can't beat them. We want relief on the ships, which will not be automation. We think a lot of them will not be automation for a long time. We have people in our district doing the identical thing that we are asking for. It wouldn't cost them one cent. Those same employees have agreed in Mobile and New Orleans to the identical thing we are asking for.

So far as the rain clause, it is a problem to us down there. It is confusing. They offered us a counter-proposal on half-time, which is most confusing. We are asking for a rain clause similar to New Orleans where, when they order the men and it is raining, they can dismiss them and give them two hours and forget it. It is the same thing in the afternoon.

The five employers who we deal with, part of the time they don't know what goes on on their own dock, much less the other 30 or 35 employers they represent. We can cite instances where the employer will have 10 or 12 men in the hold on general cargo on one end of the ship, and on the other end of the ship, under the same conditions, 8 men. They will deny this, but we have concrete proof.

In some areas where they are competitive, some of them have standard accounts, but we have known it to happen. What we need down there are the two points: We need relief on that rain and the gang size. We gave them a counter-proposal and attempted to break it down on some of the things based on what they are already doing, such as palletized cargo and steel. But where this cargo has to be stored in a ship by hand, all of it, unloaded by hand, we need 10 men in the hold as a minimum. They can go over just as much as they want to. If we had a minimum, they couldn't use our men on a competitive basis.

That is our problem, the major two points in that area in the South Atlantic, the gang size and the rain clause. If we could get that, as you know, money-wise we have agreed to them, but we don't have the gang size.

I say again, with our employers in the South Atlantic, that is one thing they ought to give us. After we get away from that, they are all out for themselves. That has been our problem and we really need some relief on it.

Thank you.

SECRETARY WIRTZ: Thank you very much.

STATEMENT OF LANDON WILLIAMS

LOCAL 1408, JACKSONVILLE, FLORIDA

MR. WILLIAMS: Mr. Secretary and Members of the Panel:

I have a document entitled "Report and Findings of the Department of Labor Pertaining to the Longshore Project." I must point out in the beginning for the record that excerpts from this document shall serve as a guideline for the panel's ultimate goal as to the solution of the problem we are faced with in this hour.

It is pertinent to recognize that this document was compiled by the Department for industry and labor to reach an agreement before 1964. On page 5, part 1, in the last paragraph, it is entitled "General Findings." I shall quote to you some of the excerpts from this paragraph.

"It is essential, if this study is to serve its purpose" -- and I would like to underscore those two words, "serve its purpose, that the parties accept two guiding considerations of the framework within which to approach their problems. The first of these is that the basic concern of both parties" -- which pertains to labor and management -- "in fact are opposite facets of the same problem, manpower utilization and job security, were not bracketed in the study merely by chance. They belong together. Netiehr can be resolved without an accompanying adjustment in the other. For this reason, it becomes important that the union should recognize and understand the economic and competitive problems that exist for management when

the services of employees cannot be utilized productively. If excess costs brought about by the situation continue too long, the result inevitably will be a decline of the competitive position of the individual and the ports and industry as a whole.

"It is equally important that management should recognize and should share the union's concern" -- and I would like to underscore those words -- "for the welfare of the men employed in the industry. A man's job in his lifetime, for those men who have served a substantial part of their lives in an industry, equity imposes an obligation upon that industry to provide such protection when changed conditions reduce employment opportunities or eliminate jobs. There should be some form of recognition to those men who have built the industry because of the sweat of their brow, their know-how and ability."

Therefore, this industry was built because of management's know-how and because of labor's ability.

"This is a principle which is today generally recognized and accepted throughout American industry."

I am sorry I cannot say it is accepted in our industry.

"There is in these negotiations time for the parties to study the entire scope and to understand the interrelationship. Such opportunities are rare. Since this is so, there could be a great value to both sides in using this foundation to develop machinery for the solution of their mutual problems in the years ahead. Clearly,

it is unrealistic to expect that all details could be finally resolved in the coming negotiations. However, agreement in principle and the implementation of appropriate machinery leading to ultimate solutions are possible, first, if both parties would approach bargaining with a recognition of the broad scope of the problems facing the industry; the interlocking aspects of solution; and three, to provide the succession of steps over a period of time to reach desired goals without sudden disruption; and four, the responsibility of both parties to plan for an adjustment to changing conditions. Then these negotiations could provide for definite initial actions and create a framework for agreement on basic principles for future measures."

Over on page 26, part 2, the Port of Jacksonville, it states this:

"Ports in the South Atlantic Area of the United States are encompassed by a single longshore labor agreement with the ILA. The agreement covers approximately 18 ports, extending from Moorhead City, North Carolina, through Tampa, Florida, on the Gulf Coast. Two ports from this district, Jacksonville, Florida and Charleston, South Carolina, were included in the Department of Labor Study. Since both parts operate under the same contract, there are many similarities between them. There is, nevertheless, sufficient difference to warrant a separate report for each port. In order to avoid repetition, findings which relate to both ports will be incorporated in part 3 by reference."

The labor force characteristics on this page 26 states:

"Employment data for the entire longshore work force in Jacksonville could be obtained only for the past three contract years. The total number of workers who receive some employment in the industry during those years is shown in the following table:". And that following table reads thus: "In 1960-1961" --

SECRETARY WIRTZ: Mr. Williams, we did familiarize ourselves even in the short period of time we have with the contents of this report, so in view of the time limitation --

MR. WILLIAMS: I would like for it to reflect in the record, Mr. Wirtz.

SECRETARY WIRTZ: Very good. Why don't you identify for us that part of the report, or we will simply incorporate the whole thing, or we will be glad to proceed along the lines you are proceeding. I just don't want to have you lose the advantage of your time.

MR. WILLIAMS: I think that ultimately the two or three issues involved -- on those, you will find that in actuality, what we are requesting, the demands are not too far-flung.

SECRETARY WIRTZ: Do it just whatever way you like. I just wanted to protect your 45 minutes.

MR. WILLIAMS: How much time have we left?

MR. HARVEY: We are concerned about this. Are these discussions limited to a certain time?

SECRETARY WIRTZ: There is a 45-minute limitation on each presentation.

To answer your question, you have 15 minutes used so far.

MR. WILLIAMS: We will move from there to page 47, to the conclusions and observations, the last paragraph, beginning: "The principal problems in the port of Jacksonville have their foundation in the large casual work force. As long as available work is shared by so many who are not attached to the industry, certain other problems cannot be resolved. Job security for the basic work force cannot be achieved until the work force is more clearly defined. Job protection programs can exist only when it is possible to determine which employees are entitled to protection.

"Much of the concern of the union over the adverse effects of technological changes could be lessened if increased work opportunities were made available to the basic work force. Moreover, if major innovations are to be introduced in the future, the union should be given sufficient advance notice to permit the development of joint labor-management plans to ease the impact of the change on the men affected by it.

"Various protective measures exist, but their usefulness is limited for a casual work force. In summary, no major problems of manpower utilization were revealed by the study in Jacksonville. Other problems, such as gang structure and rain guarantees" -- and

this is the crux of the whole problem -- "are the types that the parties should be able to resolve without difficulty. The most serious problem of the adjustment of the work force to bring it closer to the needs of the industry may require a longer period of time to solve. But it is the most urgent problem facing the parties and warrants their immediate attention."

Mr. Secretary, and fellow members of the Panel: These two, the basics, have not been dealt with fairly.

I conclude my deliberation on this matter by saying this: If each and every man would come to the bargaining table and use one common philosophy, "to thine own self be true."

SECRETARY WIRTZ: Thank you, Mr. Williams.

STATEMENT OF PERRY HARVEY
PRESIDENT, LOCAL 1402
TAMPA, FLORIDA

MR. HARVEY: Mr. Secretary and members of the Panel: It is true that we are in disagreement I think in four years. We have sat at the bargaining table, as a union, and have been in good faith. As a matter of fact, since we had our last negotiations in which we got Senator Morse's award, we have had a lot of difficulties in trying to live within the scope of the agreement.

We had in our proposal 4 and 4, meaning four hours in the morning guaranteed and four in the afternoon. We don't have now established anything in that contract that we can depend on.

There is some reference to some minimums in this contract,

but I doubt very seriously, if you read the contract, that you could interpret that clause which we are working under, what 4 and 4 relates to, which is the weather clause. We have had all kinds of difficulty. Even the employers themselves will tell you at times, "I don't understand the contract."

For that reason, we are interested in something that the members of the longshore can understand what they are entitled to under that clause. We have had that 4 and 4 in there for some time, until we recessed last Saturday, and then we veered from that to ask them, the same employers who are doing business with us, who are doing business in the East Gulf and New Orleans, that we would settle for the same clause that New Orleans had.

They have agreed already, and that is behind us, on the money package and the fringe benefits. They already have agreed to that.

So we say to them, to get these negotiations and break the impasse, that we will accept the same clause that New Orleans has, as far as the rain time is concerned.

I think the minimum number of men to a gang we went a long ways on, I believe we bent over backwards, trying to break this impasse there. We said to these employers, "If you don't give us the same number of men that you have in Mobile or New Orleans" -- and remember, some of those same employers are doing

business in those ports, Mobile and New Orleans -- "if you don't give us the same number of men, agree in principle and whatever you are doing now put it on paper so we will know what type of gang we are going to have."

That would be so that our organization would not be at the whim of the employers, as has been brought out by Mr. Henderson, that you have one ship working, with two gangs on this end, 14-man gangs, and you have the other end of the ship with 18-man gangs, under the same conditions, with the same commodities. That, we know is not right, it is not fair, and that is the reason we are here today in the position we are in, because they will not agree to put anything on paper to stabilize their gang to the extent that we will know what we are doing from time to time when these men are being ordered out.

On one other thing we have agreed to on principle, and we don't think the clause is satisfactory to us, and we asked them to rephrase the clause so that we would understand, they would understand and our rank and file membership. They agreed in principle to a check-off. We asked them to rephrase it. They failed to rephrase the clause so that we might interpret that clause and know just what we are entitled to.

It is true that we accepted the fourth item, the Explosive Clause. For some time we discussed or argued about the Explosive Clause. Finally, I understand that they thought they

were trying to clear up the clause for the benefit of us. But in our opinion, they changed the clause where we thought, with the rephrasing of that clause, that we might not get what we had been getting under the old clause. So we said to them we would accept the clause in the old contract, that we don't want the new clause. So we agreed on that one.

Then we came up on a Saturday, and reluctantly got back from our original proposal, because in our original proposal we were asking for the same identical number of men for the gang as they had in Mobile and at New Orleans, and that was 18-man gangs.

I say I was reluctant to change, but we thought to break this impasse, to get this industry moving, as you have just brought out, that we would ask for 16 men. Then we broke it down in certain categories, because there are different commodities. We said on all general cargo gangs we wanted 16 men in the bottom of the ship. Then we went on to spell out about palletized and pre-palletized gangs of 14 minimum, then 10 men minimum on the bulk gangs. Then we talked about scrap iron, on which we said we wanted seven men. Then we have certain gang sizes to work certain commodities at certain ports like Tampa, Florida, where they handle the bulk of the phosphate and things like that, and we thought we needed more men there because it wasn't safe for our men to be working under those conditions, and said what we wanted there.

Then we went further on the steel gangs. But all in all

we say one thing, that management has not accepted the fact that we need a minimum number of men to a gang so we will know from day to day, from each operation of each ship, how many men we are going to get.

In conclusion, I want to call this to your attention again, and this happens in that port: Just recently I called to the attention of one of the employers to check with this man who has a dual operation, one company on one end of the ship and one on the other. One company was giving 18 men to the gang, and so he had two gangs this particular day. He gave us 18 men. When the employers spoke to hsi group about it, what changes did they make? They cut the 18-man gang down to the 14-man gang. That is the type of business we don't want to do. They need that 18-man gang in that operation.

All we are saying is this: We have our local autonomy in our certain jurisdictions, and we have our way of doing business the same as they have on the Atlantic Coast. It is an area-wide contract on the Atlantic Coast, but in certain areas on wages and fringes and things of that kind are there, but they have to go back to the local po-ts and work out their conditions, the same as in all the ports.

We say we need a minimum number of men to a gang. Frankly, I think we need the same arrangement that they have at Mobile or New Orleans. The same people, in large measure, are

doing business with us who are doing business in Mobile and New Orleans.

On the Weather Clause, we have the same conditions when it comes to weather. Why can't we have the same clause that has been agreed upon in Mobile and New Orleans?

Those are the things that we are in disagreement on.

On the check-off we have no problems at New Orleans and we have no problems at Mobile. All we are asking is that in those four areas those be placed in the contract. We have agreed in other years on matters pertaining to New Orleans.

SECRETARY WIRTZ: Thank you very much.

MR. WILLIAMS: I would like to point out one thing just for the record, in defense of the Weather Clause. We had a ship in the port of Jacksonville, where the men were ordered out for 10:00 a.m. in the morning, and about a quarter to ten that ship passed the berth where she was supposed to dock and proceeded down the river about a quarter of a mile. The men were penalized under the section of the contract which expired September 30th, when the ship was on time and should have been docked but by some mistake was carried up the river. This is the type of abuse that we have suffered under this Weather Clause.

STATEMENT OF RUTHERFORD LEONARD
LOCAL 1426
WILMINGTON, NORTH CAROLINA

MR. LEONARD: Mr. Secretary and members of the Panel: I think brother Harvey and brother Henderson, the Chairman here, have made it specifically clear. We are confronted with things not only from one end of the area but the whole area. Therefore, we normally will have to stick to some kind of gang size and a better rain clause condition. I think they have pretty well covered it.

Thank you.

SECRETARY WIRTZ: My understanding, Mr. Smithe, is that your remarks to be along the same lines as those expressed, and we will recognize it on that basis.

MR. SMITHE: Yes, sir.

STATEMENT OF THOMAS J. BURKE
VICE PRESIDENT, ILA
WILMINGTON, NORTH CAROLINA

MR. BURKE: Secretary Wirtz, and members of the Panel: In speaking about the gang size, it is essential, it is an absolute must, from the humanitarian point of view, that we establish some sort of minimum gang size in the South Atlantic to protect our men, but also to protect the shipping companies who have to bid. If the shipping companies can bid down there and then come and use less men than the other company bids, our men are being killed to produce tonnage for that man to make a profit, whereas if we do have a

minimum number of men in each gang, that puts each company on a competitive basis to bid and at least they won't continue to more or less make our man become old and useless at 50 years of age.

We want to emphasize that primarily, as they say, from the hook into the hold. After you leave the hook and go over into the pier areas, they can use as many men as they want to feed that gang.

But it is essential, now, that the minimum number of men per gang be established.

Coming now to the rain time, at the present time you can call the men out, and they have to get up at five and six o'clock in the morning, go out in the weather, in the cold time, in the summertime, and they may go all the way down to the pier and come back with their lunch, no work and no pay.

Throughout the entire country, throughout the entire United States, when people go to work they get some sort of guarantee. Throughout this industry, I think it is essential that the people in the South Atlantic area should now be given some protection so that when they do go to work -- and we even will accept the New Orleans agreement which is our neighborhood -- if you will give us in our neighborhood the same protection as New Orleans on the rain time, I am certain we will be well satisfied and that will give us the protection we are asking for. I think it is only fair that we are given that consideration.

While I am here, we have in the South Atlantic area the Checkers and Clerks. I would like to speak on that for a few minutes. There are only several minor issues still in dispute with the Checkers and Clerks and management. One of those items happens to be the call time. In some areas of the South Atlantic, we are on an eight-hour basis and we only hire a few Clerks, and that is chargeable to the ship, itself, regardless of whether it is an American ship, a foreign ship, or whathaveyou. Once they order a half dozen Checkers, or sometimes two Checkers, whatever you may need, that is charged to the ship and the ship pays for it.

Therefore, I think it should be made on a uniform basis throughout the South Atlantic area, where each port gets the same amount of pay from the owners and operators of those vessels, which, as I stated, could be American, British or Japanese. The ship pays for it and I think we should make it uniform. That is only being fair in our request.

I know that parts of the country get it, so we are not asking for something that everyone else doesn't already have. We only ask for equal treatment.

There is one other dispute in the Clerks and Checkers, and that comes right back to the gang size again. In all parts of the country except the South Atlantic, when you order gangs of longshoremen out a Checker goes with him, and in most parts of the

South Atlantic a Checker goes with them. But I think there are only two ports in the United States that don't have that Checker in the gang. In order to make that uniform, we earnestly request serious consideration be given that these remaining two ports in the United States be given that same consideration, give them a Checker to each gang.

There is one other thing on the Checkers. I think the present way of calling them out, the present hiring system in each port, is perfectly satisfactory, and if it is continued as it has been for the past 50 years, it is all right with us, and we desire no changes. Give us the call time that the ship calls for and management of the gangs, that everyone has everywhere else.

Thank you.

SECRETARY WIRTZ: Do I understand from what you just said about the Checkers that it would be your feeling that if the issues within the contract are resolved, the parties will be able to take care of these situations so far as the Checkers are concerned?

If the items with respect to the longshore operation as a whole is concerned, I would gather -- and we have so little time here for this operation we want to limit it as much as we can -- I would gather from what you say that there is reasonable confidence on your part that if the gang size and the rain relief points were taken care of, the others that have been talked about here, the Checker matter, probably could be worked out by the

parties, is that right?

MR. BURKE: The Checkers?

SECRETARY WIRTZ: Yes.

MR. BURKE: I was speaking about the longshoremen on gang size and rain time. I am quite certain we would reach agreement quick.

On Checkers, I was talking about a Checker on each gang and the call time, eight hours a day that the ship pays for anyhow, and the present hiring to continue, which has been running for 50 years or more. That will conclude a contract. So a contract can be concluded with both parties very easily.

The check-off of the two cents, that is part of the 80-cent package. That should not be any difficulty, and not even under consideration.

SECRETARY WIRTZ: Thank you.

MR. HALL: I will yield the microphone to Mr. Jim O'Rourke.

STATEMENT OF JAMES O'ROURKE

MR. O'ROURKE: I represent the Checkers and have been elected Chairman of this Checkers Committee, sir.

Mr. Burke did go very well into most of the things, but we do have a little bit or a few other things that I would like to add to that. For instance, I have a proposal submitted to the Clerks and Checkers as of December 12, 1964, and in one sentence it

says, "Except as specifically provided in this agreement, all of the rights, powers and authority employer had prior to signing of this agreement are retained by the employer."

Then over here it says in another sentence, "Anything not contained in this agreement shall not be construed as being part of this agreement."

I am asking that the company respect past practices and customs of the port, something that has been in effect since before I ever went on the waterfront. It is a tradition. I don't think we are asking for anything that is going to drive any business away from our port. It isn't a competitive situation. The minute it starts costing our employers any money, we would be more than happy to sit down and adjust it.

As you said to Mr. Burke, I am sure we can resolve ours in a very, very short time after the longshoremen are satisfied.

SECRETARY WIRTZ: Thank you very much.

Mr. White?

STATEMENT OF JOSEPH WHITE

MR. WHITE: Secretary Wirtz, and members of the Panel: I am in accord with what has been said through our Chairman, Mr. Henderson, Mr. Harvey and the rest of our group. If we could get this gang size, the minimum number of the men in the gang and the modification of the Rain Clause, I think we could negotiate this contract and go home and go back to work.

Thank you.

SECRETARY WIRTZ: Questions, Secretary Connor?

SECRETARY CONNOR: I have no questions.

SECRETARY WIRTZ: Senator Morse.

SENATOR MORSE: Judge Henderson, or anyone who wishes to answer this, I understand from a memorandum I have here on your testimony that you are asking employers for a 16-man gang exclusive of drivers; is that correct?

JUDGE HENDERSON: From the hook to the bottom of the ship. On general cargo, that would give us 10 men in the hold on all the cargo we handle by hand.

SENATOR MORSE: And that is a smaller gang than the agreement that covers the North Atlantic ports?

JUDGE HENDERSON: Even that is smaller, yes.

SENATOR MORSE: You are asking for it in keeping with the long-established practice in your area of handling on an autonomous basis the special conditions that you think relate to your port in contrast with the North Atlantic ports?

JUDGE HENDERSON: That is correct.

SENATOR MORSE: I make the same point that I made when the President of the ILA was on the stand. As far as I am concerned, I am confronted here with a history of collective bargaining in this industry in which we have had, in fact, a so-called master agreement which the North Atlantic agreement has come to

represent, but a master agreement that hasn't been accepted in all of its detail in the other two areas, but has been modified by your locals and employers in those areas because you have retained the autonomous right to bargain separately in regard to what you consider to be peculiar conditions characterizing your ports.

JUDGE HENDERSON: That is right. In the South Atlantic we have four areas that have been recognized by the National Labor Relations Board. We don't have district-wide bargaining. So we have to bargain in those areas on certain issues. But in our South Atlantic we always tie in the money part of it with New Orleans. We used to tie in with New York, money-wise. But we had trouble with New York in 1953 and tied in from then on with New Orleans. New Orleans generally gets what New York gets.

MR. BURKE: May I answer part of that question? On the gang size, as you stated, it was from the hook to the hold. It is a little different. But our fundamental purpose is to attempt to establish a minimum gang size for the entire South Atlantic and Gulf Coast area.

We have been trying to do that for many, many years, but have been unsuccessful. Now we have gotten to the point where you are bringin us up here every time we go out and lose our money and livelihood in an attempt to protect ourselves, and we are asking

you now to give us that consideration. Just because we said 16 men, we are perfectly satisfied to settle with the same type gang that New Orleans has, which is our neighbor, and the entire South Atlantic and Gulf, I think, would work it on that basis.

SENATOR MORSE: I understand.

SECRETARY WIRTZ: Thank you very much.

We will now hear from the South Atlantic Shipping Association.

STATEMENT OF THADDEUS STREET
PRESIDENT, CAROLINA SHIPPING COMPANY
CHARLESTON, SOUTH CAROLINA

MR. STREET: Gentlemen, I think we can all assure you with the utmost sincerity that we have been constantly concerned with trying to avoid this costly and unnecessary stoppage of the waterborne commerce. As you will learn, as I go on with our presentation, there have been many, many long days and nights of conscientious effort to prevent this tragedy which has come on all of us.

We started our negotiations on August 29th, in Miami. I might tell you, and I think this is important when you realize how much time and sincerity has gone into this thing, that Miami is not the home port or the home city of any of the five of us on our committee, so we are completely free from our ordinary business duties and our family and social duties. It isn't like what goes on in some of the other ports, where you may have a meeting for an hour or two in the morning and then go back to your routine. This receives our absolute, undivided and full-time attention.

We met seven days, commencing in August, had a short recess, and then went back to Miami on the 18th of September and met for 13 consecutive days, right on up to the 30th of September. Subsequently, after the 80-day cooling-off period was invoked, we were

back in Miami from December 6th to 12th, with six more consecutive days, and finally we were down there earlier this month, from February 1st to February 6th, a total of 32 days of undivided attention to this problem, which I hope you will realize is an indication of the seriousness with which we take our responsibilities.

I would like you to also bear in mind, gentlemen, that it has been characteristic for a long time in our bargaining to restrict the size of the employer and employee committees. We have found that small groups seem to accomplish a great deal more than large groups. Our committee are the five men you see here, and toward the very end we had one observer sit in from our side who was not allowed to speak. The ILA committee has been held down to usually 7 or 8 men, the 5 local Presidents from the main ports in the district, plus the two District Vice Presidents, and sometimes a checker or observer.

I think it is perfectly correct to say that an immense amount of progress was made in these negotiations right on up to September 30th. Some of the going was hard. There were lots of misunderstandings and disagreements, but a lot of very earnest, serious progress was made. These negotiations resulted, from our point of view, in many substantial monetary and work-rule concessions.

Recently, when Mr. Stowe was down in Miami, he asked us to make up a list of them, which, frankly, we had not done before.

The list came out of 30 improvements of one sort or another in the monetary or working rule concessions that had been accorded or acceded to the union in these negotiations.

I would also like to tell you that we have tried very conscientiously to get the maximum out of the Department of Labor study. We have tried to let it guide us and follow us -- well, follow it, I beg your pardon -- in our negotiations. One thing that the study brings out that I guess we were not as fully aware of as we should have been is the serious need to do something about decasualizing the industry in our area. We learned a lot from the study and from our visit here to Washington prior to the publication of the study. We have set in motion in our new contract, or that part of it which is all set and agreed on, for the first time, a seniority program, not in all details, but we have set the wheels in motion to do something about seniority which will weed out and eliminate the casuals who are taking work away from the regular men who follow the work. We are hopeful and optimistic about that. We are pleased with it.

All of the States in our section, in our district, the South Atlantic District, are right-to-work-law States, and we recognize that while there may be certain legal limitations on what the union can officially say, we know that they have problems of union security. We have tried very hard to help them with that problem. We are in sympathy with their problem.

We are satisfied, beyond any shadow of a doubt, that seniority will help them stay out of legal difficulties on Labor Board cases.

As long ago as the 30th of September -- and I apologize for this being in part repetition of what you heard from the ILA, but I think I should give it to you in order that you will be sure to understand our position -- as long ago as the 30th of September, there were only four items of disagreement. Everything else had been handed out, all the "i's" dotted and "t's" crossed.

I might also tell you gentlemen that when we exchanged proposals and counter-proposals, it was not something oral or on the back of an envelope, or some catch phrases on a piece of paper. The actual wording of each clause was written out time and time again, duplicated with as many copies as were needed, and exchanged across the table so that there could be no misunderstandings or any misleading or confusing issues to arise later on.

After all that was done, we finally, on the evening of September 30th, were down to these four items of disagreement: An explosives clause, check-off for dues, the 4-and-4 guarantee, and minimum gangs.

On the explosives clause, I will just touch lightly, to confirm what the ILA has told you: that they proposed a change in the clause. We were happy and satisfied with it. We discussed and considered at length the change that they did propose. I think

there were times when maybe we didn't understand exactly what they were proposing, but finally, after much backing and filling, we were told by the ILA that they wanted the old clause back, the one in the present agreement, and in our latest offer to them, made on the 4th of February, we agreed to reinstate the old clause, the old explosives clause in the new agreement. So I think you can completely pass that off as no longer being an issue, or any problem.

Moving on, then, to the check-offs, from the beginning, the ILA asked us for a check-off of union dues. We were very reluctant about this. I am sure you gentlemen understand how some employers get their blood pressure up pretty high about checking off union dues. It was not an easy thing for us to go along with, especially in certain areas in our district, but in an effort to try to reach an agreement on September 30th, when the old contract was expiring, we included in our package offer of September 30th a proposed clause written out in detail about the check-off of union dues.

The ILA at that time rejected the package offer, and there was not much discussion of the individual clauses on September 30th because they rejected the package offer. However, when we resumed negotiations in December, and on the date of December 7th, the ILA very positively and specifically stated to us that the clause that we had proposed to them on September 30th was acceptable. There were no if's, and's, or but's about it. Nothing was wrong with it. That was said to us on the 7th of December. Then, much to our surprise, gentlemen, on the 5th of February, two months later, the ILA

made known to us some desire on their part to change or rephrase the clause. We think that with the country suffering, and with as much at stake as there is, and as much obligation as there is on the part of both parties to get these things behind us, that that is a very irresponsible sort of way to be carrying on, I mean, to accept the thing without any if's, and's, or but's on the 7th of December and then come along two months later and tell us they want to rephrase it. To this moment, we have no idea why they want to rephrase it, or what they want to rephrase in it. They have never said anything more than that they want to rephrase it.

As far as we are concerned, we reluctantly agreed to this thing and we think with the suffering that is going on and the seriousness of this matter to the country, we would like to recommend to you that you don't spend any more time fooling around with this check-off clause. That is our feeling about it, sir.

Passing on to a slightly more complicated point, what started out to be known as 4-and-4, the 4-and-4 guarantee, during September negotiations, the IIA frequently asked us for a second 4-hour guarantee after the meal period; that is to say, they had guarantees in the morning when they came out at 8:00 o'clock and they told us they wanted additional hours of guarantee in the afternoon, after the meal hour break. That is where this expression "4-and-4" comes into the picture, meaning 4 in the morning and 4 in the afternoon.

Finally, in our September 30th package offer, when the four items were the only things in dispute, we proposed to them an afternoon guarantee, that is, relating to the second 4, that would have given them four hours in the afternoon, a four-hour guarantee in the afternoon, in addition to what they had in the morning, and exactly in accordance with what they had been saying to us, except that this four hours in the afternoon would be cut down to two hours in the event a ship finished or a hatch in which a gang was working finished, or in the event weather interrupted the work. Under those circumstances, it would be cut down to two hours in the afternoon, but under any other circumstances the guarantee would be four hours in the afternoon.

To our complete surprise, and it really was our honest, complete surprise, the ILA seemed to want to reopen the clause which was an entirely separate one, that established the wage rate during the delays which occurred due to weather.

I think it is important to understand that there were several separate clauses or subclauses relating to these guarantees and the applicable wage rate during the time of the guarantees. But the clause relating to this separate clause, relating to payment of half-rate, half the regular wage rate, during periods of standing by on account of rain, had already been definitely agreed on in the presence of Mr. McAllister of the Federal Mediation and Conciliation Board, or Conciliation Service.

On September 30th we exchanged clear understandings and all made notes of the fact that everything was set aside and complete and over with except these four items. The ILA has since told us they misunderstood. We are very sorry that they misunderstood, but any impartial person judging this contract can clearly see that the wage rate to be paid due to delays in weather is a separate clause and is separate from the hours that are guaranteed.

I would like, if you permit me to do so, to read one sentence from the Department of Labor report at page 47:

"Since the interruption of work due to weather is beyond the control of either party, equity dictates that the full burden of it should not rest on one party alone."

We subscribe to that. We think that is reasonable. In our old agreement, there were certain conditions relating to an 8:00 o'clock start whereby the man would come out to work and if the weather was bad he might not be paid anything, or be guaranteed any hours. That is how that sentence got in there.

Again, in one of these clauses relating to guarantees, we corrected that situation in accordance with the Department of Labor study so that the burden would not fall all on the union men, on the longshoremen, and they would get nothing, but we fixed it so that they would be guaranteed in the event of rain when they came out at 8:00 o'clock and it started raining. We guaranteed to pay them, and this is in a clause that was finished, four hours at

half-rate, if it rained during the 4-hour period. Of course, any time they worked during the 4-hour period would be at the full rate of pay, but if the work was interrupted for an hour or two hours, that time would be paid for at the half-rate, but they would get four hours on the time sheets, or four hours guaranteed.

Finally, the ILA kept insisting that somehow they had misunderstood this 4-and-4 business, and they kept on asking us to eliminate the half-rate entirely. We made a still further concession on the 4th of February, just last week. It was hard for us to make, but we finally told them we would do this, in a written counter-proposal: that we would give them two hours, the first two hours, at the full rate, and thereafter at the half-rate, so that if they stood by during the entire morning from 8:00 until 12:00, they would receive two hours at the full rate from 8:00 to 10:00, and then only after 10:00 o'clock go on the half-rate if the weather still prevented them from working.

On February 5th, in Miami, the ILA was still demanding a full rate, even though we honestly and sincerely feel that this was a closed matter since the 30th of September. Then, to our further surprise and disappointment, on the 5th of February in a written counter-proposal, the ILA tagged onto this rain thing, or in tagging some words onto this rain thing, injected what we look upon as a new issue, demanding that no work would go on in the rain, period. That is contrary to all past practices in our district. Naturally, on most ships the rain will injure the cargo and you can't work in the rain,

but there are certain other types of cargo, such as ore and scrap iron, to name a couple, that the rain will not hurt, and if the men are properly clothed and protected from the weather, it certainly is not hurtful to them. It has been customary from time immemorial for work to go on under those circumstances.

Can someone tell me how much time has been consumed?

SECRETARY WIRTZ: You have used 18 minutes.

SENATOR MORSE: Could I ask a question before you move off of this 4-and-4?

MR. STREET: Yes, sr.

SENATOR MORSE: On the 4-and-4, four hours in the morning that is guaranteed, but nothing stops them from working and they work, then if they come back at 1:00 o'clock to work in the afternoon, did I understand you to say that if they finished the ship in two hours, the union was taking the position they still should have a four-hour guarantee for that afternoon?

MR. STREET: Back in September, Senator, that is our understanding of what they were asking us for, a full, four-hour guarantee in the afternoon after they came back after the meal time.

SENATOR MORSE: They changed that?

MR. STREET: They changed it after they got to talking about rain. At one time they seemed to get to the point of not caring so much about anything in the afternoon, provided we would eliminate the half-pay for rain in the morning. I hope that answers it.

SENATOR MORSE: Thank you.

MR. STREET: The last point is the most important point in the dispute, sir, and that is over this minimum gang question.

For well over 20 years, traditionally the employer has had the right to designate the number of men to be employed. Those words have appeared historically over and over and over in our agreement. We employers in the South Atlantic very strongly feel that this is a basic right of the employers in the managing of their businesses, to decide how many men can be economically and efficiently utilized.

The ILA has proposed minimum gangs to us several times, in several sets of negotiations, going back several years. They have always withdrawn them. We certainly had every reason to believe that this notion of minimum gangs, which was totally foreign to our section, originated somewhere else. In fact, not in this set of negotiations, but in previous instances, we were told as much.

In 1957 we put a clause in our agreement requiring the employer, in establishing the size of the gang, that is, when the employer was establishing the size of the gangs that he thought he needed, this required him to give due regard to the health and safety of the men. It went on to provide that the union and the employer would discuss any question of gang size relating to health or safety, and if any dispute arose between the union and the employer, the grievance machinery would settle it and ultimately it would go to arbitration, so nobody could say from 1957 on that

there hasn't been machinery in the contract to fully protect the man against anything that would be unsafe or injurious to his health.

You may be surprised to know, but it is nevertheless a fact, that from 1957 to this date the ILA has never brought a single complaint under that clause, not once.

The Department of Labor study that was set in motion two years ago, of course, had our agreement. We agreed to cooperate, and I think that many who managed that study will certainly agree that we did cooperate. Jacksonville and Charleston were the two ports studied in our district. We came to Washington in August of last year, spent a couple of days here, and the representatives of the Department gave us their findings and suggestions, which we found very helpful, useful, and educational.

Thereafter, we all thoroughly studied the report and discussed it among ourselves, and used it in our negotiations. The report for our district confirms that there are many variations in the gang structure, both gang sizes in Jacksonville and Charleston, which are typical of the district. The report states that there are no major problems of manpower utilization. I have read the report again within the last couple of days, and I do not see any suggestions or recommendations in the report about our instituting any minimum gangs.

The ILA has frequently stated in our negotiations their concern over future reductions in gang size and consequent loss of employment. It has been stated again at this table here this

afternoon by the members of the committee with whom we negotiated and by other representatives of the ILA. The report of the Department of Labor, as well as uncontested statistics which we all have, of man hours worked in recent years in our district, show that there has been a steady increase in the work opportunities in our port, as measured by man hours. Our work opportunities have been increasing.

In my port, sir, in Charleston, for the year ending September 30, 1964, we had the highest number of man hours worked on general cargo in the history of the port. So while I can certainly understand apprehension about machines taking the jobs away from the em, the fact is that these practical, reasonable, efficient conditions under which we work, with no minimum gangs imposed on us, have actually resulted in or have at least not prevented there being an increase in the work opportunities which, of course, in the future, will only be added to when we get this seniority system working and get the casuals out of our work force as recommended in the report.

The ILA, on the matter of minimum gangs, has stated to us verbally in our negotiations that they weren't concerned with minimum gangs on such things as bulk and scrap. On February 4th, the employers, in making a desperate effort to get over this minimum gangs question, and with a lot of torture to ourselves, we finally gave up the unilateral right to designate the number of men to be employed, something that we had had unilaterally and unquestioned for all these many years. We brought ourselves, in the interest of trying

to get the work going again, and dissolving this dispute, to propose a clause requiring each employer, before making any reduction in the size of the gang on any package general cargo operation, to first discuss the matter with the union. If that discussion would not settle the matter, then the question would be left to arbitration.

We felt, and still feel, that that was a very substantial concession on our part toward getting rid of the matter. On February 5th, the next day, the ILA handed us a piece of proposal that proposed this long list of minimum gang sizes, and it had minimum gangs, to our surprise, on scrap and bulk as well as general cargo. It had gang sizes well in excess of those presently used, both on general cargo and this bulk and scrap and specialized operations. It proposed gang sizes well in excess of those we are presently using.

They don't like us to use this term of "featherbedding." They get very displeased with us when we tell them that certain things are featherbedding. We are not trying to make anybody mad here this afternoon, but that last piece of paper, after all these days of strike, that provided for all these more men, would make us employ men that honestly, in our heart, we don't think we can use to good economic advantage in the loading or discharging of ships, and we don't know any other name for something like that but featherbedding.

On the bulk, the minimums they propose are totally impractical. We have several commodities, like potash, salt cake,

and others, which compete with domestic sources, and if we did what they asked us to do, we are satisfied that in many cases it would just kill off the business to our disadvantage and the loss of employment to the longshoremen.

Another thing that is mysterious to us is that whenever they talk about minimum gangs, they are talking about the hook to the hold, the hook to the hold, over and over again. In our ports, a gang is a group of men that handle cargo from place of rest to the stowage in the ship, or vice-versa. We have had no explanation of this hook to the hold thing, no satisfactory explanation. If there ever was going to be a minimum gang, heaven forbid, in our area, there should not be this arbitrary business of separating the gang at the hook. It is a whole group of people.

Finally, gentlemen, this 80 cents package that started out in New York and was accepted in New Orleans, that is over and done with with us. We have always followed New Orleans. But we have done a little arithmetic. That will add 6 percent to our cost of stevedoring right away. It will add another 9 percent to our cost of stevedoring in just a few months, by the 1st of October, that is. I am sure that all three of you know enough about the stevedoring business to know that labor is the biggest single item in our cost of doing business, and these costs have to be passed on in the form of higher prices. There just isn't any getting around it, no way of getting around it.

In our ports, with that 80 cents, we have no corresponding cost reduction, like New York has, by a smaller gang. We feel that we already are faced with inflationary costs, and we feel that adding any more men, who could not be economically used, would push the inflation spiral up to truly alarming heights.

That winds up my statement. My colleagues and I will be glad to answer any questions that we can, or be helpful in any way.

SECRETARY WIRTZ: Senator Morse.

SENATOR MORSE: Mr. Street, one of the union witnesses this afternoon stated one of the disagreements they have over gang sizes with employers involving the allegation that in some instances in the fore of the ship there would be 14 men to the gang and in the aft of the ship there would be 18, or vice-versa. I forget which it was. But there are different gang sizes at the two ends of the ship.

MR. STREET: Yes, sir.

SENATOR MORSE: Number 1, is there a basis in fact for that; and two, if there is, what is the reason for it?

MR. STREET: Well, sir, I know that that does happen at times. I think the person who was talking was referring to some port other than my own, with which I am most familiar. But I can confirm to you that that does happen on occasion in our port, sir. The explanation of it, which is your second question, is that the stowage conditions, the places and spaces in the vessel where you have to place the cargo, even though it may be identical cargo

moving into the two hatches, the conditions in which you have to place it would make it wise and economical to sometimes use more men or less men. It depends on whether you are just laying it down or flooring it off, as we say, or winging it out in a hatch somewhere.

SENATOR MORSE: Is there any port in the West Gulf AREA or in the South Atlantic Area in which there is an agreement between the unions and the employers on the minimum gang size?

MR. STREET: Senator, I really don't have knowledge to speak about the West Gulf. But to the best of my knowledge and belief, there is no port in the South Atlantic that has any agreement about the minimum gangs. Certain gangs are customarily used just by the same judgment on ship after ship but there is no agreement.

SENATOR MORSE: Obviously, the purpose of my question was to show my concern about the competitive advantages and disadvantages between and among employers might be on this gang size, if there is agreement on it.

I want to commend you, Mr. Street, for the observation you made in regard to the decasualization problem that confronts your industry. I think the attack on it is in the interest of the employers as well as in the interest of the union.

MR. STREET: Thank you, sir.

SENATOR MORSE: I have been studying the data the Department has given me as a result of this remarkable research job they have done on this matter. I have been in this labor business off

and on for well over 30 years. I don't know of a case I have ever had anything to do with in which the research job was done as efficiently and as effectively as the Department has done in this case.

I know whereof I speak, when I say that I know you people on the employers' side are very appreciative of it, as I am sure the union side is, too. There are many other examples, but I will just call your attention to this one involving Jacksonville, the pie chart that shows out of 1812 longshoremen in 1962-63, 65 percent worked less than 100 hours.

MR. STREET: We feel there are enormous opportunities for the employer and union to work together on that thing, sir. It will take some time, but we now have a machinery to make an honest start.

SENATOR MORSE: I am not an overnighter. I am delighted to hear your observation.

MR. STREET: Yes, sir.

SECRETARY WIRTZ: Secretary Connor.

SECRETARY CONNOR: In the composition of the gangs in your area, do you have a gang foreman?

MR. STREET: Yes, sir; it is customary to have a gang foreman.

SECRETARY CONNOR: Who selects that man?

MR. STREET: The employer selects the man. I can speak more about my own port. I think it would be typical of the ports in the District. We have gang foremen who, so far as we know, are members of the ILA. But those gang foremen are attached to a particular employer. They are known as that particular employer is regular gangs, and they won't take jobs with any other employer unless they find out that their regular employer does not need them.

So when that employer calls for the union hall to place his order for gangs, he names Joe Jones and Bill Smith, or whatever their names might be, and specifies the gang foreman by name.

SECRETARY CONNOR: Is that gang foreman considered the management representative?

MR. STREET: Not exactly, because, as I say, he is an ILA man, and he has certain duties and obligations to his union. But he is in our ports the first level of supervision.

SECRETARY CONNOR: Can discipline be exercised through him?

MR. STREET: Very definitely. He is privileged to select -- he does, in fact, select his own men, at least in my port, and I think in the ports generally, and nobody, so far as I know, interferes with that right to select his own men. He can leave a man out tomorrow if he did a poor job today, or if some person is disobedient enough he can send him up the street.

SECRETARY CONNOR: With respect to the economic consequences of this proposed settlement, you have indicated that the additional wage and related benefits would be far in excess of what seemed to be the guidelines.

MR. STREET: Yes, sir.

SECRETARY CONNOR: As a result of the higher wage costs which you have pointed out it constitutes a large part in your total cost of doing business and price increases will be necessary.

MR. STREET: Very definitely.

SECRETARY CONNOR: And these will be charged to your companies, your customers?

MR. STREET: Yes, sir; the steamship customers.

SECRETARY CONNOR: Have you any idea what this will cost to the exports of the United States?

MR. STREET: No, sir; but I might say that the commonly accepted formula in the relationships between steamship owners and stevedoring is that you increase your cost by approximately 80 percent of the first wage increase, so this first wage increase

which will come up, when we have an agreement, which will go back to the first of October, will result in a stevedoring rate increase of five percent, or 4.8 percent, that being 80 percent of the six percent that I mentioned.

Do you follow me?

SECRETARY CONNOR: Yes, sir.

MR. STREET: I just don't think I have enough knowledge to evaluate what adverse effect that may have on foreign trade.

SECRETARY CONNOR: You have characterized the effect of the wage settlement as being inflationary.

MR. STREET: Yes, sir.

SECRETARY CONNOR: And you have indicated your opinion that agreeing with the other union demands with respect to gang composition and so forth would be further inflationary.

MR. STREET: Yes, sir.

SECRETARY CONNOR: Is there any way you see that there could be increase in productivity and other changes if the wage increase is accepted in an amount above the guidelines?

MR. STREET: Well, sir, I think that gradually and slowly people come up with new ideas in the stevedoring business and new equipment, new ships that provide some increase in efficiency, but I think these increases of these first two years, Mr. Connor, are so steep that any thought of absorbing them is just completely out of the question.

I just can't think of a stevedoring company that could be efficient enough to absorb those kinds of wage increases without passing it on in the form of increased stevedoring rates to the steamship companies.

SECRETARY CONNOR: These price increases that you consider to be necessary, has it been customary in past years, after settlements, for those increases to be put into effect immediately?

MR. STREET: Yes, sir. And generally speaking, the contracts between the stevedoring companies and the steamship companies provide for those settlements to be retroactive to the time the wage is retroactive, so that the stevedoring company can get some income to offset the many, many months of retroactive wage increases.

SECRETARY CONNOR: Is there any issue at the moment with respect to the extent of retroactivity on any wage increases that are agreed to?

MR. STREET: No, sir; I am afraid not. The reason I chose that word is that for many, many years in the South Atlantic, we used to be able to limit our retroactive to a maximum of 30 or 60 days. But two years ago, when there was another situation, there came to be a sort of national settlement, almost. The country was in a bad fix. We very reluctantly and for the first time that I can remember, agreed that we would make our retroactive date the same as New Orleans, because we are tied in with New Orleans on the

extent of our wage increase.

I am afraid that everything is going to go back to the first of October in our District.

SECRETARY CONNOR: And, of course, the acceptance of this principle of retroactivity eliminates any pressure to get an early settlement of the situation, doesn't it?

MR. STREET: Very much, in my opinion, sir.

SECRETARY CONNOR: Thank you very much.

MR. STREET: Thank you.

SENATOR MORSE: I have another question, Mr. Secretary, if I may.

SECRETARY WIRTZ: I am not sure about the last question and the answer to it. On the retroactivity, did I understand you to say that it eliminates any pressure to get a settlement on this case, is that your answer?

MR. STREET: Maybe the reporter can read the question.

SECRETARY WIRTZ: Well, I think it is probably not important, but I believe that everyone in this room, and the country as a whole, and you, as a matter of profits, and the men as a matter of income, very properly, feel this very much. The retroactivity does change the impact of the contract.

MR. STREET: Very much so, but on the question of wage retroactivity, from the IIA standpoint --

SECRETARY WIRTZ: I will put it this way: If you had

gotten a settlement, that would be true, but without your settlement and your operations down, there are economic pressures on all of us.

MR. STREET: Extremely so.

SECRETARY CONNOR: I recognize the other pressures, but with respect to the wage settlement, the elimination of any issue on retroactivity, that, alone, creates a different atmosphere.

MR. STREET: Yes, I think it does.

SECRETARY WIRTZ: Senator Morse.

SENATOR MORSE: Mr. Street, do you think that the application of the 80-cent wage increase to the so-called regular employees of your industry, that is, those who are in the above 1600 hours a year, will result in any of those wage earners receiving an annual wage that you would characterize as excessive for the work performed?

MR. STREET: There would only be a very few men that would work enough hours, Senator, to get any annual wage that would be looked upon as excessive. One of the troubles in these small ports is the lack of continuity and regularity of the work. That is slowly improving, as we have more work opportunities. But that is one of the troubles, sir.

Added to that is this tendency of casuals to come in and take the work away from the regular men.

SENATOR MORSE: This guideline point became a controversial

one in our 1962 hearings, and we sought to point out there that the guidelines are not applicable except when there is a seeking of a total wage beyond what is considered to be a wage of health and decency, and to maintain family.

MR. STREET: Yes, sir.

SENATOR MORSE: That is why I asked my question as to what you think the effect of the distribution of the 80 cents to your regular families -- that is, after all, that nucleus of men on which, let's face it, the stevedoring industry and the ship industries are completely dependent for the operation of their business, and upon which, after all, their profits come from. That is why I asked.

I meant it to be a perfectly fair question, whether or not you think if you pay their 80 cents you are thereby going to be paying anyone an excessive wage.

MR. STREET: Certainly not in our ports down there, sir. If a man had a 40-hour a week job at this kind of money, he would be making a lot of money in a community like Charleston. But it is this irregularity and stealing away of the work by the casuals that keeps them from earning a really handsome income.

SENATOR MORSE: You wouldn't find me in many of my arbitration awards in the longshore industry ever granting the wages I granted if we weren't dealing with a casual employment industry.

If we can get assurance of regular employment, my wage

awards would be substantially less and the longshoremen know it.

MR. STREET: I understand.

SECRETARY WIRTZ: When was the last time you and your associates talked with Judge Henderson and his associates?

MR. STREET: On February 5th, last Saturday morning.

SECRETARY WIRTZ: I am going to say this, before we go ahead with the working out of alternative procedures: I have been listening to hearings for 20 years, or something of that kind. I don't remember very many occasions on which there were such completely respectful and constructive presentations from both sides.

I should like to say only that I should think it would warrant you and Mr. Henderson at least pulling aside for the moment and seeing whether under the present stresses it might not be possible for you and your associates to do what remains to be done in this under your own power, with the country in the situation it is, with the case in the situation it is. Without pressing this point, I would like to commend at least that conversation to you.

MR. STREET: Yes, sir.

SECRETARY WIRTZ: With respect to the rest of the proceeding, there are these things remaining --

MR. WATTS: Mr. Ruffin would like to say a word, if he could, Mr. Secretary.

SECRETARY WIRTZ: By all means.

STATEMENT OF PETER RUFFIN
PRESIDENT, WILMINGTON SHIPPING COMPANY
WILMINGTON, NORTH CAROLINA

MR. RUFFIN: There have been some statements and some questions which were raised by Senator Morse and possibly others in regard to the possible connection between the North Atlantic contract and our South Atlantic area, and there has been an indication of your impression that the South Atlantic area accepts as a basic contract the North Atlantic Agreement and then works out local variations from that basic North Atlantic Agreement.

That is not correct, sir.

SENATOR MORSE: May I correct you if I gave you that impression? It is quite the opposite. I was trying to point out that there has been a recognition on the part of the union that the unions in your area have complete autonomy and there is no doubt about the fact that in their collective bargaining with you they take note of what was reached in New York. But the one thing I learned in 1962 is that there is no acceptance on the part of either the employers or the unions in the South Atlantic and West Gulf ports that the New York Agreement is binding upon them.

MR. RUFFIN: You did say that there is autonomy in our South Atlantic area. That is correct. But I gathered the impression that there was a feeling that the New York Agreement as to substance and as to form was used as a guide for our agreement. The agreement which we have worked up and which has been agreed to

in toto, with the exception of the four issues, would bear little or no resemblance to the basic agreement which was made in New York. WE have had good faith, effective bargaining over a period of many days, as Mr. Street has stated, prior to September 30th, in which we resolved very constructively, I think, by give and take, and by constructive suggestions on both sides.

All the issues that were before us, with the exception of these four. We did have and do have a great deal of respect for the union representatives on the opposite side of the table, and I think they have the same respect for us. We recognized at the beginning of these negotiations that it was essential that we bring out a contract which was modern and up-to-date and reflected the changes which had taken place in the industry since the last basic contract was worked up a good many years ago.

It was for that reason that we spent many days with each other before we put anything on paper, trying to understand exactly what each person meant by his statements on this subject or that subject. Then we brought forth a contract, which still is our basic contract of agreement for this period, except for the four issues which have been discussed.

We don't feel that we have any relation whatever to the North Atlantic with respect to their working conditions. We do have a direct relationship to New Orleans with respect to the wage package, because that has been traditional for us. But except for

that, this is the contract that we propose to go on this year, which has been agreed to in good faith by both sides, and we are very thankful that we were able to come forth with this after a very constructive period of good faith collective bargaining across the table.

SENATOR MORSE: I understand that completely. But when a third party enters a labor dispute, then the agreements and the practices that exist in the industry elsewhere have a bearing upon the consideration of the instant case before them. For many reasons, for example, the competitive reason if no other, and also the Presidential reason. That is why, for example, when third parties enter a case, it is always admissible in evidence, if you are in arbitration, to receive exhibits that show the prevailing wages and employer and employee practices in a given area. But I want to make very clear that it would only be in that sense that in 1962 when we dealt informally with the representatives from your area and the West Gulf area did we talk about the New York agreement.

There were some of the same shipping lines, and in some instances some of the same stevedoring companies. But let the record be perfectly clear that is the reason I asked Mr. Gleason the questions I did, to make this record clear, that even the union has treated its own locals in these other sections of the country as autonomous locals, free to bargain independently with their employers.

As he said, they would like to change it. They would like to have industry-wide bargaining. But it has not been obtained as yet through any collective bargaining process.

MR. WATTS: Mr. Secretary, Mr. Street has ably stated our case. Therefore, we have nothing further.

SECRETARY WIRTZ: Thank you.

There are several procedural points. First, there will be copies of the transcript of this conference available in about an hour. Check with someone at the table beside me.

We have received a request from the representatives of the Checkers in Houston to present a five-minute statement.

Is the Employer group from the West Gulf ports also represented here? Fine.

Now, with respect to our plans after that, upon receipt of the five-minute statement, with such comment as may be made on it, we will adjourn, as far as you are concerned, for at least three hours. That will be from six to nine o'clock. We have arranged for rooms in the Department of Labor here, office rooms, for all of you, for the various groups, starting at nine o'clock. We have no choice but to ask you to be on call and available at that time for such consultations, formal or informal, as may appear appropriate. Then we will work out the night's schedule as we go along.

We realize that last night was a very hard night for some of you, and only the circumstances warrant our proceeding along the lines we must, which recognize we must bring this matter to a head.

I will give you the room numbers. The Constitution Avenue door of the Labor Department will be open, with full

facilities there. The largest group is the ILA group from Galveston. There is a room on the third floor, Room 3428, which is set aside for your use. The ILA group from Miami, a smaller group, will be in Room 2106, which is on the second floor.

As far as the Employer associations are concerned, the Galveston group will be in Room 3136, which is entered through the Secretary's office on the third floor, and the Miami Employers group will be in Room 3137, which is right across the hall from the Secretary's office.

Mr. Gleason, if you want a separate room for the Board, Room 1132 in the Department of Labor. We will ask that you be represented in those rooms from nine o'clock on. We recognize the human difficulties that are involved. If you want to set up arrangements so that you can get your full group on very short notice that will, of course, be perfectly all right. But we will have to use the night to its best potential, so we will have to ask that there be always representation in those rooms, with the possibility of full discussion on not more than 15 minutes notice.

Are there any questions about the procedure?

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DEPARTMENT OF LABOR

PRESIDENT'S PANEL ON LONGSHOREMEN'S STRIKE

Hon. W. Willard Wirtz
Secretary of Labor

Hon. John Connor
Secretary of Commerce

Hon. Wayne Morse
A United States Senator from the State of Oregon

James Reynolds
Assistant Secretary of Labor
for Labor-Management Relations

David Stowe, Director
Manpower Utilization
and Job Security Project
Department of Labor

Friday

February 12, 1965

Conference Room B
Department of Labor
Washington, D. C.

SECRETARY WIRTZ: I'm sorry we're late. The procedure this morning will be as follows: I will read the panel's recommendation in both cases. We will be in my office for the next hour. If there are any questions which anyone wants to raise about the recommendations we will be glad to take those questions there. We will return here at 11:15 with the receipt of the parties' responses to these recommendations. I repeat that if there are questions which arise in the meantime, we'd be glad to have you take them up with us. I'll read first the recommendation of the panel -- the recommendation covering the West Gulf Area. This panel, in execution of its responsibilities under the instructions of the President of February 10, 1965, makes the following findings and recommendations: A continuation of the shutdown of those ports of our country involved in this longshore dispute is without any further justification. The welfare of our nation -- both domestic and foreign -- now calls for a substitution of the rules of reason, for economic force in the settlement of this dispute. The dispute has created overpowering and controlling public welfare interests which supersede the private interests of the disputants. Therefore, the panel finds that the circumstances facing the disputants demand an immediate return to work and resumption of shipping operations as a necessary condition for applying the procedures for the settlement of the remaining issues as now recommended. It is recommended that the parties agree to submit all remaining issues in dispute between them to mediation before a mediator to be named by the President's panel after consultation with the parties, and on the following terms: The mediator will assist the parties in a good-faith attempt to arrive at a negotiated settlement. If any issues remain unsettled at the end of thirty days, or

such later time as the parties mutually agree, those issues shall be submitted to final and binding arbitration before an arbitrator to be named by the President's panel. The final settlement terms reached either by mediation or arbitration shall be effective retroactively to October 1, 1964. Copies of this recommendation and of the next one will be distributed immediately upon the reading.

The recommendation now of the panel covering the South Atlantic Area: This recommendation includes by reference the general findings of the panel with respect to the gravity of this situation and the importance of an immediate settlement of this dispute and the reopening of the country's ports. This recommendation is made by the panel in the execution of its responsibility under the statement of the President of February 10, 1965. All issues in dispute here have been resolved except for two. It is recommended that these two issues be resolved as follows: First, with respect to gang size. The recommendation is that there be included in the agreement this provision: "The minimum number of men in the gang between the point of rest and the hold when loading or discharging hand-stowed, break bulk general cargo shall be 16 men, including machine operators and gang foremen. Machine operators may be temporarily assigned to other gangs. This minimum gang size shall not apply when machines are used in the hold, when cargo is bundled or unitized, when handling wire rods in coil and steel, when handling cargo between ship and open-top freight car or barge, or when other than ship's gear is used. Where hardship is claimed by either union or employer because unreasonable or burdensome conditions result, or work

methods or operations materially change in the future, the following procedure shall apply: The problem shall first be discussed between the local and management involved. In the event an agreement cannot be reached, either party may refer the dispute to the Joint Negotiating Committee, and if the matter cannot be resolved by that Committee, either party may then refer the question to an arbitrator in accordance with the procedure set forth in Clause 15 (B). There may be modification of other clauses affected by this provision, which must be made so as to conform with it."

Second, with respect to the other issue -- the weather clause -- the recommendation is that there be substituted for the present weather clause this provision: "When prevented from working by weather conditions, men ordered for all starts shall receive an additional guarantee of two hours at the applicable straight time or overtime rates specified in Clause 3 (A). In the event work is prevented by weather conditions after this initial two-hour guarantee, such portion of the remaining guaranteed period shall be paid at the stand-by rate specified in Clause 8 (F). Again, there may be modification of other clauses which are affected by this provision which will be necessary to conform with it."

It is recommended that all other settlement terms previously agreed to by the parties be incorporated in this agreement. It is recommended that there be an immediate return to work in this situation too. Thank you gentlemen.

(Lapse)

MASEY: Secretary Wirtz and members of the panel. As President of the South Atlantic and Gulf Coast District, we extremely regret that we have to take the position that we have rejected your proposal -- not in its entirety, but mostly. We find that under Section 2 (A) that we will be agreeable to that, with the understanding that the union will have some say as to the mediator who will be sent in. And under Section C, we will accept that portion. But on the request that all parties return to work, we very much regret that we do not feel that we can do so under the circumstances set forth in this -- what is offered to us. And we, as part of the South Atlantic Gulf Coast District, the West Gulf Area and the South Atlantic and Gulf Coast Area, take the same position as rejecting the panel's report. You didn't mention a mediator, but they will accept a mediator to work with them . . .

SECRETARY WIRTZ: Your answer, I gather, is just for the West Gulf, right?

MASEY: No, the West Gulf -- now I'm making it for the South Atlantic.

SECRETARY WIRTZ: Let's just take them one at a time, I think, to keep them straight, Mr. Masey. Your answer is that as far as the panel's recommendation for what we've called the West Gulf Area, which isn't exactly right, your answer is that you are accepting the recommendation as far as point 2 (A) is concerned?

MASEY: Yes, . . .

SECRETARY WIRTZ: You are accepting it as far as part 2 (c) is concerned . . .

MASEY: That's right.

SECRETARY WIRTZ: . . you are rejecting it as far as the proposal for an immediate return to work is concerned, and your position with respect to 2 (B) is what?

MASEY: 2 (B), well that eliminates that. We're willing to continue negotiation and let them continue at any time it'll be necessary with the service of a mediator, but we do not propose to return to work while this is outstanding. We don't feel that we've got any more out of this than we had when we presented a proposal to the employers way back in, two months before September 30th.

SECRETARY WIRTZ: All right, do I summarize this correctly, then?: that you reject the proposal, the recommendation, to return to work, you accept the proposal for procedure as far as mediation is concerned, you rejected as far as the provision for arbitration of the unresolved issues is concerned?

MASEY: That's correct. That's correct. We don't want no arbitration.

SECRETARY WIRTZ: All right. May we get Mr. Dunn's statement from the West Coast?

DUNN: (from audience, nearly inaudible): We feel, sir, that the emergency of the situation requires a definite affirmative answer, and we give affirmatively.

SECRETARY WIRTZ: Thank you, Mr. Dunn. For the South Atlantic?

MASEY: For the South Atlantic, they have rejected the proposal that you had set forth for them to accept as a, to conclude the agreement; they will accept a mediator on the basis of, stated with the West Gulf Area; and they do not want any arbitration of any issues.

SECRETARY WIRTZ: And the proposal for an immediate return to work?

MASEY: It was rejected.

SECRETARY WIRTZ: All right. Mr. Watts?

WATTS: May I sit at the table, Mr. Secretary?

SECRETARY WIRTZ: Surely.

WATTS: Mr. Secretary and panel, we sustain what the President of the District has said. We have turned down a rain clause and gang size. And the mediation service, we accept as previously stated. Thank you.

MASEY: One other statement I'd like to make is that the locals in our South Atlantic and Gulf Coast District Area that have come to an agreement -- we have released them to go to work.

SECRETARY WIRTZ: Mr. Ruffin, did you have a statement to make?

MR. RUFFIN: Yes, I do sir. (pause) Mr. Secretary and members of the panel -- our group has considered this matter with the utmost seriousness since receipt of the panel's proposals as a means of settlement of this matter. We have considered this with full recognition of the circumstances which have brought us to Washington on this occasion. We recognize that this strike has created untold hardship to the country, that it is intolerable, and that we are here at the specific direction of the President, who has convened this panel. We have labored long and hard over this matter during this session in Washington, and during several successive good-faith bargaining sessions in Miami starting in August. We feel that we have accomplished a great deal during those negotiations. Very frankly, we are greatly disturbed that the panel should make a recommendation which would propose that

we deviate so strongly and drastically from a very basic policy position and position of principle which has been of great importance to us in our area for many years -- namely, that the employer have the unilateral right to name and number of men employed by him and to designate how they are to be used. We feel strongly about this. Our constituents whom we represent feel strongly about this. We made in our last session in Miami a proposal, a counter-proposal I suppose I should say, which was in good faith and which we had hoped would resolve this question. It did not resolve the question. And so we have given consideration to it further here. I might say that it has taken a tremendous amount of soul searching on our part to go any further along this line as suggested by you than we had previously gone in our proposal in Miami. However, recognizing the urgency of the situation and with a full awareness of the national interest, and with a feeling that this strike cannot possibly be allowed to go on any longer, we have decided to deviate from our past policy position, even though we feel just as strongly about it as we ever did, and we're doing so strictly on the basis of the circumstances which surround us here. And I want you gentlemen to know that we are very much upset that circumstances should be such that we do have to go further on a matter that is as basic to us in our area as this is. However, in the national interest, we are accepting your proposal. Our official position in the matter is as follows: We accept the recommendation made by the panel on both issues contained in the recommendation. As to the other two issues which may technically be considered still open, we agree to _____ these requests to reinstate old (?) explosives clause, and

to insert in the check-off clause as worded in our proposal of September 30th, 1964, and agreed to by the IIA on December 7th, 1964. We are prepared to resume work immediately upon IIA acceptance of the foregoing.

SECRETARY WIRIZ: Thank you, Mr. Ruffin. Mr. Gleason?

GLEASON: Well, the position of the myself, as the International President of the Executive Board, is now since the South Atlantic and Gulf Coast District has turned down some of the recommendations of the panel, and the district board itself has made the recommendations that you have heard here, now that in those ports where agreements have been reached that men would return to work, the Executive Board has gone on record to order all men back tomorrow morning at 8:00 in those areas where the agreements have been reached, and that we are taking the position that we will not work any diverted ships or any diverted cargo. This is in line with the request of President Johnson prior to this panel being set up and President George Meany of the AFL-CIO. We are taking this action because we believe that this is the same type of a recommendation that was made some time in 1962 where we go back into compulsory arbitration. Since all the American organizations, labor organizations, and the AFL itself, CIO, is on record against compulsory arbitration in these matters, we believe that these men wouldn't get anything more out of compulsory arbitration than the operators would be willing to give them now. Therefore, at 8:00 tomorrow morning all men will be ordered back to work in those areas by myself as the International President. This was an action that was taken by the Executive Board and I'd like to say this: that, I don't know if this is _____ out now, but I'll talk about this later.

But this is what we're going to do, Mr. Secretary, and we appreciate the efforts of the panel in trying to settle this thing out, but as far as the South Atlantic and Gulf Coast District is concerned, there has been nothing different than was offered to the Gulf Coast District some time in August. This they turned down, arbitration was turned down, way back on September 29th by this international union.

SECRETARY WIRTZ: I express what I'm sure is the Nation's gratitude that the ports will be opened, as I understand from what you say, tomorrow morning?

GLEASON: At 8:00.

SECRETARY WIRTZ: At 8:00. This is a facing up to the responsibilities of this occasion, Mr. Gleason. It would be inappropriate for me to say more than that. All right. Are there comments by -- oh, Mr. Burke, I beg your pardon.

BURKE: I would just like to make one short statement. That the entire Executive Board, including those officers from the South Atlantic and Gulf Coast District, took cognizance of the very unsettled world conditions, and especially in view of the crisis in Viet Nam.

SECRETARY WIRTZ: Comment or question? Secretary Connor? Senator Morse?

MORSE: No comment.

SECRETARY WIRTZ: We will proceed immediately to report to the President on the reactions to this situation. The reactions obviously leave some problems to be resolved. We'll try to attend to those at the earliest

possible opportunity. It is very important that the ports are opened. It's also very important that settlement be reached in these two areas. We face with regret the advice that the recommendation of the panel cannot be accepted, is not accepted by the longshoremen in these two areas. We take things as we find them, and we'll move ahead to do whatever we can. It is very important, gentlemen, that these matters be brought to an early conclusion. It's very important that the principle which was reflected in the recommendations of this panel be accepted. I hope in the future that you'll find that there's been at least a basis laid for moving forward along the lines indicated here. This has been a long, long month. It's too bad that we didn't get an agreement this time in this industry without the difficulty that's developed. All of us in this room, on both sides, and the government included, worked very hard. We came very close. We look forward now to four years of peace in this industry -- industrial peace -- as soon as we can get these two remaining problems cleaned up. Gentlemen, let's don't let it happen again four years from now. Thank you.

SENATOR MORSE: Mr. Chairman. May I make a procedural point? You know, we're leaving immediately for the White House to discuss the matter with the President. I'd like to suggest that -- we haven't had a chance to talk about it together, since the announcement was made -- I'd like to suggest that the parties remain available for the next couple of hours in case there is some message that the President may want us to deliver to them upon our return from the White House -- I don't know what his course of action will be. But I suggest that they remain available for two hours.

SECRETARY WIRTZ: All right. Following up your suggestion, Senator Morse, let's assume that our conference there can be relatively short and if you wouldn't mind standing by or having somebody available, we will check back here to work out the continuation of this matter, as quickly as we can -- hopefully by 1:00.