

REPORT TO THE PRESIDENT
ON THE LABOR DISPUTE INVOLVING
THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
AND
THE MARITIME INDUSTRY
ON THE ATLANTIC AND GULF COAST

BY

BOARD OF INQUIRY
CREATED BY
EXECUTIVE ORDER #11054

DATED

OCTOBER 1, 1962

ROBBEN W. FLEMING, Chairman
VERNON H. JENSEN
ROBERT L. STUTZ

OCTOBER 4, 1962

Ex. C

New York, New York

October 4, 1962

THE PRESIDENT

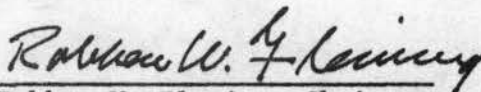
The White House

Dear MR. PRESIDENT:

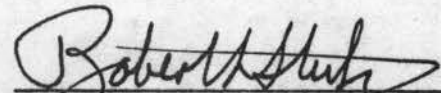
On October 1, 1962, under Executive Order No. 11054, by virtue of the authority contained in Section 206 of the Labor Management Relations Act, 1947 (61 STAT 155; 29 U.S.C. 176), you appointed the undersigned Board of Inquiry to report to you on the current work stoppage and labor dispute affecting the Atlantic and Gulf Port Maritime Industry of the United States.

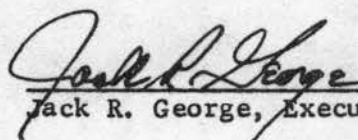
Our report is transmitted herewith.

Respectfully,


Robben W. Fleming, Chairman


Vernon H. Jensen, Member


Robert L. Stutz, Member


Jack R. George, Executive Secretary

REPORT TO THE PRESIDENT

I. INTRODUCTION

On October 1, 1962, at 12:01 a.m., the collective bargaining agreements between the International Longshoremen's Association and the steamship companies, contracting stevedores, contracting marine carpenters, lighterage operators and other employers engaged in related or associated pier activities in all Atlantic and Gulf ports from Maine to Texas expired. Since the parties had been unable to agree upon the terms of new contracts, they were left without agreements and a work stoppage took place which is 100 percent effective.

Because the stoppage cuts vital shipping lifelines to all parts of the world, the President immediately appointed this Board of Inquiry. It was directed to look into the facts surrounding the dispute and report on or before October 4, 1962.

II. THE PARTIES TO THE DISPUTE

The union involved in this case is the International Longshoremen's Association, AFL-CIO. It represents

approximately 70,000 waterfront employees in ports ranging from Searsport, Maine, to Brownsville, Texas. For collective bargaining purposes the union is divided into two major subdivisions. One is the Atlantic Coast District, consisting of the ports from Searsport, Maine, to Hampton Roads, Virginia. The other is the South Atlantic and Gulf Coast District, consisting of the ports along the Atlantic Coast below Hampton Roads and along the Gulf Coast to Brownsville, Texas.

The employers are banded together in a series of local and regional associations, with some additional informal groupings and relationships. In the North Atlantic area the various employer associations have given authority to the New York Shipping Association to bargain with respect to certain issues, that is, general wage increases, hours insofar as they relate to the regular or normal workdays, the amount of contributions for welfare and pension benefits (but not the benefits to be provided by the welfare and pension plans), holidays and vacations, and the duration of the collective bargaining agreements. These associations, which are

located in ports of Boston, Philadelphia, Baltimore, and Norfolk-Hampton Roads, incorporate settlements of the above issues in the various local agreements. Each port negotiates local working conditions for its separate groups. For example, in the New York area, there are six separate agreements covering the classifications of longshoremen, checkers and clerks, cargo repairmen, maintenance and mechanical workers, and marine carpenters. In the South Atlantic and Gulf ports there are several associations and groupings, with separate negotiations being conducted in Miami, Mobile, New Orleans, and Galveston. In this area there is a tendency to follow the pattern set in New Orleans on economic issues.

III. BACKGROUND OF THE DISPUTE

The contracts which expired on October 1, 1962, were entered into three years ago. On that occasion, like the present, the parties were unable to agree upon the terms of new contracts and a Board of Inquiry was appointed. During the period of the injunction agreements were reached.

After the 1959 contracts were signed, and in an effort to help avoid a crisis in 1962, the Federal Mediation and Conciliation Service maintained continuous liaison with the parties. In addition to informal contacts, officials of the Service met with top union and industry representatives as early as January, 1962, for the purpose of suggesting that bargaining get under way early. Both sides then undertook factual surveys on several key points.

In the middle of May, the union's Atlantic Coast District Wage Scale Committee met for the purpose of formulating economic demands for the North Atlantic ports. In mid-June the first bargaining session between the International Longshoremen's Association and the New York Shipping Association was held. This was particularly important because negotiations in New York traditionally set the contract pattern on major issues for the South Atlantic and Gulf Coast ports. At this session the union presented its proposals for contract revision. They included the items dealing with the "Master Contract," applicable to the North Atlantic

ports from Maine to Virginia, and the General Cargo Agreement, applicable to the Port of New York, such as:

Wages

Length of the working day

Daily guarantee

Improvement of pensions

Major medical coverage

Contributions to clinics

Management of monetary fringe benefit grants

No cancellation clause

Increase in penalty cargo rates

Vacation contributions and entitlements

Eligibility for holidays

Duration of contract

Severance pay at terminated operations

Numerous specific changes in language were proposed to cover the various items included in the list of demands.

Another meeting was held on June 25, and on July 16 the New York Shipping Association presented its counter-proposals for the "Master Contract," and items for the Port of New York. They covered the following subjects:

Night shift differential for terminal operations

Flexibility of meal hours

Elimination of travel time within the Port of New York

Right to cancel and re-order where ship fails to arrive at berth, but with payment for reporting

Guarantees to men working after noon meal hour

Working through meal hour

Obligation of International Longshoremen's Association to provide labor for overtime work

Notice by gang of willingness to work overtime

Discipline for unexcused absenteeism

Right of employer to refuse to hire gangs with too many absentees

Right of employer to cancel work under adverse weather conditions

Clarification of employer rights in using work force, by formation of joint study committee to make recommendations covering:

Number of longshoremen needed for various types of work

Shifting gangs from ship to ship,
hatch to hatch, or pier to pier

Use of men not organized into gangs

More effective discipline

Employers' rights to manage

Revision of seniority article by joint
committee

Pension, welfare, and clinical benefits

Royalties on bulk sugar and containers

Included also was proposed contract language covering
matters listed above.

At the request of the International Longshore-
men's Association, these proposals were clarified by
the New York Shipping Association on August 1. At that
time a monetary increase of 27¢ per hour was offered to
be applied as follows: 9¢ for the year ending September
30, 1963; 9¢ for the year ending September 30, 1964;
and 9¢ for the year ending September 30, 1965, provided
that the union was willing to accept the employers'
proposals of July 16, 1962. In its clarification the
New York Shipping Association specified the minimum gang
sizes it desired for different types of operations.

By late August it appeared that no progress was being made, and the Federal Mediation and Conciliation Service began to play a more active role in negotiations. A Special Longshore Mediation Panel was appointed in New York which met with the parties repeatedly during the last week of August and through the month of September. Throughout this period, the union refused to discuss the proposals of the employers until the question of reduction of size of gangs was withdrawn. Likewise, the proposals of the union were not discussed. It should be noted that demands were presented in North Atlantic ports, but negotiations on local issues were at a standstill.

During this time mediators were assisting in negotiations which were being held between the union and various of the employer associations in the South Atlantic and Gulf Coast ports. The union was unsuccessful in its efforts to bargain with these employers on a coast-wise or even on a district basis. It presented identical demands to all of these employers that were roughly parallel to the demands in New York.

Negotiations preceding the expiration of the contracts on September 30, 1962, were conducted separately in the following locations:

South Atlantic District
(Negotiations in Miami)
East Gulf District
(Negotiations in Mobile)
Gulf District
(Negotiations in New Orleans)
West Gulf District
(Negotiations in Galveston)

Negotiations in New Orleans appeared to be the key to the economic settlement in all of the South Atlantic and Gulf ports. The employers offered a 9¢ per hour monetary increase for each year of the three-year contract, tying this offer to demands related to local working conditions. The union representatives rejected this offer and in addition insisted that grievance arbitration be removed from the contract. The employers insisted that arbitration be retained.

Some progress was made on local issues in the Miami negotiations, but nothing was accomplished on size of gangs. The union sought specific minimums on the size of gangs and the employers insisted on the retention of the right to determine the number of men

needed in a gang. Economic issues appeared to be dependent upon a settlement in New Orleans.

In Mobile, too, some progress was made in negotiations over local issues, but the union demand for minimum size of gangs was in issue here. No monetary offer was made by the employers in these discussions, and it was indicated that none would be made until the union dropped its original proposals or some monetary pattern was set in New Orleans or New York.

Although the parties exchanged proposals in the Galveston negotiations, very little progress was made. The union's insistence on minimum size of gangs and elimination of grievance arbitration was a key factor in these discussions, as was an issue over hiring hall procedures. No monetary offer was made by the employers.

On September 13, 1962, Assistant Secretary of Labor James Reynolds met with the Special Longshore Mediation Panel and the parties in an effort to get the negotiations going again. Further meetings followed, but without success.

On September 21 the representatives of the Federal Mediation and Conciliation Service prepared a proposal for submission to the parties. It called for a one-year agreement coupled with a joint study of the problem of changes in cargo handling and operations, as well as employment security and earnings. The New York Shipping Association voiced approval of the proposal, provided that the parties also agreed upon final and binding arbitration at the end of the year as to any items left unresolved by the parties. The union rejected the proposal.

Further meetings were held with the parties right up to the strike deadline, but there was no significant change in position on either side.

IV. HEARING BEFORE THE BOARD OF INQUIRY

Immediately upon its appointment, the Board, through its Chairman, issued telegrams to the parties informing them that a meeting would be held at Room 206, New York Port Authority Building, 111 Eight Avenue at 16th Street, New York City, at 3:30 p.m. on Tuesday, October 2, 1962. The parties were requested to submit

written statements of position, and were advised that they could appear in person if they so desired.

Several of the parties did make an appearance before the Board, and the others submitted written statements. Copies of these statements are attached to this report.

The Board of Inquiry met during the night of October 2, and on October 3, for the purpose of reviewing the statements and drafting this report.

V. CONCLUSION

It is evident that despite repeated meetings almost no progress has been made toward an agreement. In this sense the parties are worse off than they were at a comparable time in 1959, for on that occasion they had at least resolved a number of fundamental issues. This time the entire contract remains open and the local issues, which must be resolved after the "Master Contract" is negotiated, are relatively untouched.

A stalemate resulted when the New York Shipping Association considered the International Longshoremen's

Association demands unreasonable and unsuitable for realistic collective bargaining and the union refused to bargain until the demand to change the size of gangs was withdrawn. This is the reason why the real position of the parties on the specific issues raised in their proposals is still unknown, although each indicated its proposals constituted bargaining positions and that it expected to make some compromises.

From the union's standpoint, the employers introduced demands calling for "sweeping and drastic reductions in economic benefits and working conditions which were an integral part of past collective bargaining agreements in the industry." The union contends that the productivity issue raised by the employers is not genuine.

From the employers' standpoint, the industry must have increased productivity. They purport to be flexible in their approach and to ask only that the union engage in serious discussions on this subject. The parties remain adamant in their positions. The union contends that the demand for reduction in the size of gangs and

their use must be withdrawn before other matters can be discussed. The employers hold that increased productivity is imperative for the survival of the industry and that size and use of gangs is germane and must be considered.

It is clear to the members of the Board that the parties have not engaged in productive bargaining over the subjects which separate them. Since both parties profess a willingness and desire to reach an agreement, there should be a way for them to get together. The problems which these parties face are difficult but not insuperable.

In four previous situations boards appointed by the President have found that work stoppages in the long-shore industry have created emergencies. The widespread impact in all the major ports creates an intolerable condition which necessitates resumption of work and an early settlement of the dispute.

If, as both parties insist, there is a genuine desire to reach an agreement, that objective can be

realized. This Board stands ready to comply with the President's request that it work with the Federal Mediation and Conciliation Service in mediation efforts to resolve the dispute, but it should be understood that the primary responsibility rests with the parties.

Respectfully submitted,

Vernon H. Jensen

Robert L. Stutz

Robben W. Fleming, Chairman