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WEST COAST DOCK DISPUTE, JANUARY-FEBRUARY 1972

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HEARINGS

BEFORE THE

COMMITTEE ON

LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

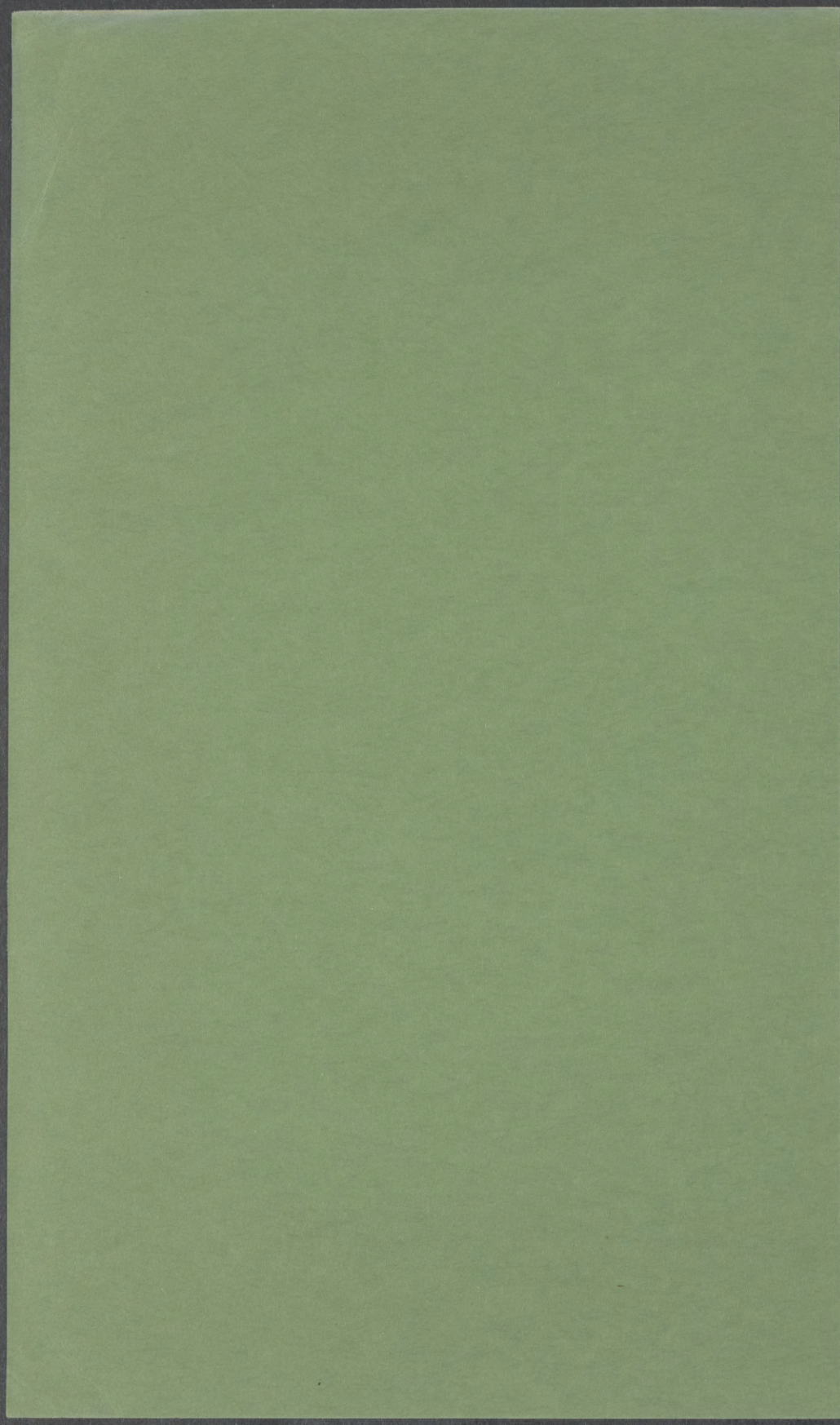
ON

S.J. RES. 187

TO PROVIDE A PROCEDURE FOR SETTLEMENT OF THE
DISPUTE ON THE PACIFIC COAST AND HAWAII AMONG
CERTAIN SHIPPERS AND ASSOCIATED EMPLOYERS AND
CERTAIN EMPLOYEES

JANUARY 26, FEBRUARY 3 AND 4, 1972





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HEARINGS BEFORE THE COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE NINETY-SECOND CONGRESS SECOND SESSION

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CERTAIN EMPLOYEES

JANUARY 26, FEBRUARY 3 AND 4, 1972



Printed for the use of the Committee on Labor and Public Welfare

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CONTENTS

S J. Res. 187, text of-----	Page 2
-----------------------------	-----------

CHRONOLOGICAL LIST OF WITNESSES

WEDNESDAY, JANUARY 26, 1972

Hodgson, Hon. James D., Secretary of Labor, accompanied by Richard F. Schubert, Solicitor, Department of Labor-----	45
---	----

THURSDAY, FEBRUARY 3, 1972

Volpe, Hon. John A., Secretary of Transportation, accompanied by John W. Barnum, General Counsel; Hon. Earl L. Butz, Secretary of Agriculture; Ray Ioanes, Administrator, Foreign Agriculture Service; and Hon. James Lynn, Under Secretary of Commerce-----	71
Butz, Hon. Earl, Secretary of Agriculture, accompanied by Ray Ioanes, Administrator, Foreign Agriculture Service-----	89
Lynn, Hon. James T., Under Secretary of Commerce-----	104

FRIDAY, FEBRUARY 4, 1972

Bridges, Harry, President, International Longshoremen & Warehousemen's Union-----	115
Flynn, Edmund J., President, Pacific Maritime Association-----	119
Brundage, Albert, General Counsel, Western Conference of Teamsters-----	122

STATEMENTS

Brundage, Albert, General Counsel, Western Conference of Teamsters-----	122
Bridges, Harry, President, International Longshoremen & Warehousemen's Union-----	115
Butz, Hon. Earl, Secretary of Agriculture, accompanied by Ray Ioanes, Administrator, Foreign Agriculture Service-----	89
Flynn, Edmund J., president, Pacific Maritime Association-----	119
Gardner, Leonard, Secretary, Illinois Agricultural Association, Bloomington, Ill., prepared statement-----	29
Hodgson, Hon. James D., Secretary of Labor, accompanied by Richard F. Schubert, Solicitor, Department of Labor-----	45
Hofer, Glen, executive vice president, National Federation of Grain Cooperatives, prepared statement-----	24
Krade, Harry J., assistant director, Marketing Services, California Department of Agriculture, Sacramento, Calif., prepared statement-----	37
Lynn, Hon. James T., Under Secretary of Commerce-----	104
Naden, Kenneth D., executive vice president, National Council of Farmer Cooperatives, prepared statement-----	23
Packwood, Hon. Bob, a U.S. Senator from the State of Oregon, prepared statement-----	13
Triggs, Matt, assistant legislative director, and Dale Sherwin, assistant legislative director, American Farm Bureau Federation, prepared statement-----	19
Urquhart, J. D., manager, Union Elevator & Warehouse Co., Lind, Wash., and chairman, executive committee, National Grain & Feed Association, prepared statement-----	26

Volpe, Hon. John A., Secretary of Transportation, accompanied by John W. Barnum, General Counsel; Hon. Earl L. Butz, Secretary of Agriculture; Ray Ioanes, Administrator, Foreign Agriculture Service; and Hon. James Lynn, Under Secretary of Commerce-----	Page 71 84
Prepared statement-----	
Woodward, Donald A., National Association of Wheat Growers, Pendleton, Oreg., representing the Wheat Growers Associations of Oregon, Washington, and Idaho, prepared statement-----	17

ADDITIONAL INFORMATION

Articles, publications, etc.:	
“Commodities,” from the Wall Street Journal, November 3, 1971-----	21
“Dock Strike Costly But Seen as Less Than Anticipated,” by Harry Bernstein, from the Los Angeles Times, January 30, 1972-----	112
The Impact of Dock Strikes on American Agriculture-----	99
Communications to:	
Packwood, Hon. Bob, a U.S. Senator from the State of Oregon, from R. K. Bauer, executive vice president, North Pacific Grain Growers, Inc., Portland, Oreg., January 28, 1972-----	94
Selected tables:	
Pacific coast exports:	
April-June -----	102
October-November -----	103

APPENDIX I

STATEMENTS

American Retail Federation, Washington, D.C., prepared statement-----	188
Bennett, Senator Wallace F., a U.S. Senator from the State of Utah, prepared statement-----	152
Bingham, Lucius H., president, Gaspro, Inc., on behalf of the Hawaii Manufacturers Association, prepared statement-----	185
Fasi, Frank F., mayor, city and county of Honolulu, State of Hawaii, prepared statement, with attachments-----	155
Holroyde, Edward B., president, Hawaii Sugar Planters' Association, prepared statement-----	169
Ogilvie, Richard B., Governor, State of Illinois, prepared statement-----	194
Parkinson, John F., executive vice president of the Pacific Coast Association of Port Authorities, and assistant general manager of the Port of Los Angeles, prepared statement-----	175

ADDITIONAL INFORMATION

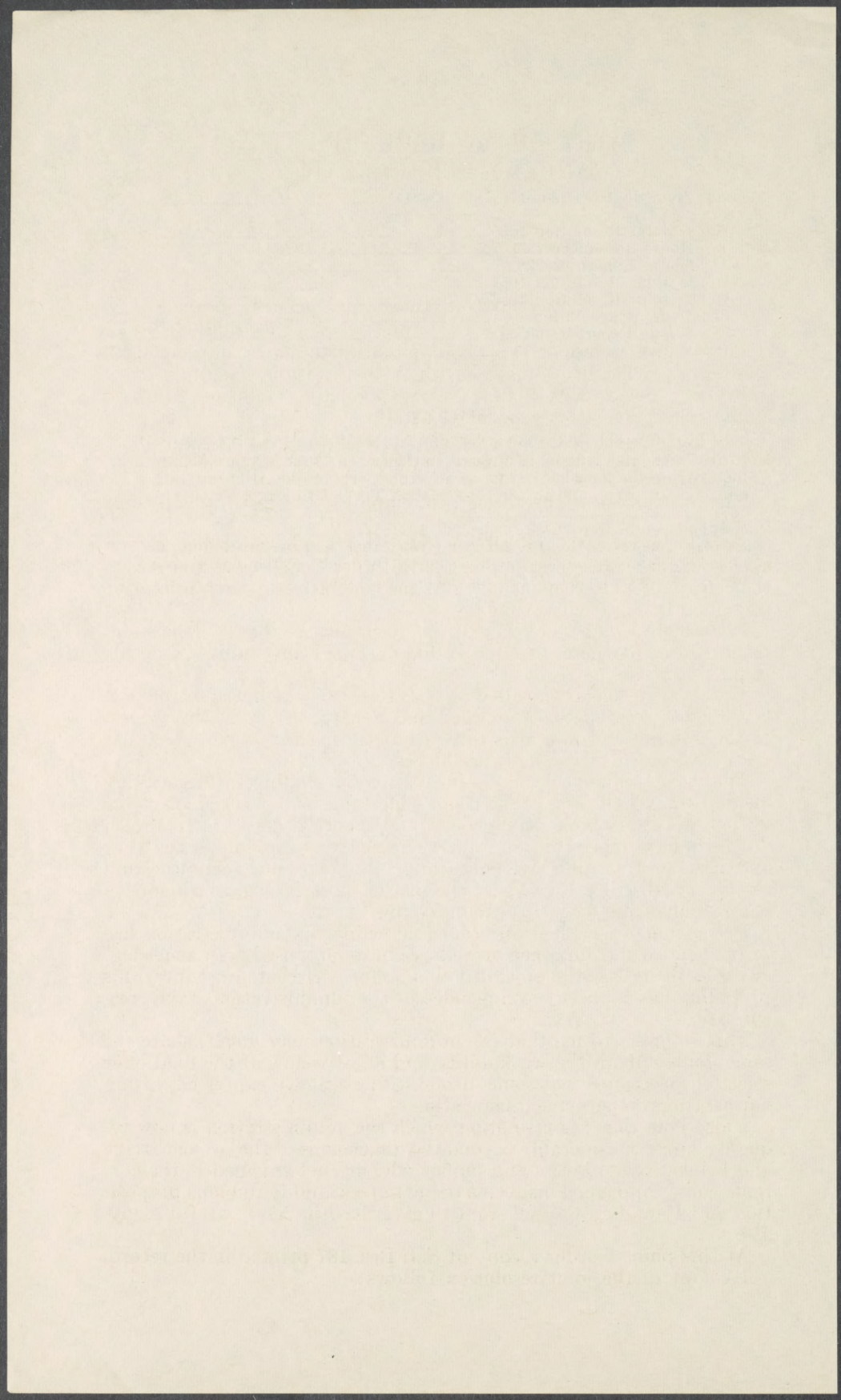
Communications to:	
Nagle, Robert E., general counsel, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C., from:	
Hudson, Robert D., secretary, Board of Harbor Commissioners, city of Los Angeles, January 26, 1972, with enclosure-----	178
Riley, Paul H., Deputy Assistant Secretary of Defense (Supply, Maintenance and Services), Washington, D.C., February 7, 1972 -----	151
Williams, Hon. Harrison A., Jr., chairman, Committee on Labor and Public Welfare, U.S. Senate, from:	
Leffingwell, Roy J., executive vice president, Hawaii Manufacturers Association, Honolulu, Hawaii, February 1, 1972, with enclosure -----	184
Sayre, C. R., president, National Cotton Council of America, Memphis, Tenn., January 25, 1972-----	167

APPENDIX II

	Page
Message from the President (H. Doc. 92-244)	197
Text of:	
House Joint Resolution 1025	202
House Resolution 796	213
House Report 92-828	216
House Joint Resolution 1054	218
House Joint Resolution 1056	230
Senate Joint Resolution 197	233
Senate Report 92-605	240
Public Law 92-235	253

APPENDIX III

Report to the President of the United States, submitted by the President's Board of Inquiry created by Executive Order No. 11621, as amended, to inquire into the longshore disputes affecting ports on the Atlantic, Gulf, and Pacific coasts, and in the Great Lakes Port of Chicago, October 6, 1971	257
Supplemental Report, November 25, 1971	286
Sixty-day report to the President on the labor dispute involving the longshore industry on the Pacific coast by the board of inquiry created by Executive Order No. 11621, as amended, December 5, 1971	297



WEST COAST DOCK DISPUTE, JANUARY-FEBRUARY 1972

WEDNESDAY, JANUARY 26, 1972

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The committee met at 11:25 a.m., pursuant to notice, in room 4232, New Senate Office Building, Senator Alan Cranston presiding.

Present: Senators Williams, Nelson, Eagleton, Cranston, Hughes, Javits, Schweiker, Packwood, and Taft.

Committee staff members present: Stewart E. McClure, staff director; Robert E. Nagle, general counsel; and Eugene Mittelman, minority counsel.

Senator CRANSTON (presiding pro tempore). The hearing will come to order.

I apologize to each and all for the delay this morning but, as you all know, there were two important rollcalls. That is also the reason the chairman and other members of the committee are not able to be present at this particular time.

I have an opening statement. I wish to emphasize that it is the statement of the chairman, Senator Williams, and I am reading it on his behalf.

This hearing has been called on S.J. Res. 187 which was introduced last Friday by Senator Packwood and Senator Javits at the request of the administration and is directed at ending the strike which has recently resumed on the west coast docks.

The means chosen by the resolution involve sending the underlying dispute to compulsory arbitration. Since this is a method of strike settlement which both management and labor witnesses have agreed during our hearings on permanent legislative proposals is the very antithesis of free collective bargaining, I am sure our committee and the Congress will want to give the matter most careful consideration before embarking on such a drastic course.

I would note in this connection that while the administration has recommended certain other procedures in its proposed permanent legislation, including the so-called final offer selection procedure, this procedure has not been recommended by the administration in the present case.

This suggests to me that the administration may, itself, share the same doubts about the workability and effectiveness of the final offer selection procedure that some of our witnesses have expressed during our hearings on permanent legislation.

I also note that the resolution which the administration is now requesting goes considerably beyond the dimensions of the present strike and brings in employers and unions who are not engaged in the current work stoppage. This seems to me to be a highly dubious proposition and I am sure we will want to give that the most careful study, also.

At this point I order a copy of S.J. Res. 187 printed in the record.
(A copy of the joint resolution follows:)

92D CONGRESS
2D SESSION

S. J. RES. 187

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1972

Mr. PACKWOOD (for himself and Mr. JAVITS) (by request) introduced the following joint resolution; which was read twice and referred to the Committee on Labor and Public Welfare

JOINT RESOLUTION

To provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by the International Longshoremen's Union) ; and

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California, in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935-WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947, as amended (29 U.S.C. 176-178) ; and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts; and

Whereas there is a dispute, involving members of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (hereafter called the Teamsters Union) employed by some of the above employers and by other employers engaged in activities related to the maritime, stevedoring, and pier work described above, concerning the assignment and performance of such work; and

Whereas a dispute in Hawaii, involving certain employers engaged in activities related to maritime, stevedoring, and pier work described above and certain of their employees represented by the Longshoremen's Union and the Teamsters Union, threatens to disrupt essential transportation services for that State and to endanger the health and safety of its citizens; and

Whereas these disputes are closely related to and a portion of the dispute on the Pacific coast; and

Whereas it is vital to the national interest, including the national health and safety, that essential transportation services be maintained; and

Whereas the Congress finds that emergency measures are essential to continuity of essential transportation services affected by this dispute: Therefore be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That an arbitration board shall be established herein to hear
4 and settle all issues in this dispute, and to issue a determina-
5 tion which shall be deemed a final and binding resolution,
6 understanding, and agreement among the parties and shall
7 also be deemed to supersede to the extent inconsistent there-
8 with all other agreements or understandings in which these
9 parties are involved: *Provided*, That the Secretary of Labor
10 may terminate the procedures of this resolution before issu-
11 ance of a determination by the arbitration board if he finds
12 that all the labor organizations and employers involved in the
13 dispute have reached complete agreement on all the issues.
14 The determination of the arbitration board shall be effective
15 for the period stated therein, which may not be less than
16 eighteen nor more than twenty-four months. During such
17 period, there shall be no resort to strike or lockout and the
18 parties thereto shall be bound by the terms of the determina-
19 tion notwithstanding any agreements they may conclude
20 among themselves.

1 From the date of enactment until the arbitration board
2 makes its determination, there shall be no resort to strike
3 or lockout, and no change, except by agreement of the
4 parties, in the terms and conditions of employment as pre-
5 scribed in the court order in United States against Interna-
6 tional Longshoremen's and Warehousemen's Union et al.,
7 docket numbered C-17-1935-WTS, October 6, 1971, the
8 agreement between the Longshoremen's Union and certain
9 employers in Hawaii, which expired June 30, 1971, under
10 which they have been operating from that time, and the
11 collective bargaining agreements, interpretations, rulings,
12 and practices governing assignment and performance of
13 work involved in this dispute by members of the Longshore-
14 men's Union and the Teamsters Union.

15 For the purposes of this resolution, the term "parties"
16 shall mean the parties who were under the jurisdiction of the
17 court in United States against International Longshoremen's
18 and Warehousemen's Union et al., docket numbered C-17-
19 1935-WTS, October 6, 1971, in the Pacific coast portion of
20 this dispute who have not settled prior to the enactment of
21 this resolution, and the parties in section 6 of this resolution.
22 In addition, any employer of employees involved in this dis-
23 pute who are represented by Teamster Union locals listed
24 in section 6, not otherwise made a party, may elect to place
25 itself voluntarily under the jurisdiction of the arbitration

1 board created by section 2 of this resolution as a party by
2 giving notice of such election by certified mail within seven
3 days of the enactment of this resolution to the board in care
4 of the Secretary of Labor, Washington, District of Columbia
5 20210, and to the Teamsters Union local involved at its local
6 address and to the International Brotherhood of Teamsters,
7 Chauffeurs, Warehousemen, and Helpers of America at 25
8 Louisiana Avenue Northwest, Washington, District of Co-
9 lumbia 20001.

10 SEC. 2. (a) There is established an arbitration board
11 (hereafter called the board) consisting of three members,
12 to be appointed by the Secretary of Labor within five days
13 of enactment of this resolution. The members shall then elect
14 a chairman.

15 (b) The board shall make all necessary rules for con-
16 ducting its hearings and giving the parties to the con-
17 troversy a full and fair hearing, which shall include an
18 opportunity to present their case in person, by counsel, or
19 by other representative as they may select.

20 (c) For the purpose of hearings conducted by the
21 board, it shall have authority conferred by the provisions
22 of sections 9 and 10 (relating to the attendance and ex-
23 amination of witnesses and the production of books, papers,
24 and documents) of the Federal Trade Commission Act of
25 September 26, 1914, as amended (15 U.S.C. 49, 50).

1 (d) The board shall begin its hearings no more than
2 fifteen days after enactment. The board shall make its de-
3 termination no later than forty days after enactment.

4 (e) In its determination the board shall resolve all the
5 issues in the dispute.

6 (f) The board's determination shall be retroactive to
7 the date of enactment of this resolution. The board may
8 make such further provisions for retroactivity to a date prior
9 to the enactment of this resolution, if any, as it finds ap-
10 propriate and consistent with the terms of this resolution.

11 (g) The board shall make its determination consistent
12 with the policy of the Economic Stabilization Act of 1971,
13 and such determination shall be final and binding in every
14 respect, subject only to review as provided in section 2 (h).

15 (h) Any party, as defined in section 1, aggrieved by a
16 determination of the board may, within fifteen days after its
17 issuance, obtain review of the determination in the United
18 States Court of Appeals for the District of Columbia. The
19 decision of the court of appeals may be reviewed in the
20 Supreme Court by writ of certiorari or upon certification as
21 provided for in section 1254 (1) and (3), title 28, United
22 States Code. The commencement of proceedings under this
23 subsection shall not, unless ordered by the court, operate as
24 a stay of the determination of the board. A determination of
25 the board shall be conclusive unless found to be arbitrary
26 or capricious.

1 (i) Members of the board shall receive compensation
2 at a rate of per diem equivalent to the rate for a GS-18 when
3 engaged in the work of the board as prescribed by this sec-
4 tion, including traveltime, and shall be allowed travel ex-
5 penses and per diem in lieu of subsistence as authorized by
6 law (5 U.S.C. 5703), for persons in the Government service
7 employed intermittently and receiving compensation on a per
8 diem when actually employed basis.

9 For the purposes of carrying out its functions under
10 this Act, the board is authorized to employ experts and
11 consultants or organizations thereof as authorized by section
12 3109 of title 5, United States Code, and allow them while
13 away from their home or regular places of business, travel
14 expenses (including per diem in lieu of subsistence) as
15 authorized by 5 United States Code 5703, for persons in the
16 Government service employed intermittently, while so em-
17 ployed. The board is also authorized to employ such support
18 services as are necessary for its operation.

19 SEC. 3. (a) The Secretary of Labor shall appoint a
20 special referee within three days of enactment of this resolu-
21 tion who shall have the responsibility provided herein and
22 shall receive the same compensation as a member of the
23 board.

24 (b) Notwithstanding any other law, the special referee
25 shall have exclusive jurisdiction over any disagreement occur-
26 ring after the enactment of this resolution but before the arbi-

1 tration determination has gone into effect which involves
2 collective bargaining agreements, interpretations, rulings, and
3 practices governing assignment and performance of work
4 between the Longshoremen's Union and Teamsters Union,
5 and which may lead to violation of this resolution. The spe-
6 cial referee may also during this period consider other dis-
7 agreements which may lead to violation of this resolution if
8 he finds it would effectuate the purposes of the resolution to
9 do so rather than to defer to other procedures, and if he
10 does so he shall assume exclusive jurisdiction over such dis-
11 agreements. The special referee shall have the same authority
12 provided in section 2 (c) relating to attendance and exami-
13 nation of witnesses and the production of books, papers, and
14 documents. The special referee is authorized to issue orders
15 to obtain compliance by the parties with the requirements of
16 this resolution. The Attorney General shall have power to
17 petition the district court of the United States wherein the
18 violation or threatened violation occurs or having jurisdiction
19 of the parties for enforcement of such orders and for appro-
20 priate relief or restraining orders.

21 The findings of the special referee, unless found to be
22 arbitrary or capricious, shall be conclusive. The jurisdiction
23 of the United States district court and its judgment and
24 decree as to matters within its jurisdiction under this section
25 shall be final and not subject to review.

1 SEC. 4. (a) The Attorney General of the United States
2 shall be authorized to maintain any civil action necessary to
3 obtain compliance with any provision of this resolution.

4 (b) Any strike, lockout, or other concerted activity in
5 violation of this resolution shall be subject to a penalty not
6 to exceed \$100,000. Each calendar day in which such a
7 violation occurs shall be considered a separate violation.

8 SEC. 5. There is authorized to be appropriated such sums
9 as may be necessary for the implementation of this resolution.

10 SEC. 6. The following employers and labor organizations
11 are parties to the dispute in addition to those parties de-
12 scribed in section 1:

13 (a) Castle and Cooke Terminals, Limited, 965 North
14 Nimitz Highway, Honolulu, Hawaii 96817.

15 Hilo Transportation and Terminal Company, Post Of-
16 fice Box 455, Hilo, Hawaii 96720.

17 Theo H. Davies and Company, 800 Fort, Honolulu,
18 Hawaii 96813.

19 Honolulu Terminals Company, Limited, Pier 19, Hono-
20 lulu, Hawaii 96817.

21 Kawaihae Terminals, Post Office Box 818, Hamuela,
22 Hawaii 96743.

23 Kauai Sugar Storage Corporation, Post Office Box 1743,
24 Lihue, Hawaii 96766.

- 1 Matson Terminals, Incorporated, 521 Ala Moana Bou-
2 levard, Honolulu, Hawaii 96803.
- 3 McCabe, Hamilton and Renny Company, Limited, 224
4 Mokauea, Honolulu, Hawaii; Lihue, Hawaii; Kahului, Ha-
5 waii 96819.
- 6 Oahu Transport Company (Highway and Terminal
7 Warehousing Company, Limited), Post Office Box 3288,
8 Honolulu, Hawaii 96801.
- 9 Seatrain Lines, California, San Island Access Road,
10 Honolulu, Hawaii 96819.
- 11 Pacific Container Service, Honolulu, Hawaii.
- 12 International Longshoremen's and Warehousemen's
13 Union, Locals 142 and 160, 451 Atkinson Drive, Honolulu,
14 Hawaii.
- 15 Kahului Trucking and Storage, Kahului, Hawaii.
- 16 (b) The International Brotherhood of Teamsters,
17 Chauffeurs, Warehousemen, and Helpers of America.
18 The following Teamster Union locals, of:
19 State of Washington
20 City of Seattle, Local Unions 174, 741, 44, and 117.
21 City of Tacoma, Local Unions 313 and 461.
22 City of Aberdeen, Local Union 599.
23 State of Oregon
24 City of Portland, Locals 162 and 81, Coos Bay 689,
25 Hoquiam Local 58.
26 Vancouver, Washington, Local 501, Astoria Local 569.

- 1 State of California
- 2 Long Beach, Local 692.
- 3 San Diego, Local 542.
- 4 Oakland, Local 70.
- 5 San Francisco, Local 85.
- 6 Stockton, Local 439.
- 7 Sacramento, Local 150.
- 8 Oakland, Locals 85 and 853.
- 9 State of Alaska
- 10 Anchorage, Local 959.
- 11 State of Hawaii
- 12 Honolulu, Local 996.

Senator CRANSTON. Unfortunately, this committee now has legislation on the Senate floor—the Equal Employment Opportunities Enforcement Act—which has become all-consuming of the time of many members of our committee.

Despite this, we did want to hear from the Secretary of Labor at this time so that the facts of the west coast dock dispute and the administration's position regarding it might be laid before the committee.

We welcome this opportunity to obtain in this official manner essential information regarding the dispute and the administration's views.

We have not previously been furnished this despite the fact that the President was required under section 210 of the Taft-Hartley Act to have submitted to Congress a full report on the matter 1 month ago.

Senator Packwood, do you have any statement to make?

Senator PACKWOOD. I do, Mr. Chairman.

As I have indicated before, I practiced labor law for a number of years and I am not enthusiastic about compulsory arbitration or arbitration to finality. But I am less enthusiastic about the continual and perpetual disasters that the strikes are imposing on my State, the west coast and the Nation.

I do have a lengthy opening statement, Mr. Chairman.

In the interest of time, I prefer that it be placed in the record rather than my reading it, along with several statements presented to the Agricultural Export Subcommittee showing the impact of the dock strike on agriculture.

Senator CRANSTON. Thank you very much.

The statement will appear in the record as if read.

(The prepared statement of Senator Packwood follows:)

PREPARED STATEMENT BY HON. BOB PACKWOOD, A U.S. SENATOR
FROM THE STATE OF OREGON

Senator PACKWOOD. Mr. Chairman, for the last 8 months, I have been urging, pleading, begging and cajoling my colleagues in this Chamber to face up to the desperate need for new legislation covering emergency labor disputes in the transportation industry. The increasing frequency of transportation crises should make the inadequacy of existing statutes clear to one and all. But this seems not to have been the case, as the current emergency on Oregon's docks, and all along the west coast, openly signifies. The President, having used his one available option, the Taft-Hartley 80-day cooling-off period, now has no alternative legal course of action at his disposal to protect the public from this new crippling tieup. He is forced once again to come to Congress—the most inappropriate arbitrator I know—to request ad hoc emergency legislation.

In the 25 years since Congress passed the Taft-Hartley Act, its emergency provisions have been used in 30 disputes where the national health and welfare have been threatened. Strikes occurred in 25 of the 30 disputes, resulting in the loss of over 86 million man-days of work. It is significant to note that fully 11 of these 25 strikes which threatened the national welfare were in the longshore and maritime industry. Cooling-off periods were required in each of the 11 disputes, but—and this is important to notice—in only two cases out of 11 were

the disputes fully resolved within the 80 days. Nine out of 11 times saw resumption of the strike at the end of the cooling-off period.

The rail industry, which is not covered by Taft-Hartley, has similarly experienced an increasing number of crippling work stoppages. Eight times in less than a decade, and four times since 1970, Congress has been forced to pass ad hoc legislation to prevent or end rail strikes which threatened to create national emergencies.

Just from these figures, it should be clear to all Senators that the existing emergency provisions of Taft-Hartley and the Railway Labor Act have not fulfilled their promise of protecting the public.

It was in response to this obvious need for a new approach to emergencies in the transportation industry that the administration, 2 years ago, sent to Congress proposed legislation to provide a new framework for dealing with emergency transportation disputes. When no action was taken during the 91st Congress, it was reintroduced again last year (S. 560).

This proposal has the dual objective of protecting the public health and welfare from the crippling effects of unresolved transportation disputes, while at the same time minimizing governmental interference in the collective bargaining process. The vehicle for achieving these objectives is to provide the President with three new alternatives, which would be available under law should the 80-day cooling-off period expire without a settlement. One of the most obvious advantages of these new Presidential options is that Congress would be taken out of the business of arbitrating labor disputes at the 11th hour once and for all. I know of no Senators who relish the current authority which they have imposed upon themselves simply by failure to act on legislation to provide these desperately needed new permanent legal procedures. Nevertheless, having failed to act decisively in providing new permanent procedures, we are once again faced with the reality of a transportation crisis. The parties to the dispute have negotiated since October 1970 without reaching an agreement. The President has exhausted his last statutory option. The buck stops here.

Which brings me, Mr. Chairman, to the current crisis, or should I say recurrent crisis, which exists now in my State of Oregon, and throughout the West.

On July 1, 1971, when collective-bargaining negotiations failed to resolve differences between the International Longshoremen's & Warehousemen's Union (ILWU) and the Pacific Maritime Association (PMA) longshoremen at all west coast ports walked off their jobs, and did not return for 100 long days. During that period, lumber and agricultural producers in the West and Midwest were cut off from their markets, crops rotted and layoffs were commonplace. Foreign agricultural markets which had taken years and years to build up were not only lost for the duration of the strike, but will probably be lost to foreign competitors for years to come.

After 100 agonizing days, President Nixon invoked the emergency procedures of the Taft-Hartley Act calling for an 80-day cooling-off period, and the longshoremen returned to the docks. The cooling-off period has now expired and the parties are still without a settlement. One January 17, the ILWU again called its members out on strike, bringing dock operations on the west coast once again to a grinding halt.

To some of my colleagues, Oregon's docks—3,000 miles away—may seem like a not very significant part of the overall economy. I have tried to dispel this misconception over the months in numerous speeches here in the Senate on this subject, and I shall try again now.

Basic economics tells us that ours is a complex and interwoven economic system in which the breakdown of even one seemingly small part can have the catastrophic effect of the proverbial monkey wrench. This being the case, closure of our ports affects not only dock and seaport workers and businesses directly involved in shipping, but also has widespread impact throughout the region and the Nation, hitting each and every aspect of our economy. And what is too often forgotten is that the workingman is hurt just as badly as the businessman, and is frequently hurt worse. As the Federal Maritime Commission has pointed out, "A peculiar aspect of the current west coast shutdown is the fact that the economic hardship through loss of wages has been largely incurred by innocent workers in seafaring and other shipping-related operations who stand to gain nothing from benefits conferred in a settlement with the ILWU."

Mr. Chairman, two points need to be underlined. One is that the impact of the west coast strike is, as I have said, very widespread and reaches like a shock wave into every aspect of the economy. The second concerns Congress inconsistency—or hypocrisy—in dealing with emergency labor disputes in the transportation industry. Let me illustrate what I am saying by relating the current emergency to two of the most serious and perplexing issues now facing the Congress and the Nation: unemployment and our trade deficit.

The last session of Congress saw tremendous efforts to ease unemployment. We approved emergency employment funds to create jobs in the public sector for the unemployed; we provided additional unemployment compensation benefits for those who cannot find work; we extended manpower programs under the Economic Opportunity Act; we gave tax breaks to business to generate new jobs; and we offered new job opportunities and subsidies for students so as to reflect the increasing difficulty of finding work. Much of this legislation, I might add, originated in this very committee.

Last but not least, we have screamed mightily over our high rate of unemployment and have assured our constituents that we are doing everything possible to remedy the situation.

But are we? Let's look at what our other hand is doing—or perhaps I should say, more appropriately, what it is not doing—on the unemployment front.

During the first 100 days of the west coast dock strike, 15,000 longshoremen were idled, incurring a daily loss of over half a million dollars in wages and fringe benefits, totaling over \$50 million during the 100-day period. Additionally, about 2,000 U.S. seamen were left without work for an estimated loss of \$150,000 a day in wages and fringe benefits, adding up to nearly \$15 million for the duration.

At the same time, we were handing out \$247 million in emergency employment funds to the States of California, Washington, and Oregon. They were reporting 42,000 unemployed (in addition to the longshoremen and seamen) as a direct result of the dock tie-up. The wage losses of these innocent victims were estimated at \$1.1 million a day, with the cumulative total at over \$100 million.

Interestingly, Puget Sound and southern California, two of the areas designed to benefit from emergency provisions we passed at the end of the last session to extend unemployment compensation benefits, were among the hardest hit by the dock stoppage.

Just as the last session of Congress exerted great energy in dealing with unemployment problems, we also spent a great deal of time and energy trying to solve, or help solve our balance-of-payments problems. As all Senators know, our balance of trade has been deteriorating steadily over recent years. One of the bright lights on our trade sheet has been agricultural exports, which reached a new high of \$7.8 billion in fiscal 1971. One out of every 4 harvested acres in this country is for export, supplying over one-sixth of the world's total agricultural exports.

And yet, Mr. Chairman, during the 100-day west coast dock strike this summer, producers were facing potential export losses estimated as high as \$9.5 million a day. The lumber industry alone reported losing nearly \$1 million a day in exports. To this figure should be added the long-term losses which will result from the irrevocable loss of foreign markets to alternative suppliers, a loss which is likely to be permanent.

Japan, our largest purchaser, brought \$1.2 billion worth of U.S. agricultural products in fiscal 1971, but because of the strike has now established other suppliers, primarily Canada and Australia. Whether our farmers can ever get these markets back again is a question we may be asking ourselves for a long time to come.

In terms of agricultural losses, two inconsistencies come to mind. At a time when we are spending \$2.77 billion to subsidize farm production, how can we then deny our farmers access to their markets? During fiscal 1971, we spent \$880 million on wheat subsidies. Although 53 percent of all wheat produced in this country is for export, during the peak period July-September, port closure prevented all but about 2 percent of the harvested wheat from getting out to its markets abroad. How can we in Congress ignore this expensive folly?

In terms of our trade deficit, certainly a subject of the highest national concern, we have recently taken bold and unprecedented steps to reverse our deteriorating position, including floating the dollar and imposing a 10 percent import surcharge. Does it not seem highly irrational and irresponsible then to ignore the far-reaching implications of the west coast dock dispute for our balance-of-payments situation?

Mr. Chairman, the legislation which the President has requested and which I have introduced, Senate Joint Resolution 187, would authorize the Secretary of Labor to appoint a three-member arbitration panel to arbitrate the west coast dispute to finality. It would also initiate a new no-strike prohibition.

As I made clear in introducing this resolution, I am firmly and irrevocably committed to the free collective bargaining process, without interference from the Government. The parties to the west coast dispute have had the opportunity to bargain collectively without hindrance from the Government for 12 months before the President invoked the emergency provisions of the Taft-Hartley Act, and for over 3 months since then, but tragically no settlement has resulted.

Mr. Chairman, no union or industrial baron, individually or col-

lectively, should have the right to strangle an economy and inflict untold injury on thousands and thousands of innocent victims. At some point, the public interest must take precedence, and I think we have reached that point.

(Additional statements and information submitted by Senator Packwood follow :)

[From the Congressional Record, Feb. 2, 1972]

STATEMENT OF DONALD A. WOODWARD, NATIONAL ASSOCIATION OF WHEAT GROWERS, PENDLETON, OREG., ALSO REPRESENTING THE WHEAT GROWERS ASSOCIATIONS OF OREGON, WASHINGTON, AND IDAHO

MR. WOODWARD. Mr. Chairman and members of the subcommittee, one of the great natural resources in the Pacific Northwest is the land that does produce the bountiful supplies of wheat. We must preserve this ability of the farmers of this area to economically and successfully exist or these vast resources of ours would go to naught.

Recently I was appointed by the wheat organizations of the States of Oregon, Washington, and Idaho to testify before this subcommittee in order to gain your backing to help settle the present west coast dock strike and prevent further calamities of this nature. We have tried to attack this problem from all sides. Today's testimony is one of many ways we have tried to proceed because experience in the past tells us what we need is the backing of many people to do this sort of job. In numbers there is tremendous strength. We feel that one of our strongest approaches is through our national Government and the legislative procedure. Your Senators and our Congressman can really be a help in this situation.

In order for you to more fully understand and appreciate our predicament, I would like to review the problem.

On July 1st of this year the International Longshoremen's and Warehousemen's their total wheat production. During these 90 days there was practically no wheat industry of the Pacific Northwest. It was just at the start of harvest. Traditionally, much of our wheat moves to the coast during harvest, as there is not sufficient storage in the interior to take care of the supplies of wheat as they come from the field.

Since it was impossible, due to the strike, to move this grain, it was piled on the ground where it was open to the elements of the weather. We had an unusually wet late summer which led to some of this wheat becoming weather damaged. This caused us a multitude of problems to keep this wheat separate from our export wheat so as to insure our Oriental customers they would receive, when exports commence again, first-class wheat.

As the strike continued for more than 90 days and until the invoking of the Taft-Hartley injunction, there was tremendous damage to our export markets. The Pacific Northwest exports to the Asiatic countries more than 85 percent of their total wheat production. During these 90 days there was practically no wheat exported out of this area.

In order to give you a comparison of what I am talking about, I would like to quote the following figures: During July and part of September of 1970 there were 25 million bushels of Pacific Northwest white wheat inspected for export from the Pacific Northwest ports. This year during the same period, there were 93,000 bushels inspected for export and all of this was shipped from Canadian ports. This amount is little more than one average farmer raises by himself. As close as we can figure it, we were losing \$1 million per day at the time of the Taft-Hartley injunction and a total loss for the strike period of approximately \$85 million. This represents some 55.7 million bushels of wheat lost to export, of which 24 million were Pacific Northwest white wheat, besides \$12.5 million lost in rain-damaged wheat and depressed prices.

I would like your subcommittee to take note of the fact that the price of wheat in Pendleton, Oreg., just before harvest was about \$1.50 per bushel, but shortly after the dock strike commenced, it dropped to about \$1.33. Of course, part of this was due to the normal decline during the harvest season, but a good deal of the drop was caused by the immediate closing down of the docks.

This \$1 million a day loss, of course, will continue after the 24th of December when the 80-day cooling off period is over and the longshoremen go back on strike again, as they have given every indication that is what they expect to do.

Some of these lost markets may be recovered if the strike is settled. But in those countries such as Korea, Taiwan, and the Philippines where we have enjoyed nearly 100 percent of their market, this export wheat will never be recovered.

It is a shame that the wheat-producer organizations of the Pacific Northwest, after instigating WWA to take care of the export marketing problems and then Western Wheat Associates so successfully solving these problems by building up a tremendous new wheat business in the Orient over the last dozen years, have to see much of these hard fought for successes smashed in just a few weeks time. The wheat producer and the wheat industry have suffered losses amounting to millions of dollars due to the interunion fight between the longshoremens and the teamsters. And we know it isn't over yet and probably won't be over for some time unless we get some type of legislative action in the near future.

The Pacific Northwest started this year, as of July 1, before harvest, with practically no carryover—a goal that wheat people had sought for many years and hoped to maintain. As of now it may take years to eliminate the surpluses we have today due almost entirely to the dock strike.

We realize that the recent injunction under the Taft-Hartley law wasn't the whole answer to the problem but something had to be done and this was the only approach at this time available to our Government. This put the union people back to work but only in a half-hearted manner. At least for the present time it has stopped the \$1 million a day loss to the wheat industry in our area. But what is gained unless settlement and new contracts are signed during this injunction period?

Recently several of us had the opportunity to meet with some of the Pacific Coast International Longshoremens and Warehouse Union officials in Portland, Oreg. This was a high-level meeting and proved to be very interesting and informative.

The purpose was to develop lines of communication and understanding of the serious export losses encountered by Pacific Northwest wheat industry to date and further losses if strike is continued after the 80-day cooling off period. This meeting was surprisingly successful with frank and open position and opinions presented by both sides. We definitely gained a mutual understanding of each other's problems. They are fighting for their livelihood just like we are. The 100 cargoes that they have not filled during their strike has been just as hard on them as on us. But the one thing that came out of this meeting is that they will go back on strike at the end of the present cooling off period.

Now let us take a more in-depth look at our Asian buyer. He is just like all buyers of raw products. They want a continuous supply of a quality product at a free market price. When the strike went into effect in July the United States was removed from this category because of continuity of supply.

Our Asian buyers in the main have small storage facilities. Japan, the largest cash buyer of wheat from the United States, can store less than 2 months' supply of wheat, so she needs to be continually buying. Japan also uses the many oceangoing vessels that are filled with wheat in transit as another source of storage to maintain her continuity to her millers.

So when the strike went into effect she was forced immediately into buying elsewhere, mainly from our competitors Australia and Canada, who were ready and willing to supply her with her needs in spite of the fact that in many cases Japan prefers the quality of our U.S. wheats. This was also true of the other countries we sell to in the Oriental area. Now when the Taft-Hartley injunction went into effect there was some buying done by those countries as long as the delivery could be made before the end of this cooling off period. But Japan has asked us what assurance we can give for the delivery of grain during the period of December through February. This grain they might buy during the latter part of the 80 days.

Of course, there is no way we can give them that assurance with resumption of the strike, a very good possibility in late December or the first part of January. So, again, they will be buying from our competitors. One of the assets of the ports of Portland and Seattle has been in the development of its reliability and continuity as an export service to the Asian market. Now this asset has been shattered and undermined by the recent strike and the formidable future possibility of resumption of that strike.

At a recent meeting of the Oregon Wheat Growers League, and because of all these problems, the wheat people decided to see if there isn't something that can be done from a legislative standpoint. We realize that we are not legislative lawyers and would be unable to write a bill, but we do have ideas about what legislation should be about.

STATEMENT OF MATT TRIGGS, ASSISTANT LEGISLATIVE DIRECTOR, AND DALE SHERWIN, ASSISTANT LEGISLATURE DIRECTOR, AMERICAN FARM BUREAU FEDERATION

Mr. TRIGGS. Thank you, Mr. Senator.

We are happy to follow your suggestion that we file our statement and summarize it verbally. Perhaps it is already apparent that most of us have about the same things to say anyway.

The welfare of millions of people, literally, is being directly affected by this strike. Although they have no direct involvement in the dispute, or any voice in the dispute, they are being adversely affected. It is our view that their interests ought to be better recognized in national legislation covering this area than is currently the case.

Farmers, of course, are hurt more than most because the farm production is already there, it is ready to ship. Farmers cannot shut down their plant and stop production.

When we recall that one of four acres of farm production are for export, we don't need to belabor the fact that the impact on net farm incomes and farm prices will be pretty adverse. Unfortunately, this often means permanent or indefinite loss of markets as well.

But the public, too, is being hurt. And this may be less apparent. Farmers could make a much larger contribution to improvement of our national balance of payments if they were permitted to do so; they could ship much more than they have shipped in recent years if they were permitted to do so.

The reduction in net farm income resulting from the dock strike is certainly adversely affecting the general economy, economic growth, and the increased employment that obviously and unanimously is agreed as being imperative and necessary.

We recognize that this committee has no jurisdiction with respect to the legislative matter. We do appreciate, however, that the hearings are being held. This is a far more serious problem than has been understood generally and hopefully the hearings may point this up.

But there is not a whole lot of purpose in hearings unless something grows out of those hearings. The administration has proposed legislation to deal with the problem of transportation strikes, including transportation strikes in international commerce.

This has been introduced in the Senate by Senator Griffin as S. 560. Hearings have been held by the Senate Committee on Labor and Public Welfare.

We are supporting this legislation or comparable legislation. If this legislation had been available 6 months ago, or a year ago, we would have a better opportunity to deal with the very serious problem than we do have now.

So we would like to read the last paragraph of our statement because that points up what seems to us to be the real purpose of this hearing:

We believe that two actions are critically needed:

First, that the Senate Labor and Public Welfare Committee should take favorable and early action with respect to the approval of S. 560, or comparable legislation, and second, that since no adequate settlement procedure is available as of now, the President should use as a temporary stopgap measure—it will do some good; it won't wholly solve the problem—the emergency provisions and secondary boycotts provisions of the Taft-Hartley Act.

And so we recommend that this subcommittee in its findings and conclusions that it may make as a result of these hearings, urge that these two actions be taken.

Thank you, sir.

(The prepared statement of Mr. Triggs is as follows:)

Mr. TRIGGS. Dock strikes have adverse impacts upon various segments of the economy and upon many persons and groups who are not represented and who have no opportunity to participate in resolving such disputes. The general public interest and the interest of the unrepresented persons and groups should be given more effective attention.

Farmers are among the groups most affected by the dock strikes because the farm products which would normally be exported in the absence of a strike have already been produced and are ready for shipment. Production cannot be shut off or reduced because of the disruption of farm product shipments. Some commodities are deteriorating in quality, due to a high degree of perishability or to a lack of adequate storage space as supplies accumulate in an abnormal way.

Export sales of farm products are vital to the welfare of farmers. The production of nearly 1 of 4 acres of crops grown by U.S. farmers is exported. Increased exports of farm products can make a major contribution to improving the income situation in agriculture. An objective of much of the farm legislation of recent decades has been increases in farm exports.

Export sales of farm products are also important to the general public and to our international balance of trade. In fiscal year 1971, farm exports reached a record level of \$7.8 billion. Farmers can make an even greater contribution to the improvement of our balance of payments if they are permitted to do so. The reduction in farm purchasing power resulting from the current dock strikes is adversely affecting the growth in economic activity and employment needed in the national interest.

The disruptive impact of transportation strikes and particularly dock and maritime strikes on the marketing of farm products is obvious. This disruptive effect reaches much further than the loss of current sales. Foreign buyers, who find the United States to be an undependable source of supplies because delivery is uncertain, are provided an incentive to look to suppliers in other countries to meet their needs on a permanent and dependable basis.

The impact of the loss of exports on farm prices is equally obvious. Inability to maintain export markets clogs domestic channels and reduces domestic farm prices.

The present dock strikes come at a time when U.S. crops, particularly grains, are at record levels and farmers urgently need export sales. The current disruption is one of a series of dock and maritime strikes in recent decades which have had drastic adverse impacts on farmers and others.

We recognize and appreciate the action taken by the President to open the west coast ports, and the action by NLRB to enjoin the New Orleans sympathy strike. But the remedies now available are inadequate and temporary in nature. They do not touch the situation on the east coast and at some gulf ports.

There clearly is a need for more effective legislation not only to supplement the temporary remedies that have been applied in the current situation, but also to provide more adequate remedies for dealing with any similar problems that may arise in the future.

The responsibility for the enactment of legislation adequate to deal effectively with the problems of trade disruption can only be exercised by the Congress.

The administration has submitted proposals for legislation to settle transportation disputes in the rail, truck, air, longshore, and maritime industries. These proposals have been introduced in both Houses. The Senate bill is S. 560 by Senator Griffin.

The American Farm Bureau Federation endorses the principles of S. 560 as introduced and recommends the enactment of such legislation.

Had this bill or comparable legislation been enacted 6 months ago a procedure would be available now to settle the dock strike. The welfare of millions of persons would be enhanced if such a procedure were now available.

We believe that two actions are critically needed:

1. The Senate Labor and Public Welfare Committee should take favorable and early action with respect to the approval of S. 560.

2. Since no adequate settlement procedure is available as of now, the President should use the emergency provisions of the Taft-Hartley Act with respect to the east coast ports and such gulf ports as are idle. This should be recognized as a temporary stopgap measure pending the enactment of legislation providing for final settlement of such disputes.

We recommend that this subcommittee urge that these actions be taken.

U.S. AGRICULTURAL EXPORTS FOR FISCAL 1971

[Dollars in millions]

Commodity	July-June		Change (percent)
	1969-70	1970-71 ¹	
Animals and animal products:			
Dairy products.....	\$109	\$131	+20
Fats, oil, and greases.....	208	273	+31
Hides and skins ²	203	186	-8
Meats and meat products.....	140	143	+2
Poultry products.....	55	55	0
Other.....	96	127	+32
Total.....	811	915	+13
Feeds and fodders, except oilcake and meal.....	123	142	+15
Grains and preparations:			
Feed grains, excluding products.....	986	1,090	+11
Rice.....	322	281	-13
Wheat and products.....	965	1,226	+27
Other.....	66	96	+45
Total.....	2,339	2,693	+15
Oilseeds and products:			
Cottonseed and soybean oil.....	193	290	+50
Soybeans.....	1,069	1,264	+18
Protein meal.....	323	398	+23
Other.....	91	108	+19
Total.....	1,676	2,060	+23
Other products and preparations:			
Cotton, excluding linters.....	346	492	+42
Tobacco, unmanufactured ³	562	570	+1
Fruits and preparations.....	341	341	0
Vegetables and preparations.....	205	208	+1
Nuts and preparations.....	60	68	+13
Other.....	258	263	+2
Total.....	1,772	1,942	+10
Total exports.....	6,721	7,752	+15

¹ Preliminary.² Includes fur skins.³ Includes bulk smoking tobacco.

[From the Wall Street Journal, Nov. 3, 1971]

COMMODITIES

PRICE TRENDS OF TOMORROW'S MEALS AND MANUFACTURES

The price trend was mixed in commodity futures markets yesterday.

The trading pace was limited in a number of markets as traders became increasingly cautious pending announcement of Phase 2 details of the Nixon administration's economic control program. Traders wonder what impact it will have on futures dealings. Phase 2 will succeed the 90-day Nixon wage-price freeze, which expires at midnight Nov. 13.

Liquidation along with trade selling discouraged early rallying tendencies in grains and soybean futures on the Chicago Board of Trade.

Soybean futures closed one cent a bushel lower. Declines in corn ran to ½ cent and wheat ended off ½ to up ½ cent a bushel.

EARLY BUYING OF CORN FUTURES

Unfavorable wet conditions in parts of the corn belt accounted for some early buying of corn futures. However, dealers observed that the harvest is now well advanced in the key producing states. The crop in Ohio is 70% harvested; in Indiana, 50%; in Illinois, 75%. In Minnesota, however, only 46% of the corn had been gathered as of last week.

The soybean harvest is in its final stages—nearly complete in Illinois with both quality and yield there reported good to excellent.

In Indiana 75% of the soybeans have been harvested and in Iowa it amounts to 90%.

New export business was a steadying influence in futures. Portugal will be in the market later this week to buy 1.8 million bushels of U.S. corn for December-January delivery. Israel purchased 910,000 bushels of U.S. hard wheat for December export.

JAPAN TO BUY WHEAT

Japan will be in the world market this week to buy nearly 13 million bushels of various grades of wheat. U.S. exporters expect to participate in this order. Morocco next week will be in the U.S. market to buy 10,000 tons of soybean oil for late November-early December export.

U.S. exports of grain and soybeans were lower last week, but dealers considered the shipments creditable in view of the dock strike that has reduced the flow of grain to foreign consumers.

U.S. wheat and flour exports last week reached 7.9 million bushels, down from 9.1 million the previous week. Soybean exports dipped to 7.2 million bushels against 7.4 million a week earlier. Corn shipments were 4.5 million bushels last week, down from 4.9 million a week earlier.

Cumulative exports of wheat and flour since the start of the season July 1 were 182.8 million bushels, down from 238 million a year earlier. Soybean shipments since the start of the season Sept. 1 totaled 54.4 million bushels, against 67.5 million a year ago.

U.S. CORN EXPORTS

U.S. corn exports so far for the season started Oct. 1 totaled 18.7 million bushels, compared with 47 million last season. (Italic added.)

COMMODITY INDEXES

Dow Jones Futures—140.88 off 0.19; last year, holiday.

Dow Jones Spot—138.82, off 0.03; last year, holiday.

Reuter export Kingdom—505.4, off 1.7; last year, 558.0.

Shell egg futures were again under pressure of liquidation reflecting lagging consumer demand, lower prices for case eggs and ample supplies. Futures closed $\frac{1}{4}$ cent a dozen lower to $\frac{1}{4}$ cent higher.

The November 1971 delivery declined for the 10th consecutive session and at its low yesterday of 27 $\frac{1}{8}$ cents a dozen was down slightly more than 10 cents in about three weeks.

Reflecting liberal supplies, there were 37 cars of eggs delivered against the November 1971 futures yesterday. Traders had looked for only about 12 cars. Each car represents 700 cases of eggs.

Top quality eggs in the New York wholesale market are currently quoted as much as 8 $\frac{1}{2}$ cents a dozen below a year ago.

The New York Cocoa Exchange, New York Coffee and Sugar Exchange, and Commodity Exchange Inc. of New York were closed yesterday for Election Day.

Platinum futures dropped as much as \$3.10 an ounce before rallying partially to close \$2.50 an ounce lower. All deliveries except January 1972 made season lows. Trading reached 2,022 contracts of 50 troy ounces each. Observers attributed the selling to a lack of confidence among traders in the present price levels for this precious metal. The market is at the lowest level since April 27, 1971.

Cotton futures advanced as much as \$1.20 a bale. Washington officials said U.S. commodity exports under the so-called Public Law 480 grants to foreign consumers weren't affected by the foreign aid bill defeated by the Senate last Friday. This attracted buying by traders who had sold contracts on Monday.

HOG PRICES UP

Hog prices rose as much as 50 cents a 100 pounds as packers' demand perked up for reduced supplies. Farmers delivered 50,900 hogs to the 11 major markets, down more than 20% from a week ago.

Firm prices for several wholesale fresh pork products also created demand for live hogs. Chicago wholesale hams were unchanged to one cent a pound higher; pork bellies were unchanged to $\frac{1}{2}$ cent higher.

Live cattle prices and wholesale beef quotations were steady.

Orange juice futures rose almost one cent a pound with the November 1971 contracts the strongest. The buying reflected firm prices being paid for initial deliveries of oranges by growers from the 1971-72 Florida orange crop. Buyers, believed to be processors of chilled orange juice, were paying about 55 cents a pound for orange solids, traders heard, up five cents from recent levels.

Processors of orange concentrate aren't expected to start new season operations for two or three weeks, or until enough oranges have been delivered, to assure maintenance of operations, traders heard.

STATEMENT OF KENNETH D. NADEN, EXECUTIVE VICE PRESIDENT,
NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. NADEN. Mr. Chairman, in view of the shortness of time, I will request, if I may, that you enter your short statement in the record. And I will take the liberty of just reading the last two paragraphs, because they are the two which I feel reflect our major concern and that we would like to leave with you.

This statement is intended to reflect our concern not only with the current farm income problems which are accelerated by these shipping strikes, but with the entire principle of need for arbitration in strikes which go so far that they become intolerable. One of our most urgent social needs is to develop more efficient institutions, laws, and procedures which will permit workers to have a fair hearing of their grievances and their demands, but will also have limitations placed on the extent to which they can damage innocent farm, business, or public groups.

Mr. Chairman, we compliment you for your leadership in this matter of vital importance to farmers, to their cooperatives and other agricultural shippers that are concerned with this matter. We appreciate this opportunity to express our views on behalf of U.S. farmer cooperatives.

We recognize the statement you made earlier concerning the lack of jurisdiction of this committee over labor-management disputes. But we feel it is invaluable that such a hearing was held so that the major outcome and result will be that you and other committee members will convey to the proper congressional and senatorial committees the great harm that is being done, and the damage which you are documenting today.

Thank you very much.

Mr. NADEN. I am Kenneth D. Naden, executive president of the National Council of Farmers Cooperatives. The national council is a nationwide federation of farmer-owner business engaged in the marketing of agricultural commodities or the purchasing of farm production supplies, and of 32 State cooperative councils. The cooperatives making up the council are owned and controlled by farmers as their off-farm business operations.

The widespread dockwork stoppages throughout the U.S. shipping areas have caused commodity damage, reduced farm income, greatly restricted exports and hurt long term export markets of many farmer cooperatives in the country. This action has not only contributed to already depressed farm income but has impaired the ability of the United States to recover from the foreign trade and international monetary crisis which is now suffering. We appreciate the interest evidenced by your committee in providing this forum for discussion of the extent and unfairness of such damages, and to launch a more serious debate on the need and procedure for fair, corrective action.

In spite of tremendous increases in productivity on the part of U.S. farmers in recent decades and of the farm-to-city movement millions of farmers still suffer from serious weakness in the markets in which they sell their products. This very productivity, coupled with limited nature of demand for their products and often fragmented marketing efforts, has contributed to depressed farm prices which have posed a continuing national policy dilemma for many years.

Obviously, one more pressure such as restriction of exports resulting from longshoreman strikes is of crucial importance to a group already suffering from overproduction and with few, if any, market alternatives. In the case of heavy surplus crops this year, such as corn, the damage to farm income can be especially severe, as is being documented before this committee today. The cost to government is also substantial for commodities which have programs to establish floors or otherwise support farm prices.

In addition, the dockwork stoppages are causing grave harm to the broad economic interests of the United States by obstructing exports and destroying

long-run market opportunities Export markets form such a valuable and expandable outlet for our farm production and have such a critical role in the current balance of payments situation that they take on more public interest than would otherwise be true. This situation becomes critical at a time when foreign sales are more vital than ever before.

The United States is now facing severe import competition and, in addition, is facing the most severe foreign trade and international monetary crisis in its history. Work stoppages of the length and severity we have have caused irreparable harm to our ability to maintain a reputation as a dependable supplier. One of the most important attributes which the United States has as an advantage over other suppliers of grain and raw materials is that we have a backlog and a reservoir of supplies and land and technical ability to be the most dependable supplier of these products in the world. Anything that interferes seriously with that ability to sell in such a highly competitive market obviously causes great harm to farmers' interests and the national economic policy.

In summary, Mr. Chairman, the harm done by these extensive work stoppages goes far beyond reduction in farm income, which might be called the farmers' private interest, and goes to the ability of the United States to recover from a severe international monetary and trade crisis and to play its proper role in international economic and political affairs.

In view of the severe inequities which current and other work stoppages in shipping areas are causing farmers, and because of the harm done to the public interest, the national council urges that firm administrative and legislative action be taken to relieve this situation. Efforts for relief under Taft-Hartley injunction and mediation procedures should be more aggressively pursued. In addition, we believe that further legislative authority should be provided to recognize that shipping activities for export have just as much claim to be viewed as crucial to the public interest as does rail transport. Congress has recognized that at certain times voluntary or compulsory arbitration is necessary to stop a shutdown of rail service.

For wheat, corn or other major farm commodities in heavy international trade, strikes are disruptive for domestic as well as world markets. Particularly for strikes which are essentially jurisdictional, as is true with the west coast longshoremen action, there should be more prompt action to save innocent victims from unnecessary harm.

This statement is intended to reflect our concern not only with the current farm income problems which are accelerated by these shipping strikes, but with the entire principle of need for arbitration in strikes which go so far that they become intolerable. One of our most urgent social needs is to develop more efficient institutions, laws and procedures which will permit workers to have a fair hearing of their grievances and their demands, but will also have limitations placed on the extent to which they can damage innocent farms, business or public groups.

Mr. Chairman, we compliment you for your leadership in this matter of vital importance to farmers, to their cooperatives and other agricultural shippers that are concerned with the matter. We appreciate this opportunity to express our views on behalf of U.S. farmer cooperatives.

Senator CHILES. Thank you very much. We appreciate your statement.

Senator Bellmon, do you have any questions?

Senator BELLMON. Mr. Chairman, in the interest of time, I won't ask any questions.

Senator CHILES. Thank you very much.

Mr. Hofer is going to file his statement.

(The statement is as follows:)

STATEMENT OF GLEN HOFER, EXECUTIVE VICE PRESIDENT, NATIONAL FEDERATION OF GRAIN COOPERATIVES

Mr. Chairman and members of the subcommittee: My name is Glen Hofer and I am Executive Vice President of the National Federation of Grain Cooperatives. We appreciate the opportunity to express our observations on the impact of dock strikes and other transportation tieups on agriculture.

The membership of NFGC consists of 18 regional farmer owned grain cooperatives which, through their affiliated local cooperatives, serve well over a million grain producers. Their primary activities involve the storage, conditioning, processing and marketing, both in the domestic and foreign markets,

of all grains. In the 1969-70 crop year, our network of local and regional facilities handled 2.3 million bushels of grain or approximately 34% of the total U.S. grain crop.

U.S. grain production, like all agriculture everywhere, annually is faced with drought, disease and insect pests. In addition, artificial curbs are placed on production by the application of farm program regulation. Despite the inroads of these agents, however, once triggered by seasonal planting, the combination of U.S. geography and technology is invariably going to put in the neighborhood of seven billion bushels of grain in the bin at the end of harvest. *Seven billion* bushels which must disappear in the 12 month period before another crop rolls from the field. Seven billion bushels, to be stored, milled, crushed, merchandised, eaten or exported; a very demanding exercise in logistics and one that depends entirely on an orderly flow of grain through the marketing channels which have evolved over the years. Linking each component of the system are the trucks and trains, and barges and freighters which must conduct the grain each step of the way from the field to the ultimate consumer.

Needless to say—whenever one of the transportation modes fails to provide orderly movement for any reason, back pressure develops on one side of the blockage and a vacuum develops on the other side. Both of those conditions place stress on the entire system and, if prolonged, the effects become chaotic, costing the producers countless millions of dollars in terms of lost export markets and depressed prices. In addition, and perhaps equally significant for the purposes of these public hearings, the injurious influence soon spreads to the interests of the general taxpayer who has a vital concern in the U.S. balance of payments and the cost and effectiveness of U.S. farm programs.

Disruption or stoppage of transportation service can occur for one of several reasons. The shortage of equipment during peak periods of grain movement has been a chronic ailment and has seemed to intensify during the past decade. The most acute problems, however, have developed from the work stoppages on the railroads and at the seaports, due to labor-management disputes. The case in point, of course, being the current difficulties plaguing dock side facilities.

As mentioned beforehand, a block in the grain pipeline causes an intolerable upstream pressure buildup and a damaging downstream vacuum. Looking back toward the producer from the present tie up at terminal export position, the following conditions are soon apparent:

Equipment Tie-up.—A severe congestion of transportation equipment is inevitable when the docks are struck. The manager of Farmers Export facility at Ama, Louisiana, reports there were 649 grain barges waiting to be unloaded at Baton Rouge and New Orleans on the day before dock side operations were resumed there under court order. Such immobilization of significant numbers of available barges severely disrupts the dry bulk traffic upriver.

Overtaxed Storage and Handling Facilities.—With the work stoppage coming as it did, in the midst of harvest of a more than bumper grain crop, the facilities for storing and conditioning the grain were soon swamped. Our Indiana member reports a million bushels of corn on the ground in Indianapolis. Much of this corn is high moisture content and severe losses are expected from it going out of conditions. Drying facilities at Indiana Grain's elevators have been sized capacity for conditioning grain, but with the storage completely full and harvest still underway, they simply cannot handle the situation. These conditions are repeated in many areas with another notable example in the Pacific Northwest where as much as six million bushels of soft white wheat are still on the ground from their July/August harvest time.

Depressed Farm Prices.—Already under heavy supply pressure from the huge crop being harvested, farm gate prices for grain are suffering a further depressant through the loss of the export outlet. Since several factors are bearing on the price, it is difficult to quantify the influence of the strike; but many responsible observers are projecting a drop of from 8 to 10 cents per bushel. Our Illinois member has calculated that, at that rate, the Illinois farmers alone have lost \$35 million directly out of net income from harvest time sales.

Disruption of Government Program Planning.—Supply control programs must plan well in advance if production is to be tailored to disappearance. The USDA recently announced the details for the 1972 feed grain program. In view of the huge crop coming off this year and in an attempt to forestall and further burgeoning of carryover stocks, the Department committed an additional \$800,000 to the 1972 feed grain program to pay for production cutback. Obviously, if the current export situation is extended much further into the marketing year, the loss in

export disappearance will offset some portion of the anticipated cutback and the taxpayers' money will have gone for naught.

Looking downstream or toward the world market from the port bottleneck, these depressing conclusions can be drawn:

Loss of Export Sales.—Documentation of the eventual actual losses will be difficult to provide, but expert testimony in the form of comparative statistics and projections have been featured in the presentation of the USDA representative and witnesses from the grain trade. Suffice to say here that very substantial losses have been suffered, even to the point of drastically impairing agriculture's positive contribution to the critical U.S. balance of trade.

Loss of Export Customer Confidence.—The most serious aspect of the involuntary absence from the world grain market is the rapid deterioration of customer relations. Few, if any, of the grain importing countries have adequate storage facilities for accommodating a grain stock pile of any volume. They must necessarily depend upon a regular schedule of purchases and delivery to keep their supplies in balance with current food and feed demand. Consequently, the capability of a supplier to provide regular service becomes a high priority factor in the importer's purchasing decision. Conversely, any inability to keep the pipeline full forces an immediate switch to alternative supply. Given the presence in the world grain market of a number of aggressive and well-stocked suppliers, business lost through transportation failure not only detracts from the seasonal total, but very likely is displaced in subsequent marketing years.

I can recite many other individual instances of distress which were expressed by NFGG members as they were surveyed in anticipation of the presentation. Regionals in Arkansas and Oklahoma tell of their consternation in attempting to cope with the on again-off again nature of their export houses on the Gulf with the attendant unpredictability of ocean freighters whose routings have been completely scrambled by the checkerboard work stoppages. Texas tells of a number of cargoes of African Kafir corn which has been substituted into a traditional Japanese market for Texas grain sorghum. The toll rises with every report but it serves no purpose to enumerate them all here.

The National Federation of Grain Cooperatives would summarize as follows:

There is indisputable evidence that U.S. agriculture suffers immediate and disastrous results when prolonged work stoppages occur which stem from labor/management disputes in the transportation industry. The negative effects of these agricultural losses spread beyond the agribusiness community and should be of concern to the general U.S. taxpayer. Agriculture's problems are compounded and in some ways unique because there is no recourse to a plugged pipeline. We cannot bank the furnaces, lay off shifts or stop the pumps. When the season calls, agriculture's plant responds and the industry must accommodate to that schedule. Thus, we are terribly susceptible and need shelter from strikes resulting from disagreements in which we have no role in either the cause or the solution. It is our hope that these hearings will focus public attention on the seriousness and inequity in the present situation and the stake the general public holds in finding effective remedial measures.

Thank you.

STATEMENT OF J. D. URQUHART, MANAGER, UNION ELEVATOR & WAREHOUSE CO.,
LIND, WASH., AND CHAIRMAN, EXECUTIVE COMMITTEE, NATIONAL GRAIN &
FEED ASSOCIATION

Mr. URQUHART, Mr. Chairman, I appreciate the opportunity to appear today. And I will omit parts of my testimony in the interest of time, as you requested this morning. The portions I will omit refer to volume of grain lost in exports due to the west coast longshoremen's strike.

I am J. D. Urquhart, manager of the Union Elevator & Warehouse Co., Lind, Wash. I am testifying on behalf of the National Grain & Feed Association of which I am chairman of the executive committee.

The National Grain & Feed Association consists of 1,200 member firms, both investor-owned and cooperative, which are engaged in the grain and feed business in all parts of the Nation. The membership includes country elevators, terminal elevators, exporters, and food and feed processors. The present membership includes 50 affiliated State and regional associations representing, in turn, approximately 15,000 grain, feed, and farm supply firms.

My company is a country elevator with 66 years of continuous operation in the handling, storing and merchandising of grain in the State of Washington. We

market approximately 4 million bushels of farmers' grain annually in the domestic and export markets of the Pacific Northwest. In my activities with the National Grain & Feed Association, I have been involved with many different programs in both domestic marketing and international trade.

We are very concerned with the impact of the dock and port strikes on U.S. agriculture and the U.S. economy. Loss of export sales hurts the farmers' market for his crops and reduces his income, it reduces the marketing activity, related to exports and reduces the contribution of agricultural trade to the U.S. balance of payments.

At this point, I will move to the top of page 4, skipping over the magnitude of it.

In 1970, agriculture's gross contribution to the balance of payments (commercial agricultural exports plus the contribution by noncommercial exports) was a record high of \$6.4 billion.

Although I am from the Pacific Northwest, the concern of our industry is national in scope. We are concerned with strikes at all ports—lake, east, gulf or west coasts. In this matter, the National Grain & Feed Association sought to intervene in the Government's court case in Chicago in requesting a Taft-Hartley injunction to stop the longshoremen's strike which tied up the shipment of grain out of the port of Chicago.

The west coast strike created a tremendous loss for agriculture in my area—the Pacific Northwest. By the end of October the longshoremen strike had reduced agricultural shipments through west coast ports by well over \$200 million. USDA compiled custom data during the first 2 months of the west coast strike showed that exports from Pacific coast ports were reduced by three-fourths below the same period last year. Exports were \$50 million compared with \$197 million a year ago. Wheat and flour exports dropped from \$62.2 million to \$1.3 million. Other commodities also had drastic reduction in exports.

Now, I would like to discuss specifically the effects of the west coast longshoremen's strike on the country elevator.

The country elevator is a very important cog in the handling, storing, and merchandising of grain from the farmer to the flour mills and the terminal export markets in our part of the country.

The major destination for our Pacific Northwest wheat is export markets. These markets take approximately 80 to 85 percent of our production. We have a highly efficient marketing system. However, if any part of our marketing system is shut down, whether it be in transportation, receiving, or loading, we and our farm customers are seriously affected. In the case of the west coast longshoremen's strike, the shut down was like putting a cork in the bottle, the contents simply had no place to go. The blockage and receiving and unloading of grain, at the port terminals prevented meeting commitments on previous sales and denied future export sales.

The west coast longshoremen's strike occurred at the worst possible time, during the harvest. The farmers were bringing in one of our largest crops. Indications are that 1971 wheat production in the States of Washington, Oregon, and Idaho will be 19 percent larger than the 1970 crop. The increase will be from 173,681,000 bushels to 206,573,000 bushels. In our area the country elevator provides storage and buys the grain at interior points. Also in our area farmers have chosen to provide storage largely through their cooperatives. There is relatively little capacity for farm storage since country elevators can normally handle the crop. The Pacific Northwest has developed sufficient storage at interior and points, coupled with export movements, to handle the grain crop. However, when there is no market either domestic or in export movement, the country elevator simply must provide handling and storage facilities for the grain crop.

The effects of the longshoremen's strike for the past several months on the normal marketing of grain has been disastrous for many country elevators. Country elevators in Washington, Oregon, and Idaho piled approximately 30 million bushels of grain on the ground to help farmers complete their harvest. Though my company had sufficient contract sales for export and available terminal space we were compelled to pile on the ground approximately 600,000 bushels. This represents 15 percent of the grain handled by my company during the harvest season. Our added cost over normal expenses will be approximately \$50,000. This increased cost does not allow for any quality losses we may suffer due to adverse weather. The strike has also prevented us from making forward sales. When the country elevator absorbs such losses he risks losing his investment in storage facilities and the ability to serve his farm customers. Handling, storing, and merchandising of the farmers' grain and serving the farmer is the essence of our existence.

We believe in the basic concepts of collective bargaining for management and labor but we cannot tolerate the abuse of that right under the present law. Something must be wrong with the system which allows such economic losses to an innocent third party, in this case U.S. agriculture.

I want to thank you, Mr. Chairman, and your committee for the opportunity to appear before you today. Thank you.

(The prepared statement of Mr. Urquhart is as follows:)

Mr. URQUHART. Mr Chairman and committee members: I am J. D. Urquhart, manager of the Union Elevator & Warehouse Co., Lind, Wash. I am testifying on behalf of the National Grain and Feed Association of which I am chairman of the executive committee.

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Secretary of Agriculture Clifford M. Hardin has clearly stated the magnitude of all agricultural exports. He has said:

"U.S. agricultural exports, paced by a gain of more than \$1 billion in commercial sales for dollars, reached an all-time high of \$7.8 billion in fiscal year 1972. . . . All of the gains—more than \$2 billion in 2 years—have been in commercial sales for dollars which is very important to the balance of payments. . . . More than half the production of wheat, soybeans, and about one-eighth of the feed grains."

Secretary Hardin has cited data to show what the loss of export markets means to farmers and farm prices. On August 16 Secretary Hardin said:

"The West Coast dock strike is doing irreparable damage to U.S. farmers. Farmers are losing valuable cash markets for exports every day. Foreign buyers are turning to other sources, and it will be hard for us to win them back.

"This strike is running rough shod over farmers. It is high time that the principal parties in this strike think about farmers for a change—and worry how farmers are going to keep up their income and meet their mounting costs."

In these statements Hardin was talking about farmers in the Pacific Northwest, about my customers.

Later, on October 22, Secretary Hardin said:

"A prolonged work stoppage at East and Gulf Coast ports could depress farm prices as much as 25 cents per bushel for soybeans and 10 cents per bushel for corn during the months of October through December."

Translated to income Secretary Hardin said:

"That soybean growers could lose \$125 million in income and corn growers could lose as much as \$120 million."

These statements clearly point out how farmers unnecessarily suffer from such strikes. We concur with the Secretary in these respects.

Agricultural exports contribute greatly to the U.S. balance of payments. President Nixon has expressed concern with deteriorating balance of payments, and he stated in his August 15 message that the United States needs to be more competitive in world trade.

We are acutely aware that a dock or port strike prevents the country from making export sales and ultimately results in permanent loss of export markets. In 1970 agriculture's gross contribution to the balance of payments—commercial agricultural exports plus the contribution by noncommercial exports—was a record high of \$6.4 billion.

Although I am from the Pacific Northwest, the concern of our industry is national in scope. We are concerned with strikes at all ports—lake, east, gulf, or west coasts. In this matter, the National Grain and Feed Association sought to intervene in the Government's court case in Chicago in requesting a Taft-Hartley injunction to stop the longshoremen's strike which tied up the shipment of grain out of the Port of Chicago.

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We believe in the basic concepts of collective bargaining for management and labor but we cannot tolerate the abuse of that right under the present law. Something must be wrong with the system which allows such economic losses to an innocent third party, in this case U.S. agriculture.

STATEMENT OF LEONARD GARDNER, SECRETARY, ILLINOIS AGRICULTURAL ASSOCIATION, BLOOMINGTON, ILL.

Mr. GARDNER. Thank you, Mr. Chairman.

I have with me Mr. John Doherty, who is vice president—operations of the Illinois Grain Corp, a regional grain marketing cooperative affiliated with the

Illinois Agricultural Association, the statewide Farm Bureau organization in Illinois.

Let me summarize rather quickly some of the points we have attempted to make in our statement. And I think possibly Senator Bellmon wants to get back to some of the questions he raised this morning relative to the farmer's role in exporting.

I think the significance of trade has been pretty well laid out as to its impact on agriculture. Certainly Illinois has as much at stake as any other State, as we are the No. 1 exporting State for agricultural production of this Nation. So we have a very, strong interest in the subject of this hearing.

As we attempted to assess the impact of the dock strike on Illinois agriculture, we have tried to look at three facets: (1) The impact on the amount of current exports, and future exports in terms of volume.

(2) The impact on market prices, which has an effect upon that which is exported and that which is marketed through local channels in Illinois.

And then a very significant thing, we feel, is (3) the impact on the disruption of normal harvesting, handling and marketing.

Based upon our calculations and an appraisal of the expectations for exports compared to exports last year in October, we have calculated that the loss to Illinois farmers in exports alone on corn during the month of October is \$4 million.

On soybeans, comparing soybean export inspections of a year ago to October export inspections of this year, we figure the loss in markets to Illinois farmers is \$9 million in soybeans.

I think that even of more concern to Illinois farmers, other than just the current losses that have occurred in that one month—and I think they are probably understated—but the biggest concern to us is what happens in the future, the uncertainty that many of the witnesses here have spoken of, the fear that they cannot move their farm products in international trade.

At this time I would like to file for the record, Mr. Chairman, a letter that came to Mr. Doherty from the Farmers Export Co., of which we are a part.

Senator CHILES. Without objection, the letter will be received.

(The letter follows:)

FARMERS EXPORT CO.,
Kansas City, Mo., November 2, 1971.

Mr. J. P. DOHERTY,
Illinois Grain Corp.,
Chicago, Ill.

DEAR JACK: The interruption of the flow of agriculture export products is extremely harmful and costly to the producer and the agricultural community. A work stoppage, particularly as a result of a "strike" is most harmful since the third parties, who usually are the motivating forces of trade, are frustrated by the element of uncertainty in "timing."

Our organization, an export cooperative with its close contact to agricultural production and personnel with years of working and training in cooperatives, puts us in a pretty good position to observe how the farmer and the government are getting hurt when exports are terminated by a "strike"—whether it is in the field of transportation, handling, storage, stowage, etc.

During the month of October our export marketing program came to a halt as a result of a stevedore work stoppage. We were unable to make sales of feed grains and soybeans because we could not assure the buyer that we could load his vessels, or make delivery to our foreign customers because of an actual strike or the threat of a strike, involving the stevedores at the loading port.

We have lost an undeterminable quantity of export sales of U.S. farmers' production. The representative of a large Japanese trading house located in the United States told us that his firm had withdrawn their entire fleet of grain cargo carriers operating between Japan and this country. This represents a lot of lost bushels that will never be regained. Some Japanese grain volume has been transferred from the Gulf to the Lakes at higher costs for the buyer but even in this case bushels were reduced and lost as compared to the buyer's normal use of larger vessels and shorter haul.

A week ago a Scandinavian country had a tender for corn. The party having the lowest offering price was advised that the final purchase was going to be delayed until Argentina could be consulted. Nothing further has been heard and

one must assume that the buyer made his purchase elsewhere in fear a "strike" would hold up delivery.

Another incident involves a tender in a European country for yellow corn. The results of the tender indicated that most United States firms made their offer subject to "strike clause." Those that did not invoke the strike clause had access to foreign corn to fill the tender if necessary.

We have had several inquiries for corn and soybeans from a good European customer but the shipping dates were in a period that could very well be affected by a possible strike. We could not guarantee delivery. Maybe someone else took a chance and made the sale but there is a limit to the number of chances an exporter can take.

Jack, these are a few of the incidents that we know about which no doubt resulted in a loss of export grain for our farmers.

Yours truly,

GEORGE R. BICKNELL,
Executive Vice President.

Mr. GARDNER. Thank you, sir.

This letter gives some indication of some of the concerns that we are running into from foreign buyers as to the reliability of the United States as a source of supply.

Exports of soybeans this year have held up amazingly well to many of us. But many of these have been at an extra cost for transportation to Houston and other ports that were open and thus a lower price to farmers. So this is one area of concern, exports which are lost already in the month of October and future sales.

The second area of concern is the whole area of market prices. We have looked rather carefully at the Chicago Board of Trade future prices and the differences in those prices and the country elevators' bid to Illinois farmers. We have concluded after studying these over the past 6 weeks, that probably 6, 7, or 8 cents per bushel is the net loss because of the impact of the dock strike on the market prices farmers are receiving for all of the products that they are marketing plus the inefficiencies and the increase in cost of their handling and harvesting. Thus we have come to the conclusion that probably the loss in market prices is somewhere in the neighborhood of 10 cents a bushel. When you apply this to the amount of product that is marketed by Illinois farmers in the month of October, it looks to us like the Illinois farmers have lost somewhere in the neighborhood of \$29 million. This is very significant, I think our statement will give you the logic of how we arrive at that figure.

The third area of impact of the strike is the impact on harvesting, handling and marketing our products. We have seen the movement of grain down our rivers system slowed rather dramatically. This has clogged the channels of moving our grain to the river houses. Many of our elevators have been forced to stop taking grain. We took a survey early this week of a number of our elevators in the State of Illinois. This is not complete, but just a number of them. We found that 96 of our elevators in the State of Illinois some time in the last 2 weeks have had to quit taking grain. We had 40 elevators in the early part of this week, where we are dumping grain on the ground because of a lack of storage, and the elevators were all full. This is very disruptive to the normal handling and marketing of our grain in Illinois. It is expensive. Every time you change and use less efficiently the marketing system that you have, you add expense. And, unfortunately, the farmers must pay for this in lower prices.

So these are some of our concerns.

We have corn on the ground in many cases and in many areas of our State we still have about 25 percent of our corn crop to harvest. So it is probably going to get worse before it gets better. We hope that the information that this committee compiles—we recognize your jurisdiction here and the limitations of your jurisdictions, but hopefully the information that you compile today will lend emphasis and give some indication of the tremendous impact that work stoppages have, and that you will begin to build a ground swell for some legislation effort to better resolve the disputes in the dock strike.

Mr. Chairman, if there are questions I would certainly be glad to answer them. (The prepared statement of Mr. Gardner is as follows:)

Mr. GARDNER. Mr. Chairman, members of the committee, I am Leonard Gardner, secretary of the Illinois Agricultural Association, Bloomington, Ill. I appear

before you today on behalf of the Illinois Agricultural Association, the statewide Farm Bureau organization of 194,986 members, and Illinois Grain Corporation, a regional grain cooperative affiliated with the Illinois Agricultural Association, which serves Illinois farmers through 237 local cooperative elevator organizations. These 237 local cooperatives market approximately 35 percent of the total grain marketed in Illinois. I have with me, Mr. John P. Doherty, vice-president of operations for Illinois Grain Corporation, to assist in answering questions which you may have.

We commend this committee for inquiring into the impact of the recent dock strikes on exports. We believe a prerequisite to any sound solution to disruptive labor disputes, regardless of fault, is an appreciation of the tremendous economic consequences of such disputes to farmers and to the economic well-being of the Nation. We hope that we might add to this understanding as we attempt to appraise the effects on Illinois agricultural exports of these recent strikes.

In fiscal 1971, U.S. agriculture established a record level of exports at \$7.8 billion. These exports required the output of 1 out of every 4 acres harvested or 72 million acres of U.S. cropland. Soybeans and soybean products, wheat, and feed grains accounted for more than one-half of these exports.

According to the U.S.D.A., Illinois is the leading State with agricultural exports of \$655 million in fiscal 1971. Illinois leads all other States with soybean and soybean product exports of some \$350 million, about 19 percent of the U.S. total, and feed grain (mainly corn) exports of \$175 million, about 16 percent of the U.S. total. Thus, the export market is tremendously important to the economic well being of Illinois farmers. U.S. agricultural exports and each State's share by commodities are shown in table I attached.

In calendar year 1970, the U.S.D.A. reports that 68 percent of the U.S. corn exports moved through gulf ports and that an additional 11 percent of the corn exports moved through Chicago. In the same year, 72 percent of the U.S. soybean exports moved through the gulf ports, and 9 percent moved through Chicago. Thus, when the gulf and Chicago ports are closed, the bulk of corn and soybean exports from Illinois is effectively stopped. A complete compilation of export data by port for corn and soybeans is shown in table II.

Using the experience of recent years, the anticipated production of corn and soybeans in 1971, and the actual performance of the corn and soybean markets in the past 6 weeks, we can approximate the impact of the strikes on corn and soybean exports. Specifically, let us look at the impact on:

1. The amount of exports, both current and future.
2. Market prices.
3. Normal harvesting, handling, and marketing patterns.

1. *The Amount of Exports, Both Current and Future.*—The exact impact of the current strikes on agricultural exports, both now and in the future, is impossible to accurately determine at this time. The exact world supply and demand situation is not known for the year ahead. The best estimate of exports from the 1971 corn crop is 500 to 520 million bushels, about the same level as from the 1970 crop. Based on recent years' experience, we could expect about 10 percent of the corn exports to be made in October, or some 50 million bushels. In 1970 in fact, corn inspections for exports during October were 47 million bushels. Inspections of corn for export during October of 1971 were slightly less than 25 million bushels. On this basis, it would appear that corn exports in October 1971 were off from last year's pace by nearly 50 percent or by some 25 million bushels. Comparing weekly export inspections this year with last year may tend to understate the drop in exports inasmuch as the corn harvest is from a week to 10 days ahead of last year and the quality of the corn crop is substantially better this year than last. If in the months ahead this 25 million bushel market is not recaptured, U.S. farmers will be the losers to the tune of about \$25 million. Illinois farmers would normally figure on sharing about one-sixth of these sales, so the loss to Illinois farmers would be about \$4 million—and this is just for 1 month.

The best available estimate of soybean exports from the 1971 soybean crop is 600 to 620 million bushels (including meal and oil equivalent) or about the same level as from the 1970 crop. In this case, world production of oil seeds, competitive factors, and world demand factors for the year ahead are not completely in focus. U.S. inspections of soybeans for export give us the best available indication of the level of soybean exports for this year compared to a year ago. During

the month of September, inspections indicate that soybean exports were about on a par with a year ago. However, during October of 1971, soybean inspections for export were 26 million bushels compared to 39 million bushels for October 1970. Thus, last year's level was 50 percent higher than this year's rate. Again, because of the earlier harvest, using 1970 as a base may have a tendency to understate what would have occurred had there been no strikes in 1971. In addition, these inspection figures do not take into account soybean oil and meal. Nonetheless, even a 13 million bushel export loss in October 1971, if these markets are not recaptured, would represent a loss of nearly \$40 million to U.S. farmers, with Illinois' share being about \$9 million.

Using total export inspections as an indication of the level of exports in October of 1971 compared to October of 1970 does not reflect the port from which the export was made. In some cases in October 1971, grain was transported to what might be called secondary ports which were open. But this meant added costs of transportation in many cases which undoubtedly resulted in lower prices to farmers.

While a \$9 million loss of soybeans export markets and a \$4 million loss in corn export markets, in 1 month, are of tremendous concern to Illinois farmers, even more disturbing is the impact of the still unresolved dock strikes on future sales. Many trade groups, farm organizations, State departments of agriculture and the USDA have spent millions of dollars in time, effort, and promotion to convince foreign buyers that the United States is a reliable and abundant source of high quality agricultural products. The disruptive effects of a dock strike can create uncertainty that the United States is no longer a reliable source of supply for foreign buyers. Farmers can produce a quantity of high quality products at a competitive price but unless foreign buyers can have some certainty that they will be able to load their ships, little else matters.

Once a foreign buyer has this uncertainty, he turns to other sources of supply and changes his processing equipment or his formulation to accommodate different supplies or subsidies. The shift back to U.S. products is neither easy nor automatic.

2. Market Prices.—Prices that Midwest farmers receive for their grain are based on a particular Chicago Board of Trade Futures option. The time of year or season will dictate which option or month is used as the reference point. The price paid to farmers generally will be so many cents under the Chicago Futures price. This difference is called basis. Basis is an indication of many factors such as demand, risk, ability to receive or take delivery, ability to make delivery, ability to commit for long-term positions either as a seller or buyer, and availability of transportation equipment.

During harvest time the price paid to farmers is based on the December option for corn and the November option for soybeans. Attached are basis tables for both corn and soybeans for the period of September 15 through November 2, 1971 (tables III and IV). They show what farmers in central Illinois were receiving for their grain before any quality discounts. In the case of corn, there was a 5 cents to 6 cents price increase in the December Chicago Futures option during this period, yet the cash price relationship widened by 7 cents. Thus, farmers did not realize the improved price position and this was money out of their pockets.

The basis tables show the impact of the various dock strikes. You may note, particularly, the impact during the month of October in relation to September and how the basis widened in early October and dramatically recovered, narrowed, at the end of October. This reflects the return of the dockworkers at New Orleans during the last 2 or 3 days of October.

This basis change and cash price loss, plus many other added costs of not being able to handle and move grain in normal marketing patterns, have, in our opinion, made a 10 cents per bushel reduction in the price farmers could have realized from their marketings.

In 1969 and 1970 Illinois farmers sold at harvest time about 20 percent of their corn production and some 60–65 percent of their soybean production. USDA estimated production in Illinois for 1971 is 1,002 million bushels of corn and 230 million bushels of soybeans. Based on this production, it is estimated that Illinois farmers will sell 200 million bushels of corn and 13.8 million bushels of soybeans, or total harvest time sales of 338 million bushels. A 10 cents per bushel reduction in price would mean that Illinois farmers could be penalized \$34 million if the strikes effectively close the ports for October, November and December.

As of November 1, Commodity News Service reported that nearly all soybeans and 75 percent of the corn had been harvested in Illinois. This would indicate that nearly all of harvest time marketings made by Illinois farmers have been done during the month of October. Illinois farmers experienced a loss of nearly \$29 million as a result of the various strikes. This is a loss to net farm income.

3. Impact on Normal Harvesting, Handling and Marketing Patterns.—The dock strikes create uncertainties in the normal harvesting, handling and marketing patterns. While it is impossible to ascribe a direct cost to the marketing and harvesting problems created by the dock strikes, they nevertheless are of deep concern to Illinois farmers. During the time of the recent dock strikes, grain movement down the Illinois and Mississippi Rivers from Illinois grain terminals slowed appreciably. Grain merchandisers were very hesitant to ship grain down the river without knowing whether it could be unloaded once it reached the ports. Local elevators found that their normal supply lines to river terminals were slowed and farmers found that local elevators were plugged. A quick survey of local Illinois elevators earlier this week indicates that 96 of them have been plugged and had to quit taking grain at one time or another during the past 2 weeks. With local elevators plugged, farmers often face the alternatives of shutting off harvesting machinery or storing grain on the ground in hopes that marketing or storage facilities will soon be available. On Tuesday of this week, we knew of nearly 40 Illinois locations where from 3½ to 4 million bushels of corn had been dumped on the ground.

Any set of circumstances which slows down the functioning of the marketing system creates inefficiencies and increases the costs of moving the crop from the farm to the ultimate consumer nearly always at the expense of the farmer. For example, badly needed transportation facilities are tied up and delayed, uncertainties develop, risks increase, and margins and handling charges go up. Delays in harvesting expose farmers to greater crop losses and quality deterioration. Thus, when farmers are harvesting record crops and when prices are under severe pressure from large supplies, it is extremely difficult for farmers to accept the fact that a small number of people who are unable to resolve their differences can so adversely affect the marketing system upon which farmers are so dependent. In the case of such labor disputes, farmers bear heavily the consequences but are not a direct party to the problem. Even now, when the gulf and west coast ports are open under various forms of injunctions and Taft-Hartley provisions, uncertainties about what will happen when the various injunctions or cooling-off periods expire are the order of the day. The issues in the dispute are not resolved. We are only in a holding pattern.

The experiences of the past 3 months vividly point out the need for new approaches to solving labor disputes which can tie up the trade of this Nation. We are hopeful that the record that this committee compiles will serve as overwhelming evidence that urgent action is needed now to establish new means for resolving major transportation disputes without tying up the trade of our farmers and the Nation.

(The attachments to Mr. Gardner's statement are as follows :)

TABLE 1.—LEADING STATES FOR AGRICULTURAL EXPORT SHARES, FISCAL YEAR 1971

[In millions of dollars]

Commodity	United States	Leading 10 States by rank										10 high States	All other
		1	2	3	4	5	6	7	8	9	10		
All commodities	7,759.0	Ill. 655.4	Iowa 591.9	Calif. 555.1	Tex. 553.9	N.C. 431.6	Kans. 391.6	Minn. 356.6	Ark. 339.0	Ind. 331.6	Nebr. 287.5	4,494.2	3,264.8
Soybeans	1,264.2	Ill. 266.9	Iowa 207.7	Ind. 116.1	Ark. 108.0	Mo. 101.2	Minn. 92.3	Ohio 77.3	Miss. 62.4	La. 42.3	Tenn. 31.5	1,075.7	188.5
Wheat and flour	1,202.7	Kans. 240.4	N. Dak. 181.4	Mont. 82.9	Wash. 81.8	Okla. 79.0	Nebr. 78.2	Colo. 55.9	Tex. 43.7	S. Dak. 40.0	Idaho 37.3	920.6	282.1
Feed grains	1,101.8	Ill. 124.6	Iowa 145.1	Tex. 133.9	Nebr. 102.1	Minn. 80.9	Ind. 097.2	Kans. 61.1	Ohio 41.7	Calif. 32.3	Mo. 29.5	879.4	222.4
Tobacco, unmanufactured	570.3	N.C. 324.8	S.C. 57.4	Ga. 54.2	Va. 43.4	Ky. 36.4	Tenn. 13.7	Fla. 11.7	Md. 8.4	Pa. 8.3	Wis. 4.1	562.4	7.9
Cotton, including linters	497.7	Tex. 157.4	Miss. 79.2	Calif. 56.5	Ark. 52.1	La. 25.7	Ala. 24.7	Ariz. 23.7	Tenn. 18.9	Ga. 14.1	Mo. 10.9	463.2	34.5
Protein meal	397.7	Ill. 72.7	Iowa 63.8	Ind. 35.6	Ark. 33.5	Mo. 31.1	Minn. 29.3	Ohio 23.8	Miss. 19.7	La. 13.2	Tenn. 9.8	332.5	65.2
Fruits and preparations	342.8	Calif. 184.4	Fla. 74.9	Hawaii 18.7	Ariz. 11.2	Tex. 9.3	Wash. 7.8	N.Y. 5.6	Oreg. 4.9	Mich. 4.5	S.C. 3.5	324.8	18.0
Rice	288.5	Ark. 73.2	Tex. 72.4	La. 71.0	Calif. 63.4	Miss. 7.8	Mo. 0.7	Kans. 13.5	Calif. 12.2	S. Dak. 12.0	Okla. 11.3	160.5	0
Tallow, lard, etc.	272.7	Iowa 29.5	Tex. 25.9	Nebr. 17.8	Mo. 13.7	Ill. 13.6	Kans. 13.5	Calif. 12.2	S. Dak. 12.0	Okla. 11.3	Minn. 11.0	160.5	112.2
Soybean oil	242.4	Ill. 45.4	Iowa 39.8	Ind. 22.3	Ark. 20.7	Mo. 19.4	Minn. 17.7	Ohio 14.8	Miss. 12.0	La. 8.1	Tenn. 6.0	206.2	36.2
Vegetables and preparations	195.2	Calif. 52.4	Idaho 25.9	Mich. 23.7	Wash. 20.8	Fla. 10.6	N.Y. 7.2	Tex. 6.6	Calif. 6.4	Ariz. 4.3	Nebr. 4.1	182.0	33.2
Hides and skins	186.0	Wis. 17.2	Iowa 16.1	Ill. 12.4	Minn. 11.6	Nebr. 9.1	Calif. 7.9	S. Dak. 7.4	Kans. 7.4	Okla. 6.7	Ill. 6.6	102.4	83.6
Meat and products (excluding poultry)	155.4	Iowa 22.7	Ill. 11.4	Tex. 11.2	Nebr. 9.8	Mo. 9.1	Minn. 7.1	Kans. 6.8	Ind. 6.7	S. Dak. 6.5	Calif. 5.1	96.4	59.0
Dairy produce	131.2	Minn. 36.8	Wis. 19.4	Iowa 10.5	Calif. 10.3	N.Y. 10.2	Mich. 4.3	Ohio 4.1	Pa. 4.1	Kans. 3.4	S. Dak. 3.1	106.2	25.0
Nuts	63.3	Calif. 59.8	Ga. 0.8	Tex. 0.8	Oreg. 0.6	Ala. 0.3	La. 0.3	Okla. 0.2	N. Mex. 0.2	Ark. 0.1	Miss. 0.1	63.2	18.5
Poultry products	55.1	Ark. 5.7	Ga. 5.6	N.C. 4.9	Calif. 4.4	Ala. 4.0	Tex. 3.3	Miss. 2.9	Minn. 2.3	Md. 2.0	Mo. 1.5	36.6	3.2
Cottonseed oil	47.4	Tex. 15.0	Miss. 7.5	Calif. 5.5	Ark. 5.0	La. 2.4	Ala. 2.3	Ariz. 2.3	Tenn. 1.8	Ga. 1.3	Mo. 1.1	44.2	8.7
Flaxseed	8.7	N. Dak. 4.8	S. Dak. 2.2	Minn. 1.3	Tex. 0.3	Mont. 0.1							

Source: U.S. Department of Agriculture, Economic Research Service, Foreign Agricultural Trade of the United States, October 1971, p. 8.

TABLE II.—EXPORTS BY PORT,¹ CALENDAR 1970

[Bushels in millions]

	Corn		Soybeans	
	Bushels	Percent	Bushels	Percent
Gulf:				
Mississippi River.....	354	66	266	62
East gulf.....	10	2	25	6
Texas gulf.....	4	1	22	5
Total gulf.....	368	69	313	73
Lakes:				
Chicago.....	59	11	39	9
Duluth and Superior.....	29	5	12	3
Toledo and other.....	17	3	45	10
Total lakes.....	105	19	96	22
Atlantic:				
North.....	24	4	6	1
South.....	38	7	18	4
Total Atlantic.....	62	11	24	5
Pacific total.....	4	1		
U.S. total, 1970.....	539	100	433	100

¹ USDA Consumer and Marketing Service—Grain Market News—Chicago.

TABLE III.—CORN BASIS, CENTRAL ILLINOIS

Date	December futures, Chicago Board of Trade	Central Illinois farmer bids	Basis (under)
September:			
15.....	115 $\frac{1}{4}$	96 $\frac{1}{2}$	18 $\frac{3}{4}$
16.....	114 $\frac{1}{2}$	96	18 $\frac{1}{2}$
17.....	113 $\frac{1}{2}$	95	18 $\frac{1}{2}$
20.....	113 $\frac{1}{2}$	95	18 $\frac{1}{2}$
21.....	114 $\frac{1}{4}$	96 $\frac{1}{2}$	17 $\frac{3}{4}$
22.....	114 $\frac{1}{4}$	96	18 $\frac{1}{4}$
23.....	113 $\frac{1}{4}$	94 $\frac{1}{2}$	18 $\frac{3}{4}$
24.....	113	94 $\frac{1}{2}$	18 $\frac{1}{2}$
27.....	113 $\frac{1}{2}$	95	18 $\frac{1}{2}$
28.....	113	94	19
29.....	113	94	19
30.....	112 $\frac{3}{4}$	94	18 $\frac{3}{4}$
October:			
1.....	113 $\frac{1}{4}$	94 $\frac{1}{4}$	18
4.....	112 $\frac{3}{4}$	92 $\frac{1}{2}$	20 $\frac{1}{4}$
5.....	113 $\frac{1}{4}$	93	20 $\frac{1}{4}$
6.....	114 $\frac{1}{2}$	92 $\frac{1}{2}$	22
7.....	114	92	22
8.....	114 $\frac{1}{8}$	92	22 $\frac{1}{8}$
11.....	114 $\frac{5}{8}$	92 $\frac{1}{2}$	22 $\frac{1}{8}$
12.....	114 $\frac{3}{4}$	90	24 $\frac{3}{4}$
13.....	113 $\frac{3}{4}$	89 $\frac{3}{4}$	24
14.....	114 $\frac{1}{4}$	90	24 $\frac{1}{4}$
15.....	116	92	24
18.....	116 $\frac{5}{8}$	92 $\frac{1}{2}$	24 $\frac{1}{8}$
19.....	116 $\frac{1}{2}$	91 $\frac{1}{2}$	25
20.....	118 $\frac{1}{2}$	94 $\frac{1}{2}$	24
21.....	119 $\frac{1}{2}$	95 $\frac{1}{2}$	24
22.....	118 $\frac{1}{4}$	93	25 $\frac{1}{4}$
25.....	117 $\frac{1}{4}$	92	25 $\frac{1}{4}$
26.....	116	91	25
27.....	115 $\frac{3}{4}$	94	21 $\frac{3}{4}$
28.....	116 $\frac{1}{4}$	95	21 $\frac{1}{4}$
29.....	115 $\frac{3}{4}$	95	20 $\frac{3}{4}$
November:			
1.....	114 $\frac{3}{4}$	95 $\frac{1}{2}$	19 $\frac{1}{4}$
2.....	114 $\frac{1}{2}$	97	17 $\frac{1}{2}$

TABLE IV.—SOYBEAN BASIS, CENTRAL ILLINOIS

Date	December futures, Chicago Board of Trade	Central Illinois farmer bids	Basis (under)
September:			
15	311 $\frac{3}{4}$	290	21 $\frac{3}{4}$
16	309 $\frac{1}{2}$	287 $\frac{1}{2}$	22
17	307 $\frac{3}{8}$	286 $\frac{1}{2}$	21 $\frac{1}{8}$
20	307 $\frac{1}{2}$	286 $\frac{1}{2}$	21
21	307 $\frac{3}{8}$	286 $\frac{1}{2}$	20 $\frac{5}{8}$
22	309 $\frac{3}{8}$	288	21 $\frac{1}{8}$
23	306 $\frac{3}{4}$	287	20 $\frac{3}{4}$
24	309 $\frac{3}{8}$	289	20 $\frac{1}{8}$
27	311 $\frac{3}{4}$	291	20 $\frac{3}{4}$
28	213 $\frac{1}{4}$	291 $\frac{1}{4}$	21
29	310 $\frac{1}{4}$	289	21 $\frac{1}{4}$
30	309 $\frac{1}{2}$	289	20 $\frac{1}{2}$
October:			
1	311	288	23
4	307 $\frac{1}{2}$	283 $\frac{1}{2}$	24
5	307 $\frac{3}{8}$	284	23 $\frac{3}{8}$
6	310 $\frac{3}{8}$	284 $\frac{3}{8}$	25 $\frac{3}{8}$
7	314 $\frac{3}{8}$	288 $\frac{3}{8}$	26
8	316 $\frac{3}{4}$	289	27 $\frac{1}{4}$
11	317 $\frac{3}{8}$	290	27 $\frac{3}{8}$
12	317	290	27
13	320 $\frac{3}{4}$	293	27 $\frac{3}{4}$
14	322 $\frac{3}{4}$	295	27 $\frac{3}{4}$
15	324 $\frac{3}{8}$	296	28 $\frac{3}{8}$
18	320 $\frac{3}{4}$	293	27 $\frac{3}{4}$
19	326 $\frac{3}{8}$	298	28 $\frac{3}{8}$
20	322 $\frac{3}{8}$	296 $\frac{1}{2}$	26
21	325 $\frac{3}{8}$	296 $\frac{1}{2}$	28 $\frac{3}{8}$
22	324 $\frac{3}{4}$	295	29 $\frac{1}{4}$
25	324	296	28
26	317 $\frac{1}{4}$	290 $\frac{1}{4}$	26 $\frac{3}{4}$
27	317 $\frac{1}{4}$	290 $\frac{1}{4}$	26 $\frac{3}{4}$
28	320 $\frac{3}{8}$	295 $\frac{1}{2}$	24 $\frac{5}{8}$
29	319 $\frac{3}{8}$	296	23 $\frac{3}{8}$
November:			
1	315	292	23
2	314 $\frac{1}{8}$	292 $\frac{1}{2}$	21 $\frac{3}{8}$

STATEMENT OF HARRY J. KRADE, ASSISTANT DIRECTOR, MARKETING SERVICES,
CALIFORNIA DEPARTMENT OF AGRICULTURE, SACRAMENTO, CALIF.

California industry was severely injured by the impact of the international longshoremen and warehousemen's strike which closed West Coast ports. The California Office of Emergency Services prepared the attached statement showing the economic losses which were incurred in California resulting from this strike. As you can see, the report is dated August 5 and reveals losses of approximately 628.5 million dollars from the inception of the strike through August 5.

California's agriculture is particularly victimized by its inability to satisfy foreign market demands for its important export production of crops and live-stock products. The strike also severely hampers operations in California in that much of agriculture's processing relies upon imports of commodities which are necessary for processing. As an example, we were in difficult straits because the lack of canned bulk pineapple made it impossible for our local canneries to produce fruit cocktail and fruits for salad. Similarly, cane sugar, which was needed for the canning industry, was unavailable for use.

Of great concern to California's specialty crop industries was the loss of markets, particularly during the important preholiday movement of dried fruits, canned fruits, citrus, and nuts. These specialty crop items are principally sold in European markets for the Christmas trade and must be available for distribution in Europe before mid-November. The loss of shipping capabilities during the critical fall months is tantamount to the loss of the total market for the entire year. The loss of these markets, for which many California products are produced, injures California shippers in two ways: (1) It forces additional production on local markets with concomitant price reductions for the total production; and (2) It causes prospective customers to seek other sources of

supply, thus displacing U.S. production with production from competing areas. Once markets are lost, they are extremely difficult to regain. If prospective buyers suspect that strikes or other labor problems can recur, they will search for more dependable supplies in competing areas.

It has often been said that once a market for a foodstuff has been lost, it cannot be regained, if at all. If customers cannot be serviced regularly, they will refuse to be serviced at all. It is a truism that if a person fails to eat breakfast, he will not eat two breakfasts the following day. With respect to food markets, the day-to-day losses cannot be recovered. We can only hope to restore previous levels of exports, and that with difficulty.

As is evident, the areas of loss in California are significant for food and feed grains, alfalfa and tallow, dried fruits, nuts, citrus, cotton, and canned products.

We have not addressed ourselves to the severe losses of greater costs of transportation which were realized by agriculture when West Coast ports were struck and Gulf and East Coast ports were opened. Many commodities had to resort to multi-modal transportation. This use of rail and ship or truck and ship substantially increased costs and, unfortunately, is available only to relatively high-valued commodities. The important commodities of alfalfa, wood chips, and similar cargo simply could not be moved.

The adverse impact affects not only agricultural producers, it affects the processors and cannery and injures the economy of many small towns as well as major centers. The industries which are injured are not involved directly in the disagreement between the shipping interests and the longshoremen and warehousemen. There needs to be some method developed to protect the interests of these third parties from the adverse effects which are suffered by closing down the shipping capabilities of the nation.

We see no evidence that the 80-day cooling-off period provided for in the Taft-Hartley Law will be effective in resolving the differences between the strikers and the shipping concerns. There is substantial evidence that long before the cooling-off period ends the docks will begin to close down again; first, because shippers are unwilling or unable to guarantee departures prior to the resumption of the strike, and second, because many prospective exporters, who were caught with substantial inventories on the dock and realized substantial losses in perishable products, will hesitate to commit shipments if there is danger that they may be held up.

The California Department of Agriculture urges that consideration be given to some legislation or action to avoid the future adverse effect of strikes and stoppages. As injured noncombatants, we are appealing for your help to develop some system of protection.

(The attachments are as follows:)

DOLLAR VALUE OF EXPORTS OF CERTAIN AGRICULTURAL PRODUCTS THROUGH CALIFORNIA CUSTOMS DISTRICTS FOR MONTHS OF AUGUST, SEPTEMBER, AND OCTOBER 1970 WITH AUGUST 1971 FOR COMPARISON

Commodity	August		September		October	
	1970	1971	1970	1971	1970	1971
Grapes.....	443, 772	173, 171	463, 389	-----	574, 913	-----
Almonds.....	852, 673	47, 608	3, 562, 148	-----	12, 249, 236	-----
Walnuts.....	325, 375	1, 064	157, 970	-----	1, 256, 668	-----
Nuts, not elsewhere classified.....	63, 845	5, 515	44, 354	-----	102, 407	-----
Dates.....	723, 649	329, 538	691, 319	-----	482, 702	-----
Raisins.....	3, 579, 842	62, 037	1, 518, 893	-----	2, 520, 224	-----
Prunes.....	978, 495	225, 289	2, 173, 704	-----	2, 184, 489	-----
Figs, dried.....	22, 446	6, 800	45, 755	-----	70, 070	-----
Peaches, canned.....	891, 825	-----	2, 069, 995	-----	3, 446, 570	-----
Pears, canned.....	99, 022	-----	199, 916	-----	195, 030	-----
Fruit cocktail.....	572, 831	2, 390	1, 150, 436	-----	1, 176, 079	-----
Nuts, except peanuts not elsewhere classified.....	831, 746	-----	521, 095	-----	1, 442, 519	-----
Dried beans.....	335, 110	79, 809	471, 835	-----	516, 488	-----
Tomatoes, canned.....	4, 871	-----	3, 679	-----	20, 575	-----
Tomatoes, puree and concentrated.....	70, 453	580	20, 903	-----	29, 201	-----
Total above.....	9, 795, 955	933, 801	13, 095, 391	-----	26, 267, 171	-----

1 Not released as of Oct. 29, 1971.

Source: Bureau of the Census, Department of Commerce report EM 522 (U.S. Exports of Domestic Merchandise).

CITRUS

1. Industry loss that cannot be made up is approximately \$3.2 million.
2. Lack of booking space at California ports preventing a catchup on exports during the cooling off period.
3. Reinstatement of strike could cause loss of total California exports amounting to \$18.6 million annually. Industry pessimistic about strike settlement and no booking reported beyond cooling off period.
4. Industry turned to ports such as Ensenada and others in Mexico and ports in Canada rather than shipping by air.
5. Costs are higher through foreign ports and to get citrus to foreign ports, but no report of loss due to cost of reconditioning stocks prior to shipment.
6. Probably lost large part of traditional Christmas trade at foreign markets.

FRESH FRUITS

1. Exports of fresh fruit was sharply curtailed due to the dock strike, with estimates over half export business lost.
2. No possibility of catching up since trade is seasonal. At the present, it is difficult to obtain shipping space because of backlog of dry cargo on docks yet to be shipped.
3. Steamship companies are booking fresh fruit for December, with business about as normal. Have bookings through mid January at present.
4. Air shipments of fruits and vegetables increased substantially over 1970. Through mid October air shipment exceeded the full 1970 calendar year by 20 million pounds. Despite this increase the largest share of the export orders were lost rather than paying increased cost to ship by air.
5. Have lost markets of fresh fruit shipments to Brazil, Panama, Trinidad and Venezuela because of strike. Several thousand cartons of honeydews scheduled for Japan were not filled and product not available when strike was settled. Much of July-September export business is to Hawaii and most of this lost. Perishable items were not held at dock, therefore no expense of reconditioning.

DRIED FRUITS AND NUTS

1. Industry estimate of loss due to strike to this date is unknown.
2. Dried fruit and nut industry cannot catch up on shipments during the 80 day cooling off period. It will be necessary to 110 days business in three weeks. Shippers are fighting for shipping space and containers.
3. If the strike is continued following the cooling off period, most of the export business for 1971 will have been lost.
4. Air shipments limited, although 10,000 tons of prunes shipped to West Germany by air, and much of the Hawaiian trade has been by air. Two of the three months of the strike were prime exporting months for dried fruits. Supplies curtailed for the holidays and for other special occasions where prunes, raisins and other dried fruits are featured. Once lost these sales cannot be regained. One quarter of the 1970-71 export marketing season has been lost as importing countries have gone to Turkey and Greece to secure raisins, etc. for their markets.
5. Some reconditioning of stock and inspection of containers at docks was necessary, including fumigation to keep stocks in good condition. Contacts report loss occasionally by jurisdictional union disputes and slow handling of cargo. One honey packer reported export order of honey delayed so that by the time the strike had ended, the raw product costs had increased sharply causing the shipper to lose money on the contract.
6. Markets lost to other countries such as Israel, Turkey, Greece, etc. This includes raisins, prunes and various dried fruits and nuts. Probably no chance to regain these lost markets since few foreign buyers are now in the market.

CANNED AND FROZEN FRUITS

1. Industry loss that cannot be made up is approximately \$2 million.
2. The export situation remains unchanged from that described in the report by Jed Adams several weeks ago. The industry normally sells about 875,000 cases of canned peaches in July, August and September. The average value is around \$5.00—5.00 per case. At \$5.50 per case this amounts to an economic value of \$4,800,000.

3. Inclusion of fruit cocktails, and other canned fruits would double the above amount, giving a total of nearly \$10 million in export sales of canned fruits in the months of July, August and September.

4. The products now are moving. If the industry can continue to ship until the end of the year they will have pretty well caught up on their sales. However, some of these sales will not be recaptured and losses this year could equal 20% of the total sales, or about \$2 million.

5. Steamship lines will book all future shipments in a normal manner. This is based upon the assumption that the strike will be settled by mid December. If not the steamship lines will probably re-evaluate booking situations about the first of December.

CANNED AND FROZEN VEGETABLES

1. Industry loss that cannot be made up is approximately \$200,000.

2. Exports of California produced canned or frozen vegetables is comparatively minor. But some of the very heavy production of processed vegetables which is produced in California does enter the export market. Considering the many different commodities, the total could be substantial. As an illustration, \$100,000 worth of canned tomatoes, either whole, pureed, or as catsup, were shipped into export markets in the month of August 1970. In August of 1971 the export value of these same commodities totaled only \$580.

3. Considering the many commodities such as green beans, corn, broccoli, Brussels sprouts, asparagus, chili peppers and many more vegetable items that are canned or frozen in California, the total exports from California of these products in the months of August, September and October 1971 very well could equal \$1 million in value. Because of the dock strike this amount was not shipped. The items are not perishable, but 20% of the sales of these commodities could be considered as lost.

RICE

1. Industry loss that cannot be made up is approximately \$1,500,000.

2. About 125,000 tons of export rice delayed from July 1–October 8. Value about \$21 million.

3. Most of the tonnage will be shipped during the 80-day cooling off period as some ships were standing by to load. Some lost sales to Guam, U.S. Trust Territories and Hawaii lost about one-half million.

4. A prolonged strike after cooling off period could jeopardize prospective sales to Korea to the value of at least \$35 million. About 80% of California's \$90 million rice crop is shipped to off-shore markets.

5. Total of 36,000 tons milled rice shipped by rail for trans-shipment to Puerto Rico at an extra freight cost of \$1,100,000. Also, some additional cost to ship to Hawaii from Vancouver. Total extra cost to industry \$1½ million for extra freight, storage, etc. Some additional storage costs on new crop rice due to storage facilities tied up by old crop.

6. No reconditioning costs.

7. Markets lost during the strike will probably be retained for future sales unless another prolonged strike occurs.

DRY BEANS

1. Industry loss that cannot be made up is approximately \$320,000.

2. An estimated 80,000 hundredweight, valued at \$800,000 lost to export sales from July 1 to October 8, 1971.

3. Most dry bean exports are to Japan and up to 40% of this California export business for 1971 probably will be lost.

4. Importing countries are limiting purchases of dry beans in U.S. since they have many alternative sources for supply. Future buying very limited and about half Baby Lima exports may be lost for this marketing year.

5. Some beans were exported through Vancouver at higher freight rates, but volume not available. Probably over \$5,000 extra cost.

6. No reconditioning costs.

7. Part of export markets lost will not be regained until a normal situation is established and prices competitive. U.S. bean exports run about \$25–50 million per year, about 10–15% from California.

COTTON

1. All export shipments of California and Arizona 1970 cotton crop were halted during the West Coast dock strike, with only negligible amount through Gulf ports. Cost \$2,500 per day for storage during the strike.

2. Movement of old crop cotton has been slow following the Taft-Hartley injunction because of scarcity of shipping space. It is expected that the share normally exported will continue to go into export. None of the 1971 crop has been sold for export as yet. Foreign outlets are refusing to sign purchase-contracts unless delivery date can be guaranteed, and these markets may be lost if strike is resumed at the end of injunction. Entire cotton crop valued at \$260 million with about half going into export. No bookings ahead of December 1, since no sales reported on 1971 cotton crop.

4. Exports by other means have been negligible.

5. No markets lost to date. However, if shipments cannot be guaranteed buyers may look to Guatemala, Brazil and other exporting nations rather than taking the U.S. 1971 crop.

MEAT

1. No tonnage lost on shipments to Hawaii. Practically all shipments to Far East such as Japan and Hong Kong completely lost during July 1-October 8. Shipments by air cost 15¢ per pound, by ship container 3½-5¢ per pound. Approximately \$170,000 increased shipping costs each week of strike, or a total of about \$2.4 million.

2. Could catch up pretty fast if could be assured space, but still limited loadings out of Los Angeles for Hawaii and slowdown on docks preventing some possible shipments.

3. No estimate on cost to industry if strike is continued. No advance bookings in Los Angeles. In San Francisco, no bookings beyond December 1. Continuation of the strike could mean increased cost to Hawaiian consumer which is normally 16% above San Francisco.

4. All shipments to Hawaii by air. Shipments of cheaper items and shipments to Far East, Hong Kong, etc. not made. Japan trade lost. Much of hamburger trade taken over by Australia and New Zealand.

5. No known costs on reconditioning. Losses limited but at airports meats often held 2-3 hours without refrigeration. Additional storage space needed when shipping by air, also cost of going from storage to airport and from airport to storage.

6. No loss in markets since bulk of meats are going into Hawaii.

HIDES

1. Overall cost occasioned by strike, including lost payrolls, increased cost of shipments to other ports, deterioration of wet hides, etc. will total \$1 million for July 1 to October 8.

2. Will catch up on back orders by second half of November.

3. Disaster would result if strike is continued following the injunction. California highly dependent on Japan. At one time ¾ million hides tied up by strike. No bookings beyond December 15, 1971.

4. No shipments by air, some trans-shipment to Houston.

5. No reconditioning, but some loss due to additional shrink in weights. Some losses by deterioration which may be refused by consignee. Some markets were also lost to Australia and New Zealand. For instance, the Taiwan contract was lost.

6. Hide shipments out of California ports in August 1970, excluding sheep skins, \$2,802,000; August 1971 shipments \$6,000, all to Mexico.

TALLOW

1. Industry losses to date that cannot be made up is approximately \$2,000,000.

2. Tallow industry will not catch up on shipments during the 80-day cooling off period as 10,000 tons per month are shipped to Japan alone. Value is \$185.00 per ton.

3. Industry losses will be tremendous if the longshoremen's strike is reinstated. Only 50% of tallow produced in the United States is used domestically. Tallow

is a garbage operation, and without export a health hazard might result as packers will be forced to dump product as waste. Industry is booking cargoes for delivery just as though all will return to normal by December 24. No alternative since tallow bookings are normally 60-90 days ahead. Storage space is very scarce since tallow must be stored in tanks, with coils for steam heating.

4. Tallow valued at about $7\frac{1}{2}\epsilon$ per pound cannot be shipped by air. Some shipments diverted from California cost packer \$1.50 per cwt. to ship by rail to Houston against 10ϵ per cwt. to the West Coast terminals.

5. It has not been necessary to recondition any stock. Perhaps as much as 10% of Far East markets permanently lost to Canada, Australia and New Zealand.

6. U.S. is the largest producer of tallow with 5.5 billion pounds, 56% of world total, U.S.S.R. is second at 670 million pounds. In 1970, U.S. exported 2.2 million pounds, two-thirds of world exports. Japan imported one-fifth of total world imports.

FRUIT AND VEGETABLE UNLOADS IN HAWAII¹ BY MONTHS, 1970

Month	1970, 1,000 pounds			1971, 1,000 pounds		
	Plane	Ship	Total, ship and plane	Plane	Ship	Total, ship and plane
July.....	248	8,043	8,291	1,692	3,856	5,548
August.....	180	9,227	9,407	.....	.....	.....
September.....	213	7,210	7,423	.....	.....	.....
October.....	160	8,934	9,094	.....	.....	.....
November.....	138	7,888	8,026	.....	.....	.....
December.....	388	7,887	8,175	.....	.....	.....

¹ Unloads are those from U.S. mainland.

Source: Hawaii Market News reports.

REPORT OF AUGUST 5, 1971—INTERNATIONAL LONGSHOREMEN AND WAREHOUSEMEN'S UNION STRIKE

(Prepared by Office of Emergency Services)

Daily loss to California economy estimated at \$17,500,000.

Estimated loss to date, \$628,520,000.

Unemployment:

Workers involved in labor dispute, 11,400.

Workers laid off, attributed to strike, 30,000.

Total, 41,400.

Estimated daily wage loss to strikers, \$325,208.

While unemployment in industry and agriculture is showing a small daily increase as a result of the strike, it is not expected to result in any additional major lay offs in the next few weeks.

REPORTS FROM CALIFORNIA PORTS

San Diego

Estimated loss export-import tonnage—import, 59,400 tons; export, 55,600.

Cargo held on dock for export:

Potatoes, 15,000 tons.

Cotton, 1,500 bales.

Hides, 1,000 tons.

Scrap metal, 20,000 tons.

General cargo, 2,000 tons.

Port estimates their revenue loss at \$100,000.00 per month. Estimated \$2,000,000.00 loss per month to local economy.

Long Beach

Estimated loss export-import tonnage, 1,200,000 tons per month—General cargo.

Cargo held on dock for export, 35,000 tons.

Major Items: Coke, cotton, rubber, etc.

Port estimates their revenue loss at \$600,000.00 per month.

Port estimates \$15,000,000.00 per month loss to City of Long Beach economy.

Port Hueneme

Estimated loss export-import tonnage—Imports, 101,000 tons; exports, 10,000 tons.

Major Items: Steel pipe, lumber, wood pulp, and fertilizer.

Port estimates their revenue loss at \$15,000.00 per month.

Port estimates \$500,000.00 loss per month to local economy.

Los Angeles Port Authority

Estimated loss export-import tonnage, 500,000 tons per month—General cargo.

Cargo held on dock for export—55,000 tons.

Port estimates their revenue loss at \$540,000.00 per month.

Port estimates \$10,000,000.00 loss per month to local economy.

Oakland

Estimated loss export-import tonnage, 550,000 tons per month—General cargo.

Cargo tied up in port—Import, 65,105 tons; export, 51,219 tons.

Port estimated their revenue loss at \$182,500.00 per month.

Port estimated \$11,000,000.00 loss per month to local economy.

San Francisco

Estimated loss export-import tonnage, 250,000 tons per month—General cargo.

Port estimates their revenue loss at \$300,000.00 per month.

Port estimates \$6,250,000.00 loss per month to local economy.

Alameda

Estimated loss export-import tonnage, 50,000 tons per month—General cargo.

Port estimates their revenue loss at \$500,000.00 per month.

Port estimates \$500,000.00 loss per month to local economy.

Sacramento

Estimated loss export-import tonnage, 230,000 tons per month—General cargo.

Cargo on dock for export, 220,000 tons—Woodchips, meal pellets and fertilizer
6 million board feet of logs.

Port estimated their revenue loss at \$500,000.00 per month.

Port estimated \$4,140,000.00 loss per month to local economy.

Stockton

Estimated loss export-import tonnage, 200,000 tons per month—General cargo.

Port estimated their revenue loss at \$460,000.00 per month.

Port estimated \$3,600,000.00 loss per month to local economy.

Eureka

Estimated loss export tonnage 53,550 tons per month.

Thirty day loss in pulp shipments—5,000 tons export with a dollar value of
\$900,000.00.

Six million board feet of logs and lumber tied up at dock awaiting shipment.

Port estimated \$749,700.00 loss per month to local economy.

Redwood City

Estimated loss export-import tonnage 5,000 tons per month—Bulk cargo.

Port estimated their revenue loss at \$10,000.00 per month.

Port estimated \$50,000.00 loss per month to local economy.

Benica

Estimated loss export-import tonnage 30,000 tons per month—General cargo.

Port estimated their revenue loss at \$60,000.00 per month.

Port estimated \$540,000.00 loss per month to local economy.

Richmond

Estimated loss export-import tonnage 5,000 tons per month—General cargo.
 Port estimated their revenue loss at \$30,000.00 per month.
 Port estimated \$60,000.00 loss per month to local economy.

REPORTS FROM AGRICULTURE, INDUSTRY AND BUSINESS

Agriculture

Feed and grain:

78,000 tons of alfalfa products unable to ship.
 82,000 tons of rice unable to ship.
 25,000 tons of wheat unable to ship.
 10,000 tons of safflower-general feeds unable to ship.
 10,000 tons of tallow unable to ship.

Most of the above commodities are an unrecoverable loss to the industry.
 There is also the fear that tie up will cause loss of customers.

Situation becoming critical. Driers will be clogged by August 15th. Driers at terminals must be used by practically all grains as they arrive wet. Terminals are almost filled to maximum today.

Prunes

600 tons of prunes on docks—\$250,000.00 value; quality deteriorating.

Raisins

\$500,000.00 value of raisins on docks; quality affected by lack of storage.

Almonds

\$100,000.00 value of almonds on dock—no cold storage; problem of rancidity; may be total loss.

Walnuts

\$150,000.00 value—same problem as almonds.

Dried fruits

No dollar value. Shipments must move within next month for Christmas trade.

Citrus

Lemon-orange exports are being curtailed approximately 40 to 50 percent.

Cotton

\$14,000,000.00 caught at dockside. Storage costs estimated at \$2,600.00 per day.

Cane sugar

65,000 tons raw sugar tied up.

Estimated loss at end of August to sugar industry 292,000 tons of production—\$42,900,000.00.

C. H. Sugar Co.—925 employees laid off—\$28,400.00 daily payroll.

Shortages of baling wire, jute bagging, packing cartons creating additional problems. Lack of canned bulk pineapple creating major problems to canning industry due to need before fruit cocktail can be processed. Canning exports to Europe-Asia completely shut off. This is a major movement thru California ports.

AUTOMOBILE INDUSTRY (FOREIGN IMPORTS)

Toyota Imports average 3500 cars per month at Benicia. Distributor has laid off 40 employees, salary loss \$20,000.00 per month. Dealers are starting layoffs.

Datsun Imports.—No lay offs to date. Will commence if strike continues.

British Motor Car Imports.—Normal imports 2500 car monthly Bay Area. No reports of lay offs to date. Diverting to Vancouver, B.C. No cars have arrived to date due to port congestion.

Volkswagen Imports.—Normal import 3,500 cars per month. Diverted to Mexico and Canada—3 to 4 week delay. Car costs higher due to added transportation costs.

All distributors and dealers facing shortage of parts. Will become critical problem if strike continues.

DOMESTIC

Ford Motor Company reports drastic cut in profits due to air shipment costs to Hawaii to satisfy customer need for parts.

LUMBER INDUSTRY

Complete halt of wood pulp, chips, lumber and log exports. Loss running into millions of dollars per month. Layoffs in industry will become heavy if strike continues.

Georgia Pacific reports layoffs this week of 100 employees—payroll loss \$20,000.00. Estimate 100 more next week.

MANUFACTURING INDUSTRY

Many plants now feeling impact of strike as supply of imported materials cut off. Some are attempting to divert shipments to Mexico-Canada ports. If stocks not replenished, layoffs will start this month.

COFFEE IMPORTERS AND PROCESSORS

Unable to move coffee thru Ensenada. Trying Vancouver, but congestion there will delay shipments. No real problems to date.

VEGETABLE OIL COMPANIES

Will shut down shortly due to lack of imports.

GENERAL COMMENTS

Daily dollar loss as shown is expected to increase as present available stock is consumed.

Unemployment will rise weekly but rate of increase should not be great. Outcome in part dependent on movements thru Canadian and Mexican ports.

Daily loss in import-export estimated at 131,000 short tons.

Total estimated loss in shipments thru California ports amounts to 4,107,000 short tons as of August 5, 1971.

There is an estimated one-half million tons of products tied up in California ports.

Projected loss to California economy

Daily -----	\$17, 500, 000
Weekly -----	122, 500, 000
Monthly -----	525, 000, 000

Senator CRANSTON. At this point, Mr. Secretary, we are delighted to welcome you to this hearing.

I am particularly delighted to welcome you as a fellow Californian.

**STATEMENT OF HON. JAMES D. HODGSON, SECRETARY OF LABOR,
ACCOMPANIED BY RICHARD F. SCHUBERT, SOLICITOR, DEPARTMENT OF LABOR**

Secretary HODGSON. Thank you, Mr. Chairman. I have with me Mr. Richard Schubert, our solicitor in the Department of Labor.

In contrast to Senator Packwood's long statement, I have decided to bring forward a short one. Sometimes, a subject as important as this can best be launched with a compact statement of need and position.

Few matters are less rewarding for a Congress than intervention in a labor dispute. Yet, paradoxically, on no other matter have I been before Congress so often.

In recent years, your time and the time of the executive branch has repeatedly been devoted to devising ad hoc solutions to labor contract problems.

Five times during this administration alone, special legislation has been necessary to head off crippling transportation strikes. Five times, Mr. Chairman, is at least four too many.

The time for permanent legislation is long overdue—legislation President Nixon has had before Congress for nearly 2 years. Today, however, we do not have that legislation. As a result, we must again bring before you special legislation to solve a specific dispute.

As all of you are aware, this administration has repeatedly demonstrated its belief in collective bargaining. It has utilized the "national emergency" provisions of the Taft-Hartley Act sparingly. It has emphasized solutions through bargaining and has provided the parties with high-caliber mediators, all with the objective of making collective bargaining work.

But now we have a case where collective bargaining has not worked. So, this legislation we propose today is submitted only because no other course is left. It comes to you only:

- after 15 fruitless months of talks and negotiations among the parties;
- after a 100-day strike last fall;
- after use of the only emergency procedure available to the President;
- after a Taft-Hartley 80-day period injunction;
- after exhaustion of that procedure;
- after two time extensions arranged by Government mediators;
- and
- after reactivation of the strike.

Finally, this proposed legislation comes only after enormous damage to the economy last year and threats of even greater damage in the future.

I am here, of course, only because of congressional inaction on the administration's general transportation emergency disputes legislation.

As I have earlier described before you, such legislation would have encouraged the parties to bargain more responsibly. But even if bargaining had not succeeded, such legislation would have obviated the need for crisis ad hoc congressional action in this case.

Other Cabinet officers will describe the economic impact of the strike more fully than I. In fact, we have three other Cabinet officers standing in the wings, so to speak, ready to testify before this committee in detail on the impact.

I would like to recite just a few of the facts to convey the magnitude of the damage of such a strike.

Estimates of the effect of the 100-day strike indicate that U.S. exports and imports valued at \$1.4 billion, which would have moved through west coast ports, were either lost to the economy or diverted at major expense to available open ports.

Current estimates of cargo loss per day are \$17.5 million in California and \$6 million in Oregon and Washington.

Some of the damage of that strike can never be undone.

The closing of west coast ports for over 3 months in 1971 resulted in an unrecoverable reduction in exports.

Agricultural products account for a large portion of this unrecoverable loss. Japan purchases over 50 percent of her wheat from this country. Since April, we have lost at least 25 million bushels of wheat in sales to Japan. This wheat is valued at \$40 million. We are losing more each day the strike continues.

On January 19, the day after the strike resumed, the Japanese purchased 8.7 million bushels of wheat for a March-April delivery. Of this, only 1.6 million bushels were purchased from the United States. The connection between this event and the uncertain U.S. delivery situation is obvious. If we do not soon show our ability to provide reasonably dependable deliveries, these losses of markets could well become permanent.

These impressive figures do not begin to tell the tragic story of this strike. They do not tell of the loss of income to individual farmers and their families—people who are innocent bystanders in a dispute that can destroy them. They do not tell of the businesses that are forced to lay off employees or shut down. They do not describe the despair of the families of workingmen whose jobs disappear.

During the past few months, the new economic policy of the President has enhanced economic growth. The Nation is on the way to revitalized economic strength. New exchange rates once again make our exports more competitive and greatly aid our effort to rebuild our traditional trade surplus.

This strike will have exactly the reverse effect. If allowed to continue, it cannot help but result in greater permanent losses of markets for our exporters, a contraction of business, a delay in economic resurgence, and a slowing of our effort to reduce the ranks of the unemployed.

It is, therefore, imperative that special legislation be enacted immediately to end this cruelly damaging strike.

The legislation we propose is broad enough in scope to reach all the parties involved and settle all the issues. This is not stopgap measure, but a complete prescription for establishment of a fair labor contract on the docks without further congressional action.

The legislation provides for immediate resumption of work upon its enactment. A three-man board of arbitration will hear the parties and then, within 40 days, resolve the issues. The Board's determination will serve the same functions as the agreement the parties were, unfortunately, unable to reach. It will continue in force for at least 18 months. It shall be consistent with the policy of the Economic Stabilization Act of 1971.

I, too, am generally opposed to compulsory arbitration as a predictable final step in the bargaining process. Under the present difficult circumstances, it appears to be the best of the options available. Congress has twice employed it in other transportation strikes in the past 10 years.

Another "cooling-off" period or an extension of time would be of extremely dubious help in this situation. I have closely monitored this dispute since its inception. I see no promise that a mere further extension of time would bring a resolution. It would, in addition, only exacerbate the prevailing uncertainty in foreign markets over the availability of American products and would thus do nothing to slow the search for alternative suppliers.

The plain fact is that after a strike of 100 days and endless talks and negotiations of a year and 3 months, what is needed is a settlement, not more time.

The "final offer selection" approach, which we have suggested in our general transportation emergency disputes proposal, is designed to be effective because of its influence on the parties throughout the course of the negotiations. It was not in effect during that period in this case.

As I have described it, the crowning strength of that procedure rests on the parties having its possible invocation in mind during their prior negotiating sessions. Knowing that reasonableness is going to be required in the end, the parties will not allow themselves to become tied to remote positions in the earlier stages of the bargaining. In this dispute, of course, just the opposite has happened, and we must deal with the situation as it exists.

For nearly a year, Mr. Chairman, I have hoped for, worked for, and strained for a settlement of this dispute through the process of collective bargaining. We do not have a settlement today. We do not have a settlement in prospect.

Today, our only prospect is more damage, more suffering, and more and more accumulating despair on the part of the Nation and its affected citizens. Were this not the case, I would not be here. Sadly, it is the case. Only the Congress can prescribe a remedy. I bring one to you. I implore you to use it with dispatch.

Senator CRANSTON. Thank you very much, Mr. Secretary.

I am delighted we have a rather full complement of the committee; Senator Eagleton, Senator Nelson, Senator Hughes, Senator Schweiker, Senator Packwood, and Senator Taft.

I have questions that I will ask on behalf of myself and Chairman Williams.

We will operate under a 10-minute rule so that each of you will have a chance to ask some questions.

I would like to note that this is the first west coast dock strike in 24 years. There have been strikes on the gulf and the east coast but this is a rather unusual situation for the west coast.

In your opening remarks and later, you refer to inaction and the need for action on general legislation by the Congress. The Labor Subcommittee has before it 11 bills dealing with labor disputes. These present a variety of approaches to what we all know is an extremely complicated and highly controversial issue, many issues, actually. We have had 8 days of hearings since June 15, and that work will continue. However, I think no one would deem it wise for this committee to plunge in rapidly with permanent legislation.

Mr. Secretary, who are the parties in this strike with whom the Federal Mediation and Conciliation Service has been working?

Secretary HODGSON. The parties to the dispute, the labor contract dispute, are the Pacific Maritime Association and the International Longshoremen Workers' Union. Those are the parties they have been working directly with.

Because one of the issues in the dispute involves another union, they have had to take recognition of that fact and try to handle their negotiations, the parties have, in such a way that it would recognize that if we are really going to resolve this dispute we have to involve others.

Senator CRANSTON. Is the actual strike confined to California, Washington, and Oregon?

Secretary HODGSON. At the present time.

Senator CRANSTON. Is the strike now being conducted by any union other than ILWU?

Secretary HODGSON. If it is, I know not of it.

Senator CRANSTON. Does this strike directly involve any employees other than members of the Pacific Maritime Association?

Secretary HODGSON. Obviously any strike that affects a transportation industry soon has what we call ripple effects outside of that industry and affects employers who utilize that form of transportation. In that way, it affects importers, exporters—

Senator CRANSTON. My question was related to direct involvement.

Secretary HODGSON. If you mean taking part in the bargaining process, it involves no others.

The effect of the strike is what I thought you had in mind.

Senator CRANSTON. No others are involved in the strike directly?

Secretary HODGSON. In the bargaining; that is right.

Senator CRANSTON. Has the Federal Mediation and Conciliation Service been attempting to resolve the dispute of these non-PMA employees with the ILWU?

Secretary HODGSON. The Federal Mediation and Conciliation Service has been conducting with and for the respective bargaining parties the hearings, deliberations, and negotiations, and in those hearings and deliberations has noted the effect that some of the issues involved will have on other parties and has attempted to call the parties' attention to the need to consider the interests of those other parties. But it has not brought those other parties into the negotiations.

Senator CRANSTON. Could you precisely name the "other parties"?

Secretary HODGSON. Primarily, as you know, the International Brotherhood of Teamsters represents some people who do work, whose jurisdiction is being contested in these negotiations by the dock workers union.

Senator CRANSTON. Is that issue to be resolved in the proposed arbitration?

Secretary HODGSON. Indeed, it is.

Senator CRANSTON. Could you tell us what cargo is being moved by the longshoremen during the strike?

Secretary HODGSON. In the 100 days' strike of last year and again in the renewed strike, the Department of Defense has specifically made arrangements with both parties for the shipment of at least some of the military goods that go from this country through the west coast ports to Southeast Asia and elsewhere.

In addition, upon occasion, there have been special arrangements made between the contending parties and other shippers for individualized shipments. This means that in some ports, such as the San Francisco Port, for instance, up to 40 percent of the normal shipments that go out of that port have been shipped during the period of the strike.

Senator CRANSTON. The "whereas" clauses of the proposed resolution identify other disputes, one involving the Teamsters and the other involving both Teamsters and Longshoremen in Hawaii.

The resolution includes as parties certain teamsters locals and a number of employers in Hawaii.

Can you tell me why these are included?

Secretary HODGSON. Senator, you will find that two things dominate our view as we come before you with this legislation, two important things.

No. 1, to make sure the Congress only had to act once. The Congress does not particularly relish this kind of legislation. We wanted to make sure that whatever action was taken by the Congress would completely settle this dispute.

Second, we wanted to do it with all possible speed.

You will find the reasons for the various different inclusions, forms, that we have prescribed in our legislation center on those two particular features. It was to make sure that we would not have to bring before you another strike involving jurisdiction, another strike involving Hawaii, that we included a settlement of the jurisdictional dispute and of the Hawaii dispute.

Senator CRANSTON. Could you spell out how the Hawaii dispute relates to the west coast dispute?

Secretary HODGSON. Hawaii has the same contract between the Pacific Maritime Association and the ILWU, the same contract terms, approximately, except for local issues.

When the ILWU called its strike last year and again this year, it did not serve notice on the employers in Hawaii for a strike there. It has in effect an extension of time regarding Hawaii with an end date, a date of notice, rather, that it must give before it can strike those ports, but it can give that notice at any time.

Senator CRANSTON. Is it a fact that it is a separate but identical contract?

Secretary HODGSON. It is an identical contract but they have not given notice for that particular unit of the total agreement.

Senator CRANSTON. But it is a separate contract with the same language and terms?

Secretary HODGSON. When you speak of contracts here, we have a problem because we have local issues in each of the local ports that involve local differences.

So, we have to say that there are differences in the contracts between Seattle, San Francisco, Long Beach, San Diego, Hawaii, and others.

But there are general, what we might call, master provisions common to each.

Senator CRANSTON. Insofar as the dispute between the ILWU and the PMA is concerned, can you tell us what has been tentatively agreed upon and what issues remain to be settled?

Secretary HODGSON. I am not sure just how productive a discussion of issues in this case may be for a couple of reasons.

The first is that anything that is settled now is only as is almost always the case, settlement based on a condition that settlement is not valid unless a complete settlement is reached. So, there is really nothing settled.

There are some tentative agreements which will apply if, indeed, everything can be settled, but there is nothing set in concrete.

We have in general tentative settlements on such things as wages, pensions, a dental program, certain provisions for small ports, certain provisions for meals and lodging.

We have unsettled the allocation of the container tax royalty, whether cargo originating or handled within a 50-mile radius shall have a

certain royalty applied to it, and what the use of that royalty shall be.

Second, we have a difference in wages with regard to the effective date of those wages. My understanding is that the last position of the parties is that the union wants the first year increases retroactive to November 14th of last year with the second increase effective July 1 of 1972. That first increase is in the amount of 72 cents an hour.

The companies' position on that is that the first year increases should be effective as of the ratification date of any new agreement; the second year the increases to be effective October 1, 1972, instead of July 1, 1972, the second increase to be in the amount of 40 cents an hour.

In addition, there are issues to be resolved such as these: The amount of life insurance that shall apply to affected employees. The companies' position, as I understand it, is that that should be in the amount of \$8,000. The union's position is that it should be in the amount of \$10,000.

Skilled rates—by that, we mean additive rates for skilled people in the bargaining units—are still in contention. The companies' position is that whatever additive rates are applied should be only two-thirds for a 3-year contract, one-third for a 2-year contract. The union's position is that it should be two-thirds for a 1- or 2-year contract.

There are still many specifics to be worked out on what is called the manning issue, a troublesome issue with regard to lash work, Seabee work, roll-on and roll-off work.

All other local port condition issues are to be worked out.

The principal one, it is my understanding here, is the so-called steady skilled man job, whether the highly skilled man shall be rotated in job assignments or shall be subject to a permanent job assignment.

In addition, we may find that some things like drug care and visual care for employees are still in contention. There is some difficulty as to whether those constitute still viable open issues.

That is the general picture on issues.

My 10 minutes have expired.

Senator Schweiker, do you have any questions?

Senator SCHWEIKER. Mr. Chairman, if it is all right, since this dispute most directly affects my colleague's home State, I would like to have Senator Packwood proceed.

Senator CRANSTON. Senator Packwood.

Senator PACKWOOD. The chairman indicated we have 11 bills for permanent procedures for strikes in the transportation industry before us. We certainly don't want to act precipitously. We have had the first of those bills before us for 23 months. I don't think it is asking too much for the Congress at this stage to move.

Mr. Secretary, do you have any evidence that productivity was up or down during the 80-day Taft-Hartley injunction?

Secretary HODGSON. Evidence would be too strong a word for what I have.

Now, I have information there was uneasiness, restiveness, and particularly in the early phases of that injunctive period there was some difficulty getting work crews on the docks of adequate size and numbers and keeping them there. So, this kind of condition existed.

The extent to which it affected productivity, I would suggest that that extent be discussed with employers. It was considerable, based on my information.

Senator PACKWOOD. I think the employers will at some stage be given a chance to testify. I think they are going to testify that their productivity was down so extensively that if they had to have a choice, they would almost rather have a strike than an extension.

Let me ask you this: Do you feel that an extension, 30 days, 60 days, would accomplish anything at all?

Secretary HODGSON. One of the most frustrating parts about this strike has been that almost on a week-by-week basis since midsummer we have had reason to believe, based on input from the parties or from local observers, that we were nearing an end to the dispute, that a settlement was about to happen. It did not happen.

In September of last year, many months ago now, the President was so concerned about the strike at that time that he asked me to get the heads of the two bargaining parties together in Portland, which I did. We had Mr. Bridges and Mr. Flynn meet with the President.

At that time, we described to them our impression of the urgency that was involved, the reports that we had had of the people laid off, of the widespread effects on business, the adverse effects on exports, and made what we thought was a case for a sense of urgency on the part of the parties.

In that case, Mr. Bridges and Mr. Flynn told the President, told me, that they would respond to that sense of urgency and go back to intensive negotiations with the goal of settling their dispute by the weekend. That was in September. It wasn't settled in September or October.

We had to invoke the Taft-Hartley injunction to get the work started again to clear up the glut of produce that was jamming the warehouses and storage facilities of the West and Midwest, and transportation facilities between the two, causing a cascading descent in the price of farm products.

And the 100-day strike ended and again we had hopes that the additional time would provide a basis for a settlement. It didn't. We negotiated up to a deadline. Mr. Counts, himself, the No. 1 mediator in the Federal Government, was on the scene during this time.

He got the parties to agree to an extension on one occasion because it appeared again they were close. A second time it appeared they were close.

The parties agreed to another extension. They didn't make it.

I am forced to report that I see no basis now for thinking that the chances are any better than they were in September, October, December or January. As of this date, I see no basis for hope that they will reach a settlement.

Senator PACKWOOD. If this committee, therefore, does not like the legislation now under consideration, and an extension is unlikely to work, then we have an obligation to send some bill out that will terminate the strike.

Secretary HODGSON. That should be the committee's objective, sir.

Senator PACKWOOD. I have no other questions, Mr. Chairman.

Senator CRANSTON. Thank you.

I would like to say again on the matter of action or inaction by this committee that the overwhelming majority of the Senate and I suspect the country regrets the passage of the Gulf of Tonkin resolution that was considered in one day in the Senate. Senator Williams

and I and other members of the committee, I am convinced, do not intend to pass another Gulf of Tonkin resolution in one day.

Senator EAGLETON, do you have any questions?

Senator EAGLETON. I have a couple.

Mr. Secretary, on page 3 of the report of the Board of Inquiry, dated December 5, 1971, it says as follows:

"The major unresolved container issue continues to be the problem of employee representation rights in any new or expanded container freight station facility of the Sea-Land Service, Inc."

Thus, it appears that the only jurisdictional issue which was identified by the Board relates to this one company.

If this issue is peculiar to this one company, why doesn't your legislative proposal seek to isolate this issue in some way, to separate it from the general consideration?

Secretary HODGSON. As I have said before, that certainly is not the only issue to be resolved at the present time.

Senator EAGLETON. I did not mean it is the only issue.

Isn't it the only jurisdictional issue and does it not pertain only to one company?

That is what I gathered from the report of the Board of Inquiry.

Secretary HODGSON. The jurisdictional issue involves the issue of who shall pack containers where and at what price to the employer. Any portion of that issue that is settled is only settled tentatively.

I believe that the essence of the Board's report is correct in saying at the time of that report the principal unsettled issue from the standpoint of not being tentatively settled was this single company.

But we bring before you legislation to settle everything. We don't isolate anything. Whether or not anything should be isolated seems to me to be a discussable issue.

But the important thing is that when this Congress acts in this circumstance that we settle the entire matter.

Senator EAGLETON. Do I understand the gist of what you are saying is that this jurisdictional problem is not the only jurisdictional item that is unresolved.

Secretary HODGSON. It is not the only element of jurisdiction.

Senator EAGLETON. It probably is the single most contentious item.

Secretary HODGSON. Absolutely. I think all the parties agree on that.

Senator EAGLETON. Do we also agree it is only applicable to one company, Sea-Land Service, Inc.?

At least, that was the finding of the Board of Inquiry.

Do you subscribe to their finding or do you have other evidence?

Secretary HODGSON. What happened to that particular company was the particular part of the jurisdictional issue, the principal case in issue, at the time that report was written. But the jurisdictional problem is a problem generally.

Senator EAGLETON. The Board issued its report on December 5, 1971. Wouldn't that sentence I read at the outset, the unresolved container issue, continue to be the problem of employee representation rights in any new or expanded freight container facility of Sea-Land Service, Inc.?

It causes me to believe that it applies only to this one company and it is not a contentious issue with respect to others.

Secretary HODGSON. There are two words that you have not paid, I think, proper attention to: "major" and "unresolved."

It is not the only one; it is the major one.

Senator EAGLETON. Major jurisdictional dispute?

Secretary HODGSON. There are others.

This refers to unresolved, in the sense that no tentative agreement has been reached.

On the jurisdictional issues, many of them, some tentative agreement has been reached.

But I urge that this committee not view an agreement between the parties tentatively taken during the course of negotiations to constitute a commitment by those parties that, no matter what, they are willing to settle on that basis. They don't make tentative agreements on that basis. They make tentative agreements on the basis that if the entire contract is satisfactory to them, then the tentative agreement will stand; but only that.

Senator EAGLETON. Mr. Secretary, I guess I won't pursue it too much but it was my understanding, based on information that has been made available to us, that the only serious jurisdictional dispute remaining is with Sea-Land Service, Inc., that the others had, more or less, with emphasis on more, been resolved. Let me move on.

Wouldn't this be an issue, this jurisdictional matter of Sea-Land Service, Inc., that perhaps could be resolved by section 10(k) of the Taft-Hartley which treats of situations in which an employer has conflicting claims by rival unions?

Secretary HODGSON. If you are referring to the NLRB procedure?

Senator EAGLETON. Yes.

Secretary HODGSON. There are problems in connection with that. I will let our Department solicitor, Mr. Schubert, talk about that.

Mr. SCHUBERT. There has been some activity by the NLRB in respect to this issue of assignment of work. The activity has been involved with three sections of the Taft-Hartley Act: one dealing with secondary boycotts, one dealing with jurisdiction of work, and one dealing with hot cargo.

The Board has moved in a couple of specific circumstances to get relief. Unfortunately, the first court test of their action was not successful. There is every indication from what has already occurred, as well as discussions with people who are familiar with Board procedures, that the task ahead of resolving all of these disputes through the NLRB up and down the coast, and there are many, some on dock-side, some back from dock-side, involving jurisdictional questions between the longshoremen and the teamsters—there is every indication that the path ahead will be a very long, tedious, excruciating one before this matter can be finally resolved.

Secretary HODGSON. In other words, letting this question be resolved through the procedure you mentioned would not meet one of the two tests I have outlined here, the test of speed. In fact, with the court procedures involved it would appear to be one not of days and weeks but months and years.

Senator EAGLETON. Has Sea-Land Service, Inc., filed a complaint under 10(k)?

Mr. SCHUBERT. The evidence that I have reviewed does not indicate whether Sea-Land was directly involved in this or not.

California Cartage has been involved. Several employers have been involved up and down the coast.

Senator EAGLETON. I understand my time is up.

Thank you, Mr. Chairman.

Senator CRANSTON. I am delighted that the ranking Republican member of the committee, Senator Javits, is with us, the sponsor of this legislation.

Senator JAVITS. I sponsored it with Senator Packwood, Mr. Secretary.

Mr. Secretary, one of the things that I think you have to respond to us on is why the single method specified by the bill, to wit, what labor defines as compulsory arbitration, which we all know is anathema to labor.

Now, let me give you the alternative and you may give us a comprehensive answer, giving us the range as you see it.

The administration's own bill for the settlement of disputes which involve this kind of emergency calls for a 30-day extension, partial operation, or final-offer selection.

My bill calls for a range of remedies which would include seizure and operation to the extent justified by the public health and safety.

Other possibilities include factfinding and making public what is a fair settlement, even though it is not compulsory, and what our former and very distinguished colleague, Wayne Morse, used to call "mediation to finality," which we had in the bill dealing with the 1967 shopcraft disputes on the railroads, to wit, mediation within the limits of the employer and employees' proposals leading to a final decision by the Board of Mediation.

Now, why did the administration pick the only remedy which labor considers the most unfavorable?

Secretary HODGSON. Mediation to finality is compulsory arbitration by another name, as we all know. We have had mediation in this for 10 months but we have had no finality.

Our objective, as I mentioned earlier, was twofold: First, finality, complete finality, so that we would not have to come back here.

Second, speed.

We looked around and what did we find? Congress had twice acted in transportation disputes of this kind before. What did they choose? They chose compulsory arbitration.

We felt that that was one thing that Congress, itself, had placed its OK on in these cases that are difficult, awkward, and which Congress does not like, we don't like, the parties don't like. Not only organized labor is against compulsory arbitration, but most of the people who get into this kind of activity professionally over the years believe compulsory arbitration is an unsatisfactory way generally to handle these matters.

This is not a general circumstance. It is an individual circumstance. It is an aggravated one. So, we came to the Congress with a kind of device that Congress, itself, had adopted twice before. We did not bring the final offer selection for that reason.

A second one is that the full effectiveness of that procedure depends on its existence throughout the course of the dispute. The dispute has been going on for months. That was not in effect during that period of time. We did not believe that it was the one that the Congress could

enact most quickly here because it has shown a disposition over the past 30 months to examine it with some deliberation rather than with some speed, and we want some speed.

Second, we did not choose seizure for equally persuasive reasons. We don't think that seizure solves the underlying dispute in this case. It would not relieve the uncertainty in foreign markets about American performance. Certainly, it is a hard thing to effectuate.

It thrusts the Government directly into the management of private industry, perhaps for an indefinite period, and with unpredictable results.

So, we bring before you a suggestion of a kind of course of action which has been adopted in transportation disputes before, the only kind which has been adopted to resolve this particular kind of dispute twice and, therefore, we felt that it was the one that was most likely of speedy action and of general acceptance.

Senator JAVITS. Isn't it a fact, Mr. Secretary, that you are engaged in partial operation now?

Secretary HODGSON. Absolutely.

Senator JAVITS. Certain cargoes are moving?

Secretary HODGSON. The whole purpose of the partial operation option when it is applied is to have enough economic pressure on the parties to contribute to their reaching an agreement. It has not had that effect here. We had partial operation for 100 days. It did not produce an agreement. I do not expect it to produce an agreement again.

Senator JAVITS. What are you moving?

Secretary HODGSON. Primarily military cargo and then special cargo that is arranged by private parties with the respective parties.

That, as I say, in some places amounts to 30 or 40 percent of the port's operations.

Senator JAVITS. I happen to disagree with you about seizure, myself.

I believe that seizure is an effective remedy and that the men will come back to work because if you are going to arbitrate and make an arbitrational agreement, that requires volition on their part as patriotic Americans. I think they would do the same thing if the Government decided it had to, to whatever extent the public health and safety required, operate the industry.

That is one of the big complaints of the conservatives, that we operate far too much.

Nonetheless, I think we are interested in your reasons rather than our arguing. I just did not want to let it stand unchallenged. I get your reason perfectly.

This also leads directly to the point you made to Senator Packwood, to wit, that if we are going to bring about an end to this dispute, you are convinced there is no alternative to congressional action; is that correct?

Secretary HODGSON. I wouldn't be here if I thought there was. This is the last place I want to come with a dispute of this kind.

Senator JAVITS. I am a lawyer, too. I want yes or no.

Secretary HODGSON. Yes; unequivocally yes.

Senator JAVITS. Now, a last point.

You have a very interesting provision here for a special referee to deal with the jurisdictional disputes even while they mediate. You feel that is essential; is that right?

Secretary HODGSON. Not only jurisdictional disputes but any kind of disputes.

Senator JAVITS. Don't you think that that would be more effective as a technique, and I think it is a very interesting technique—incidentally, I, myself, suggested it as a way to administer the anti-trust laws—but would you be sympathetic to the appointment of that referee and his operations under the auspices of the Court rather than appointed by the Secretary of Labor from the point of view that when he would have a way in which to enforce what he did and would be subject to traditional procedures as special refereeships are not unusual in the Federal courts?

Secretary HODGSON. Well, such a vote of nonconfidence may be deserved, Senator, but I think that the 40-day period that this procedure applies is a temporary one, and going to the extent of tying it to a court situation does not have any objectionable features from the standpoint of not being equally suitable for resolving the problems involved, but it does seem to me that it is a little bit more than is necessary to get the job done.

Senator JAVITS. Mr. Secretary, may I say it is a vote of confidence rather than nonconfidence because I feel you are a big enough man to give us the remedy that is best.

Secretary HODGSON. Thank you.

Senator JAVITS. Thank you, Mr. Chairman.

Senator CRANSTON. Thank you very much, Senator Javits.

Senator NELSON.

Senator NELSON. I notice in your statement, Mr. Secretary, "Settlement should be consistent with the policy of the Economic Stabilization Act of 1971."

Could you give us some idea of what the specific effect upon those points already agreed upon and those in dispute would be if the settlement is to be consistent starting out with the wages, for example?

Secretary HODGSON. That will be up to the Arbitration Board to determine. The Arbitration Board will determine that with the same kind of independent authority that, let us say, the Pay Board determines contracts that have been negotiated recently. So, it will act in accordance with the provisions as outlined by the Congress in the Economic Stabilization Act, and therefore will not only serve to adjust profit differences but adjust them in the public interest.

Senator NELSON. The negotiations involving both points that have been agreed upon and points that have not been agreed upon do involve questions of wages and questions of fringe benefits, all of which have a dollar amount attached to them.

I just want to know what your interpretation is of the effect that a settlement consistent with the Stabilization Act of 1971 will have on these specific items so that I will have some notion of what we are looking at.

Secretary HODGSON. The effect would be, quite simply, that an additional dimension to the arbitrator's task would ensue in this case. An arbitrator traditionally has the task of adjusting private differences in a case that goes before him. In addition, in this case he will have the task of doing that consistent with the terms of the Economic Stabilization Act, with the policy of that act, and the Board shall decide what that is. It should do it independently.

Senator NELSON. If I understand your statement correctly, you are saying the settlement shall be consistent with the policy of the Economic Stabilization Act?

Secretary HODGSON. That is correct.

Senator NELSON. So, the proposal that we are asked to act upon is going to mandate the requirement from the Board of Arbitration that whatever they approve is consistent with the Stabilization Act of 1971.

Well, if they are able to make that judgment, I am asking you what does that mean? What effect does it have on the specific points in the contract now?

Secretary HODGSON. They will determine that.

Senator NELSON. Well, if we are directing them to act in accordance with the Economic Stabilization Act and that is an adequate guideline, can't you tell us then what that means respecting this contract?

Secretary HODGSON. If I were the arbitrator, I could tell you. But I am not the arbitrator and I am not going to second-judge their decisions.

If this bill is enacted by Congress, the Arbitration Board will make those determinations.

Senator NELSON. If you can't tell what is consistent with the Economic Stabilization Act, then they have no guidelines at all.

Secretary HODGSON. Yes; they do. They have the act, itself.

Senator NELSON. Then what, in your judgment, does the act say about the wages, the fringe benefits, for example, in this dispute?

Secretary HODGSON. The act says enough to give guidance to the independent Pay Board on what it should do, and as it makes determinations, we would expect that the Arbitration Board would pay attention to the same kind of policy that is implied and explicit in the act and make its determinations in accordance with that policy; but it would determine it. I do not.

Senator NELSON. What is that policy?

Secretary HODGSON. That policy is the policy that the Congress put into the act.

Senator NELSON. Will you explain it to us?

Secretary HODGSON. I don't think I can explain it as well as you, as a Senator, could.

Senator NELSON. What I am getting at here: Does that sentence mean something or doesn't it?

We can legislate here and say that this three-man Board of Arbitration which is going to be created under the proposed statute that we are asked to act upon is going to be created and then Congress, at the request of the administration, is going to require that that Board make a settlement consistent with the policy of the Economic Stabilization Act.

Now, this is the administration's draft, not my draft.

All I am saying to you is: What does that mean?

Secretary HODGSON. You say: Does it have any meaning?

The only way I can say it didn't have any meaning is if it would be an expression that the Congress didn't have any sense of intent and purpose in making that act. So, it does, of course, say that that arbitrator operates within the constraints as the arbitrator conceives them in his interpretation of the act. If he wants assistance in that, we would

arrange, for instance, for a staff member of the Pay Board who has had some experience with interpreting and applying the act, to make him available to the arbitrators if they wanted that kind of assistance.

But it would be independent in the same sense that the Pay Board is independent. I don't tell the Pay Board what it should do and what its decisions should be, and I won't tell the Arbitration Board what it should do.

Senator NELSON. Is the Pay Board empowered under the law to overrule the three-man Board of Arbitration?

Secretary HODGSON. Not if the law is enacted as we have put it before you.

Senator NELSON. Then the Pay Board cannot make any decision respecting the result of the arbitration by the three-man board?

Secretary HODGSON. That is correct.

Senator NELSON. Now we have a three-man board but we don't have any notion of what their interpretation of the Economic Stabilization Act of 1971 is, do we?

Secretary HODGSON. You didn't have any similar knowledge of what the Pay Board would be, either. We appointed to the Pay Board top professional men charged with making a judgment. We will be doing the same thing here. We will appoint astute, qualified professionals to this Board and make sure that they understand this is their responsibility.

Senator NELSON. Now, if we pass legislation giving this authority to the three-man Arbitration Board and if your interpretation is correct—I have no doubt it is—and the Pay Board cannot overrule the three-man Board of Arbitration appointed under this bill doesn't that just open the whole business up to a major thrust to undercut the whole authority of the Pay Board?

Secretary HODGSON. No, sir. This is an individual case. I don't think an individual case is going to undercut the authority of any board.

Senator NELSON. Now, if the Board of Arbitration gave a large settlement based upon what they thought ought to be done in accordance with the provisions of the Economic Stabilization Act, the fact that it is just one case, if this bill is to be passed and put into effect, don't you agree that it still would have an effect on every other negotiation going on around the country because they would simply say, well, under this Board of Arbitration they got an award that was very high here, so let us not make any settlement unless we have a Board of Arbitration.

Secretary HODGSON. Not any more than every other case, Senator.

Every single decision made by the Board is a different decision for a different amount for a different industry. This would be in that context. It would be a different decision based on the Board's interpretation of the Economic Stabilization Act.

Senator NELSON. Isn't there agreement thus far on the point of the wage increase that the employer and employee will agree to?

Secretary HODGSON. Earlier I described a number of issues, many of which are major economic issues, for instance, one on settlement of the containerization issue. It is a 25-cent issue that is unresolved at this point. The issue of the effective date of the agreement is an issue that involves several millions of dollars. There are major economic issues that are not settled between the parties.

Senator NELSON. What economic issues are settled?

Secretary HODGSON. There are none settled finally.

Tentatively, there are certain things that I mentioned earlier: Pensions, dental program, special rates for small ports, meals and lodging, basic wage proposals; that sort of thing.

Senator NELSON. What is the amount of the basic wage agreement?

Secretary HODGSON. Seventy-two cents an hour for the first year and 40 cents an hour for the second.

Senator NELSON. Have those items been agreed upon, wages and fringe benefits, that is, tentatively agreed upon?

What is the percentage of wage increase involved?

Secretary HODGSON. I believe around 32 percent.

Senator NELSON. It is 32 percent?

Secretary HODGSON. Yes.

Senator NELSON. The unresolved questions involving the demands of the union involve how much more? It would add up to what percentage?

Secretary HODGSON. I don't have that figure.

Senator NELSON. I understand my time is up.

Senator CRANSTON. Thank you very much, Senator Nelson.

Senator Taft.

Senator TAFT. Thank you, Mr. Chairman.

Mr. Secretary, you cited prior precedents for use of compulsory arbitration in transportation strike emergencies.

Why won't the use of compulsory arbitration in this case, if we should enact it, create a further precedent, and thus result in a deterioration of collective bargaining in these industries?

Secretary HODGSON. There certainly is a danger that that will occur.

Every time we do this, there is danger we will have more special cases come back to the Congress. This is the thing that I have been saying in my testimony before the Congress, both Houses, on the permanent legislation. It is because we need some permanent legislation to obviate coming before you with an increasing number of cases. It started out in the first 20 years of widespread collective bargaining in this country we did not bring cases before Congress. In the 1960's we brought them here occasionally. We get in the 1970's; we bring them frequently.

So, the question is: Is Congress going to get into the dispute-settling business or is it going to provide us with some legislation? That is the first question.

The second question is: What kind of legislation will it provide us with? Will it be legislation that will strengthen the collective bargaining process or legislation that won't?

We believe if we were to enact compulsory arbitration into permanent legislation it would not strengthen the collective bargaining process. We would have to agree that every time that Congress takes action of this kind it is one more weakening of the collective bargaining fabric of this country.

The trade-offs that Congress has to make in circumstances of this kind require a decision that collective bargaining has not worked and that action needs to be taken in the public interest to resolve the dispute. It is on that basis that we bring before you the proposal that we do.

Senator TAFT. As you mentioned we have partial operation already on the West Coast.

Why not include in this ad hoc legislation the final-offer selection process? Is this not a good case for trying it out?

Secretary HODGSON. I think this is a very good question.

The reason is that the strength, the whole focus, of final-offer selection is that it operates, not predictably at the end of a failed collective bargaining situation, but as a final step that the bargainers will realize exists as a possibility they may be faced with if they don't resolve their own problems. This conditions the way in which they bargain and the will to make a settlement.

That condition does not exist here, so, in our judgment, it would be inappropriate for that reason.

As I earlier stated, speed is very important here. When I have come before this committee and the House committee before, they have shown a disposition to want to examine further and with some deliberation the administration's proposal on final offer selection. We believe that the important thing here is speed.

We believe that Congress has shown a willingness to go the direction that we are proposing and we will enhance the speed of action on the part of the Congress if we propose a similar resolution to this one that was proposed and enacted by the Congress previously.

Senator TAFT. Just a technical question as to the power of the referee. The bill states, "Notwithstanding any other law, the special referee shall have exclusive jurisdiction over any disagreement occurring after enactment of this resolution but before the arbitration determination has gone into effect," and then a description of the area.

Do I correctly understand that all items would be subject to the determination of the referee?

Secretary HODGSON. Yes. It is not just the jurisdictional question.

Senator TAFT. These issues are just the ones on which no agreement has been reached?

Secretary HODGSON. This is to resolve disputes that occur while the Arbitration Board is trying to make its determination. On an ongoing basis there are always disputes between labor and management, as well as contract disputes.

Senator TAFT. And the past disputes that are unresolved you intend to cover on an interim basis?

Secretary HODGSON. Any that come up for resolution during this period.

Senator TAFT. But there are some that are unresolved before we enact the legislation.

Mr. SCHUBERT. The whole intent of this, Senator, is to take care of incidents that might conceivably arise during this interim period and make sure that they are resolved satisfactorily enough at least so that the parties have some basis to continue to work.

In other words, we envision the possibility that there would be a question as to the basis on which the parties did work during this interim period. What should they be paid, what should be the conditions under which they work? We want to make sure that would be taken care of.

Senator TAFT. I don't think you got my point.

On page 7, line 26, when you say "after the enactment of this legislation," what I am saying is that I think you ought to have language

in there saying, "Any disagreement occurring at the time of or thereafter."

Secretary HODGSON. We don't want to substitute this provision for the arbitration provision in the agreement. That is what I am afraid your suggestion might do.

Senator TAFT. I wonder if the referee would have any power over disagreement on issues that are outstanding today.

Secretary HODGSON. If they are alive, they are alive under the terms of the agreement and they would be resolved under the grievance and arbitration provisions in the agreement.

Senator TAFT. That would operate?

Secretary HODGSON. Yes. That would operate to make sure those are taken care of. It would not cut them off.

Senator TAFT. Thank you, Mr. Chairman.

Senator CRANSTON. When I was asking my questions, you enumerated a very long list of the issues.

Can you narrow that down to those issues you consider to be the most crucial?

Secretary HODGSON. Mr. Chairman, I have been in collective bargaining for 37 years. There is nothing more hazardous than to say what other parties will agree to ultimately and which constitute in their mind the full and complete list of issues and even those that have the most priorities.

Priorities shift with time, with emphasis, with pressures, with internal differences within organizations.

Clearly, from the outset of this dispute to the present time, most observers and participants would agree that the jurisdictional issue was the major issue between the parties, but within the various different economic issues, working relationship issues, manning issues, and things like that, to try to ascribe a sense of priority to those things, I would hope if you really want to go into that you call in the parties and ask them, themselves. I don't feel capable of making a discerning judgment.

Senator CRANSTON. At the briefing yesterday your staff indicated that the allocation of the container tax and retroactivity were really the crucial issues.

Do you differ with that view?

Secretary HODGSON. No; I don't. But I would not want to put words in the mouth of the mediators.

Senator CRANSTON. I was not asking you for what you felt should be the solution. I was asking you what the major issues were.

Secretary HODGSON. You see, what you are asking me to do is to describe an intent that only the parties, themselves, know. Now, I try not to prejudice, in my handling of these hearings the position of any of the parties. I don't want to do that.

Senator CRANSTON. Would that make it too difficult for you to indicate why you feel these two issues are not resolved at this point?

Secretary HODGSON. My feeling has been, throughout the past several months of this dispute, that the hangup was something more than issues. There was great difficulty for the parties to get sufficient focus within their own organizations to decide on exactly what was the critical issue and it is for that reason that I don't want to get into a guessing game of just what is their principal concern.

Senator CRANSTON. Senator Hughes, I apologize for having pre-empted your time.

Do you have any questions, sir?

Senator HUGHES. Mr. Chairman, I just want to ask a couple of questions and will then allow you to proceed.

I know the Secretary indicated the economic impact on the country.

Does the west coast strike have an economic impact on my region of the country, for example, as the gulf strike?

Secretary HODGSON. Your region of the country, at the time the west-coast strike was on before, before the gulf strike occurred, was sending me pictures of the grain piled on the streets. My cousins who are farmers in your home State were sending me pictures of corn piled up in their back yards.

Every week I would get from one farmer in Iowa the price of corn that week and it was always less than it was the last week. He was quoting to me the price that it cost him to produce that bushel of corn and it was always greater than the price of corn.

The strike on the west coast has the effect of working its way back into the country by clogging the warehousing, storage and transportation facilities of the country.

Senator HUGHES. I am assuming they were blaming all that piled-up corn on the dock strike.

Is that what you are implying?

Secretary HODGSON. I am not implying anything.

I have here four or five boxes with several thousand complaints about the dock strike from people throughout the country. I would imagine that somewhere between a half and two-thirds of them are from either farmers or dealers in farm products. They make it manifest that their concern is based, at least heavily, if not solely, on that fact.

They point out, for instance, that the price of corn went down from May to June 5.3 percent, 18.6 percent cumulative in July, 26 percent in August, September 29 percent, October down to 31 percent below what it was before June.

It started bouncing back up in December when the 80-day period went into effect.

Certainly the effects are tremendous, but if we are going to get into the impact on the farm belt, we have scheduled the Secretary of Agriculture to come before you and try to give you the kind of precise information I think you ought to have for your constituents. I only have it on a general basis.

Senator HUGHES. Thank you.

I did not mean to imply that the complaints were not from farmers. I have several hundred myself, in relation to the strike. That was not the point of my question.

I recognize the impact that it does have economically on my State and on my region of the country. I was trying to see in this particular strike if it is regionalized in its main impact or if it is reaching back into the midwestern part of the country.

Secretary HODGSON. Our experience with the 100-day strike this summer was that it was immediately intense regionally, that is, the principal west coast States, and gradually worked its way within about 30 days back into the Midwest.

Senator HUGHES. I was inclined to talk about a farm program here as a result of some of that concern but if the Secretary of Agriculture is coming, there is no use in belaboring you on it.

The bill provides that the arbitration award shall be deemed "to supersede to the extent consistent therewith all other agreements or understandings in which these parties are involved."

Is it possible for you to give us any examples of the agreements?

Secretary HODGSON. Yes.

I will ask our Solicitor to respond to that.

Mr. SCHUBERT. The intent of that provision was to permit the Arbitration Board to cover particularly the jurisdictional dispute.

There are practices, understandings, which have grown up across the years in respect of handling work and the Arbitration Board in its wisdom should be able to determine once and for all the issue which has flared up in the last 4 or 5 months between the two parties and resolve that.

We felt that we had to give them the legal authority to change any existing understandings, agreements, practices, that were necessary to effectuate that final determination.

Secretary HODGSON. And only after hearings with the parties affected.

Senator HUGHES. Mr. Secretary, again as you have pointed out since I have been here, the Congress has already acted twice in transportation strikes, this will be the third time if we enact this type of legislation.

What general effect, Mr. Secretary—and you concede you don't like the approach, we don't like the approach, the administration doesn't like the approach—what effect do you think this will have on overall strike and arbitration procedures in the future?

Secretary HODGSON. First of all I think that is a question that the Congress is going to have to examine—

Senator HUGHES. I agree.

Secretary HODGSON (continuing). Every time we have this kind of dispute which just seems unresolvable through collective bargaining. I think it would have no effect of making anything like compulsory arbitration any better but it might very well have the effect of making people take a look at alternative choices and courses to produce legislation to handle these matters.

Senator HUGHES. Do you think the recommendations of the administration such as are in the bill, not in the emergency legislation but in the proposed permanent legislation, would prevent that sort of act?

Secretary HODGSON. I think if we had that bill I would not be before you today.

Senator HUGHES. You believe then that this type of proceeding will not lead to letting it go to the Congress and they will resolve it for us.

Secretary HODGSON. I am afraid if we don't have permanent legislation there will be more and more things coming before us. Once Congress got into this business it ceased to have the horrendous conditioning effect that it used to have on bargaining.

I know in the fifties and the early sixties the general attitude among bargainners was, and I will apologize for my saying this, "Don't let this go to Congress, you never know what they will do with it."

Well, some things have gone to Congress and it has not worked out necessarily all that bad for the bargainers. As a result, things are increasingly coming to Congress. I think we have to do something to stop that flow, to deal with the problem that Congress no longer looks like an ominous specter to the bargainers.

Senator HUGHES. I think we are all inclined to agree with that. We want to find a way to structure the law to prevent this from happening. Thank you, Mr. Chairman.

Senator CRANSTON. Mr. Secretary, does your request for this present resolution represent an abandonment of any possibility that this dispute can be resolved through collective bargaining, or is there a hope that if it is enacted the parties could still reach a voluntary settlement during the 40-day arbitration period and perhaps be stimulated to do so rather than take chances with the arbitration award?

Secretary HODGSON. They can do it now, they can do it tomorrow, they can do it before you get to your next hearing, before the House conducts their hearings; they can do it any time, and I urge them to do it and get on with it and stop you from having to do this. So I hope they do. The mere fact it is here may have some effect on it but I don't count on it. I really don't. They have had every reason, every opportunity over a 15-month period to do something about it and they haven't.

Senator CRANSTON. In the context of the bill's language, isn't it really self-defeating in regard to that particular hope? Right now all that PMA and the ILWU need to do is to agree on the allocation of the container tax and on retroactivity.

Under section 1 of the resolution, however, any agreement reached during the 40-day arbitration period will be superseded by the arbitration award unless it involves complete agreement on all issues between all parties as defined by the resolution. This seemingly goes far beyond what is now at issue between PMA and the ILWU.

To pose this as a question, how could such an all-encompassing agreement possibly be reached during the 40-day period? Why should such a period be included in the bill?

Secretary HODGSON. A very good point. The reason for that provision is because of this one thing that I have mentioned, that the agreement be a complete agreement and it does not bring any portion, any aspect of this case back up before the Congress again.

Both previous times when I have come before the Congress with legislation of this or similar type, the principal impression I have gotten was—and I must say in the House more than in the Senate, and more explicitly—don't bring us anything that won't settle everything.

I want to make sure that we don't have to come back here twice. That is the reason why I have this provision before you.

Now if the parties want to avoid having to have this law applied to them they can agree in 24, 48 hours, or whatever time it takes before you reach your decision.

I would hope that that decision is very, very sudden and that they would recognize that and get with it and try to make even a further effort at settlement, but I don't count on it and I don't suggest that this committee count on it.

Senator CRANSTON. In other words, your hope would be that they reach an agreement while it is pending, but once it is enacted we are in a different situation.

Secretary HODGSON. Once it is enacted it is a different ball game and we ought to settle the whole thing.

Senator CRANSTON. One reason for bypassing the Pay Board is that it would be somewhat awkward to have a statutory arbitration avoided by the Pay Board. Wouldn't bypassing the Pay Board in this case as you suggest give other unions an incentive to engage in emergency strikes?

Secretary HODGSON. I don't think there is anything in the way of an emergency kind of transportation situation coming up in the next year. I don't think that is really a clear and present danger.

Senator CRANSTON. On page 3, starting at line 16 of the bill, provision is made that the arbitrators' award shall be binding for 18 to 24 months notwithstanding any agreement that the parties may conclude among themselves.

Why should not the parties be permitted to conclude agreements among themselves?

Mr. SCHUBERT. The purpose of the sentence to which you referred initially, Senator, is to preclude something like a 4- or 5-month agreement which might very well result in coming back again to Congress at the end of that period of time. It was felt, for the stability of operations and the stability of the markets, and so we would not lose more markets permanently, we ought to have some kind of peace, at least 18 months.

Secretary HODGSON. By the way, that period deserves further explanation. Again we took a look at what Congress had done before in prescribing a period within which the arbitrator should make his decision. It is about the same area, 18- to 24-month area.

Senator CRANSTON. Since partial operation is now occurring and the east coast and gulf tieup which was involved when Taft-Hartley was invoked has been eliminated, do you feel that the national emergency has been somewhat lessened now?

Secretary HODGSON. National emergency in the sense of nationwide, perhaps. But a national emergency does not have to be nationwide. This circumstance constitutes an emergency for the Nation and the west coast and it has been so declared by the court that made that determination in the west coast case as solely applying to the west coast.

Senator CRANSTON. On the two previous occasions when Congress has passed compulsory arbitration provisions the arbitrators were to be selected by the President.

Similarly, in the administration's proposed permanent legislation the members of both the final offer selection panel and the partial operations board would be selected by the President. Yet in the resolution now before us the three arbitrators would be chosen not by the President but by the Secretary of Labor. Can you tell us why?

Secretary HODGSON. It is simply that the Secretary of Labor has at his disposal the professional qualifications of these people. I guess this is not a matter of major moment, but we plan to select the best possible professional people we can and in at least some of the cases

people who have specific familiarity with the longshore industry and particularly the longshore industry on the west coast.

It seems about as suitable a way of going about it directly as we can do.

Senator CRANSTON. What inference is to be placed on the fact that the union has agreed to meet with management on January 31?

Secretary HODGSON. I wish I could place more significance on the fact that the fact that they have already met with them scores of times. I thought I might have for you the negotiations. They met with management 27, 32, 20, 27, 7, 19, 25—about a hundred times in the meantime.

Senator CRANSTON. Neither labor nor management favor compulsory arbitration as a permanent possibility confronting them. Doesn't that place the resumption of negotiations under a somewhat different light from all these other negotiations you referred to?

Secretary HODGSON. I thought the same thing would be true of the negotiations that were held after the commitment to the President of the sense of urgency. I thought the same thing would be true after the Taft-Hartley proceedings had been announced and the Taft-Hartley deadline ensued. I thought it would be true before the extension that Mr. Counts arranged with the parties the first time and the same thing the second time.

In each circumstance the basis for a sense of urgency existed. It seems like something more than just a sense of urgency is necessary to get any settlement here. I have this as a hope. I hope it is not an illusory hope, but I do not have it as an expectation.

Senator CRANSTON. There is no compulsory arbitration in Taft-Hartley. How often have dock strikes ended during the 80-day Taft-Hartley period?

Secretary HODGSON. Because they have not ended very often is why we were reluctant to use this in the first place. We only used it after an exceedingly long period of time and great damage, and I am afraid that is a thing we want to avoid again. That is why we are here. There was no compulsory arbitration then, but I can't predict to you how much the parties feared that.

Senator CRANSTON. Senator Packwood?

Senator PACKWOOD. You talked about the economic dislocation of the past. Do you regard the settlement as absolutely critical to the economic betterment of this country?

Secretary HODGSON. As I said in my testimony, the Nation is responding affirmatively to the kind of economic resurgence that it is experiencing. The Congress passed a series of measures last December designed to speed the economic resurgence of the country. The predictions are for a stronger year, with improvement in employment prospects.

The problem of reversing our trade deficit seems to be well on the way to being resolved because of our new international monetary arrangement.

Now at the very time we are on the brink of really moving forward we find this major adverse circumstance coming along that will just mean that that will either be crippled, delayed, or turned downward. I really think it is in the interest of the public and the Nation to see to it that that does not happen.

Senator PACKWOOD. The opening statement of Chairman Williams made reference to the fact that at the end of the 80-day period no statement was filed by the President. Why was that?

Secretary HODGSON. Mr. Schubert will respond to that.

Mr. SCHUBERT. From the very outset of initiation of the Taft-Hartley procedures, and the outset was an Executive order that appointed a Board of Inquiry, we have treated the matter at hand as being of nationwide proportions. The President made reference in that Executive order not only to the west coast situation but also to the east and gulf coasts and the Great Lakes situation. We have continued throughout the course of these many months to so treat it as a nationwide situation.

The message that the President sent up with Joint Resolution 187 constituted a sort of interim report, but the final full report is not due until after the expiration of the injunction on the east coast which is, in various parts, February 15 or 16.

Senator PACKWOOD. I have no other questions.

Senator CRANSTON. Chairman Williams.

The CHAIRMAN. Thank you, Senator Cranston.

I would like to come back to that. You were referring to the section 210 report?

Mr. SCHUBERT. Yes, sir.

The CHAIRMAN. It has not been filed?

Mr. SCHUBERT. No. The full report will be filed after the east coast injunction expires.

The CHAIRMAN. It was my understanding of section 210 that this report is to follow each individual action under the law, it does not hinge on other action in a different dispute.

Mr. SCHUBERT. Senator Williams, if you know what the requirements are of that report, the President in addition to certifying the results of the balloting conducted by the NLRB, makes a full and comprehensive report of the proceedings and recommendations for consideration.

Obviously there was no point in making recommendations as long as the parties were both working and negotiating. So that, coupled with the fact that the entire nationwide dock situation has been considered as an entity from the first Executive order through each of the injunctive proceedings, the same Board of Inquiry, the only logical, reasonable construction of this is that a full report ought to be granted at the end of that 80-day injunction on the east coast and that will be done.

The CHAIRMAN. These are clearly separate actions for injunctions?

Mr. SCHUBERT. Separate courts based on the same Executive order with the same Board of Inquiry as basis for the move under 208 and 209, but in two different courts at two different times.

Secretary HODGSON. Senator, there is no concern on our part. We can give you a report if you want one. The fact is that we thought you would want a report on the full thing. The full thing constitutes something that was a single Executive order, a single Board of Inquiry that covers a group kind of action rather than a single action. We are going to give you a full report. If you feel you want something more than that you name it and you will get it.

The CHAIRMAN. I would think that this report would be an essential part of the educational process of the Congress in acting in this whole area.

I have nothing further with one exception I believe.

Most of the matters I was concerned with were covered before I got here, except an understanding of the final offer selection procedure, which is one of the options under your proposed general emergency disputes legislation.

I just wanted to relate that approach to this particular dispute. If we did have that as law, just how would the final offer selection procedure work in this particular west coast dock situation?

Secretary HODGSON. If this had been a law back last spring, then the parties would have known that the likelihood existed that if they did not reach an agreement that a final offer selection procedure would be applied to the dispute. Or that a partial operation procedure would be applied to it. Or that an extension might be applied to it, a time extension. They would not have known which. The uncertainty would have had the effect of making them unable to tactically maneuver their negotiations in such a way as to defeat the purpose of the law.

Second, if it should have been that under those circumstances the uncertainty wasn't enough to condition them into being reasonable—with a provision that the party that took the most reasonable position at the end of the dispute would in all likelihood have its final proposal accepted by the final offer selector, it would have been conditioned to make the most reasonable offer, and my feeling is that the vast preponderance of cases would have been resolved—but if it did not, then the dispute would go to the final offer selector and they would be able to make a determination.

Now there would be in those circumstances a possibility that some elements of the dispute might not be resolvable under the final offer selector procedure.

For instance, the question of the exact relationship of the Hawaiian dispute to this dispute is an interesting one, whether or not the tie between the Hawaiian working conditions under the kind of labor contract they have there would also cover the west coast labor contract.

These are the kinds of things that we are going to have to examine as we refine that final offer selector procedure to make sure that it can dispose of the full range of issues involved.

The CHAIRMAN. You say as you proceed to refine the final offer selection procedure?

Secretary HODGSON. Yes. You have in your previous hearings talked about two or three possibilities with regard to that procedure—by you I am referring to this committee and to the committee in the House—that you think we ought to consider.

We have agreed to work with the committees in considering these refinements. I would expect that there would be some of that before we complete putting that into law.

The CHAIRMAN. In this particular case, assuming we had this option of final offer selection to be made, who would be the parties submitting offers in this particular situation?

Secretary HODGSON. It would be the parties to the bargaining, PMA and ILWU.

The CHAIRMAN. There is a third party here. How would they weave into this?

Secretary HODGSON. That is the reason we put into this legislation provision that that dispute would be covered. As it exists at the present time the final offer selector would not cover that.

The CHAIRMAN. I see. In other words, if we had moved and enacted the general emergency disputes legislation it would not cover this situation.

Secretary HODGSON. That is correct. In our review of it it is the first time in the whole history of the utilization of Taft-Hartley that we have a situation quite like this one. I believe it is almost impossible to frame any kind of legislation that would cover every situation, but I think we should do the best job we can to cover the most situations we can and we will work with you to that end.

The CHAIRMAN. That in a way is discouraging to hear because it suggests that no general legislation will be sufficient and Congress will always be here to be called upon to act again.

On that discouraging note I am going to stop and go back to the floor where we have the other bill before us.

Senator CRANSTON. Bob, do you have an encouraging note?

Senator PACKWOOD. I would like to know when we are going to have hearings again?

Senator CRANSTON. We will recess in a moment to the call of the Chair.

Do you have any comment to make?

The CHAIRMAN. We will recess. Could we talk informally about that? You have been very responsive to our needs. We are working at an unusual hour in the middle of legislation.

Secretary HODGSON. We have the Secretary of Agriculture and the Secretary of Commerce and Secretary of Transportation down there on the starting blocks just waiting to spring up here any time you ring the bell.

The CHAIRMAN. All right, we will hold the gun and be ready to fire.

Secretary HODGSON. We are particularly happy to have a quarter miler as a chairman.

Senator CRANSTON. I would like to thank you personally and on behalf of the committee for being a very responsive and an unusually direct witness this morning.

Secretary HODGSON. I am back here on a half-hour notice at any time, sir.

Senator CRANSTON. You are an articulate spokesman for the administration. You have been superbly informed on the facts involved and for that we thank you.

We now stand in recess to the call of the Chair.

(Whereupon, at 1:05 p.m., the committee recessed subject to the call of the Chair.)

WEST COAST DOCK DISPUTE, JANUARY-FEBRUARY 1972

THURSDAY, FEBRUARY 3, 1972

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The committee met, pursuant to notice at 2:30 o'clock p.m. in room 4232 New Senate Office Building, Senator Alan Cranston, presiding pro tempore.

Present: Senators Williams, Randolph, Pell, Kennedy, Nelson, Cranston, Hughes, Stevenson, Javits, Dominick, Schweiker, Packwood and Stafford.

Committee staff members present: Stewart E. McClure, staff director; Robert E. Nagle, general counsel; Robert R. Humphreys, special counsel; and Eugene Mittelman, minority counsel.

Senator CRANSTON. The hearing will come to order. This is a continuation of hearings begun on January 20 on Senate Joint Resolution 187, dock strike legislation.

Chairman Williams will be here shortly to preside over the session, but he has asked us to proceed to expedite consideration of the legislation.

We now have a panel of three witnesses: Hon. John A. Volpe, Secretary of Transportation; Hon. Earl L. Butz, Secretary of Agriculture; Hon. James Lynn, Under Secretary of Commerce.

We welcome you to this session. I would appreciate it if you would introduce those who are with you and proceed in whatever order you wish to present your testimony.

STATEMENT OF HON. JOHN A. VOLPE, SECRETARY OF TRANSPORTATION, ACCOMPANIED BY JOHN W. BARNUM, GENERAL COUNSEL; HON. EARL L. BUTZ, SECRETARY OF AGRICULTURE; RAY IOANES, ADMINISTRATOR, FOREIGN AGRICULTURE SERVICE; AND HON. JAMES LYNN, UNDER SECRETARY OF COMMERCE

Mr. VOLPE. Thank you very much, Mr. Chairman and members of the committee. I will allow Secretary Butz and Secretary Lynn to introduce the members of their party. To my right is John Barnum, general counsel of our Department.

May I say first of all that I deeply appreciate this opportunity to appear before you today in support of Senate Joint Resolution 187. I only wish, however, that my appearances before this committee concerning a crippling strike in the transportation industry would be less

frequent. My real regret, however, is that the Congress has had before it, for almost 2 years, a proposal which would provide a meaningful remedy for settling these disputes without congressional action.

In February 1970, the President first submitted to Congress his Emergency Public Interest Protection Act designed to amend our hopelessly antiquated transportation labor relations legislation and bring to an end the devastating effects of strikes and lockouts in the transportation industry.

The President again recommended the proposal, S. 560, to this Congress on February 3, 1971, and just 2 weeks ago, in his state of the Union message, repeated his urgent call for action. In submitting Senate Joint Resolution 187 to Congress, the President made it clear that we were again at the "flash point" on his comprehensive labor legislation, which he has aptly renamed "Crippling Strikes Prevention Act."

As you know, Mr. Chairman, again yesterday the President issued another plea to the Congress for immediate action on both Senate Joint Resolution 187 and S. 560.

The last time I came before this committee, I left hopeful that a permanent resolution of this problem was near at hand and that Congress was ready to act. I am sorry to say that I was disappointed. But, I remain optimistic. It is through the Congress—through your efforts—that we shall solve this problem. I sincerely hope that this labor impasse is the last we shall have to solve by short-term action.

The proposal we are considering today, Senate Joint Resolution 187 is not a comprehensive solution for ending disputes in the transportation industry. It is yet another emergency measure meant to solve fully only the crisis at hand. Yet it must be passed—limited as it is—to protect the interest of the American people until a permanent solution is legislated for all transportation strikes.

As you know, Mr. Chairman, rare is the occasion that I come before the Congress and use harsh words. Unfortunately, this occasion demands harsh words.

I find my appearance today discouraging for another reason. As I believe most of you know, I have had a long association with labor unions and still hold a lifetime membership in both the International Plasterers Union and the International Laborer's Union. I believe in the trade union movement. I know what it has meant to the American working man. Yet, I also know that the participants in the west coast dock strike cannot be allowed to show a callous disregard for the American people. Frankly, the history of the current west coast strike is a sorry one. Negotiations have continued on and off for 15 months. Both sides—management and labor—have been to blame for a seeming inability to resolve their differences.

Let me just say something which I know this committee is certainly well aware of, but which I think bears repeating. Strikes and lockouts are economic tools of labor and management. They are meant to assert pressure, to change values and constraints, to make settlement preferable to the continuation of the status quo. This dock strike, however, is similar to many transportation strikes in that its economic effects fall heavily on the shoulders of people not directly involved. People truly affected are the farmers whose crops lie rotting, which Secretary Butz will talk more about, while the entire Pacific marketplace is closed to them.

Other people truly affected are the Hawaiian housewives who pay exorbitant prices for everyday goods which must be airlifted from the mainland. And we should not forget the thousands of union members—in all trades and industries—who are also affected.

What of the factory workers who must be laid off because their factory can neither receive its raw materials nor deliver its finished products? What of solidarity now?

And what of our country's economic health? We are now deeply involved in and individually committed to, phase 2 of the President's new economic policy. All of us—not just management—not just labor—not just the housewife—but all Americans must strive to break the cruel inflationary spiral which saps our prosperity and standard of living. We are now, after a revaluation of our country's currency, for the first time in a great while able to compete successfully in European and Asian markets. How can we allow the approximately 13,000 participants in this dispute to frustrate the economic expectations of more than 200 million Americans? There is too much at stake to allow so few to harm so many.

If you think these are harsh words, just look at our projections, based on an analysis of last September's dock strike.

The losses in port service industries alone which are directly involved in the dispute are estimated to be about \$8 million a week. The loss to the shipping industry is estimated at \$3 million a week, and the loss to the inland transportation companies, \$5 million per week. Greater losses will appear in the wholesale and retail trade sectors—\$29 million per week—and in the industrial and agricultural sectors of the economy—some \$46 million per week.

Since this Nation's transportation system is so complex and interrelated, the elimination of one of the modes has an immediate effect on the connecting modes. In this case, the initiation of the west coast dock strike resulted in the embargoing of all rail and truck traffic destined for the west coast ports.

Depending upon the inventories and amount of storage facility available, the losses caused by the strike would begin within days after the strike and would build to a peak in about 8 weeks. Due to the previous work stoppage, inventories are probably in a more serious condition now than at the beginning of the conflict in July.

The peak employment impact, not including agriculture, would be as follows: shipping, 5,000 people out of work; port services, 18,000 people out of work; inland transportation: 10,000 people out of work; trade, 7,000 people out of work; and industry, 148,000 people out of work.

Each day this strike is permitted to continue, the more burdensome the results will become and the more difficult a full recovery will prove to be. At this point in time we can only speculate on markets permanently lost, income losses from spoiled produce and nonrecoverable losses to surface transportation modes due to diverted or canceled traffic. Be assured, however, that as the data come in and the impact is fully documented, it will make grim reading for all concerned—workers, industry, and government.

The proposal the administration brings before you today was outlined and explained earlier by Secretary Hodgson. I shall not repeat his statement. Let me only say this: compulsory arbitration should

be the last choice in any free economic society—a choice rightfully exercised only in extreme situations. But, Mr. Chairman, and members of the committee, we have reached such a situation. We are at the point where there is left only that last choice.

The President and the administration have reluctantly but responsibly reached that difficult decision. It is now the time for Congress to exercise similar responsibility.

In the future—and I hope the very near future—you shall see fit to enact a more comprehensive measure. Now, however, you must move forward immediately to meet the crisis at hand. I am confident that the Congress will act in the public interest.

Mr. Chairman, that is my statement. If you would like to follow the same procedure that we did the other day, Secretary Butz will read his statement; Secretary Lynn will read his statement, and then all of us will be available for questions.

Senator CRANSTON. Chairman Williams is now here to preside. He has an opening statement to present.

The CHAIRMAN. As you are well aware, Mr. Secretary, we are working on many tracks here in the Senate these days. We have the equal employment opportunity legislation before us on the floor—a bill which was reported from this committee—so we are divided up.

But, I would like to open, as we resume our hearings on Senate Joint Resolution 187, with a few remarks. I have noted the increasing stridency with which the President and others are attacking the Congress for not having acted immediately on this proposal. A major theme of this criticism has been that if Congress had only enacted the administration's permanent strike legislation, S. 560, we would not be faced with this current dock strike.

I have two comments that I think are appropriate in this connection. When Secretary Hodgson appeared here last week, he flatly acknowledged that because of the nature of this particular labor dispute, it could not have been finally resolved through the mechanisms contained in the administration's permanent legislative proposal, even if that proposal had been enacted at an earlier date.

Despite this candid admission, the President and other administration officials have been trying to convince the country that their permanent legislation would have enabled us to avoid the present situation on the west coast, if only the Congress had acted upon it.

I find this persistent pretense not only outrageous, but certainly detrimental to our efforts to search out ways to improve Federal laws dealing with labor disputes. Our committee will continue its hearings and deliberations on permanent strike legislation, but I do not believe the problem of finding imaginative and sound solutions to complex problems is in any way aided by pretending that simple solutions are readily at hand.

With respect to action on the compulsory arbitration bill dealing with the west coast strike, I think it well to point out that only 2 years ago the administration issued an extensive report designed to convince us that longshore strikes do not have any significant impact on the Nation's health or safety, or its economy. In line with this conclusion, the President waited until 100 days of strike had elapsed before invoking the Taft-Hartley injunction remedy which was available to him. Given this history, I think it ill-behooves the President to insist

that Congress is now laggard in not immediately enacting this compulsory arbitration measure.

I also seriously question the administration's judgement in urging compulsory arbitration at this particular juncture—when the major stumbling block to settlement—the thorny jurisdictional issue—appears to have been tentatively resolved. For the Federal mediator to threaten compulsory arbitration even before the strike resumed, and for the administration to now back up that threat with the claim that it is the only way to resolve the dispute was, in my judgement, a serious mistake.

As those who are experienced in labor-management relations will readily testify, the prospect of compulsory arbitration is all too likely to remove the parties' incentive to make the hard adjustments necessary to reach final agreement.

I will say, Mr. Secretary, to all of you gentlemen—we will continue with our hearing process and we will again tomorrow be back in session. This committee will follow that with its executive considerations, too, but I did have to get this off my chest, because frankly, when Secretary Hodgson did forthrightly, candidly, say that the general legislation would not have been available in this dispute, it surprised me in view of these broad general statements made by others that if Congress had only enacted it, we would not be in this west coast emergency situation.

That is not the situation at all.

I certainly appreciate the graciousness my friend from California has extended to me with the double duty of presiding over these hearings.

Have you announced any other procedure?

Senator CRANSTON. If any of the other Senators wish at this point to make any statement, they should do so.

Senator DOMINICK. Mr. Chairman, it seems to me that you and I have been arguing for some time, both on the floor and these committees—

The CHAIRMAN. If arguments have to be, I am glad it is with you.

Senator DOMINICK. I do not mean to continue this, but we have had 1 day of hearings, as far as I can recall, on permanent legislation, and no more than that; and, secondly, as you will recall, in the statement that I issued on the bill which I introduced—

The CHAIRMAN. If you could pause at that point, there have been 9 days of hearings on the general legislation.

Senator DOMINICK. Nine days of hearings; I beg your pardon.

We have not gotten anywhere in the way of trying to mark up any legislation. It has been before us for a long period of time and there were a number of proposals, not only to rectify the Railway Labor Act problems, but also to remedy the Taft-Hartley situation as well.

I made a statement urging responsible legislative action on these numerous bills at one of the hearings which I attended. So, I do think that when we say the original legislation would not have affected this, that is correct, but with the work that could have been done by the committee in extending this to the Taft-Hartley Act where the options would be open both there and also in the Railway Labor Act, I think we could have gotten something which would have been effective. I just hope we can get something done, because frankly the

people in my State are vitally affected by transportation strikes even though we are not bordering on the coast at all, because of crops and everything else that we have got; innocent third parties are caught in this bind where they cannot market the products.

The CHAIRMAN. Senator Randolph.

Senator RANDOLPH. Thank you, Mr. Chairman.

Secretary Volpe, I wish you would tell us whether you believe that within the executive branch of Government there is any method by which the administration can cope with the strike and bring it to a close?

Mr. VOLPE. I believe the administration has done everything within its power, with all of the tools that it has at its command to bring this strike to an end. It is very regrettable that we have to request this action as I am sure you know, Senator, of my union background, I would hesitate very, very much to recommend such a procedure such as we have recommended, if somebody else could come up with another alternative or way of ending this crippling strike. Unfortunately I see no alternatives. We do have our mediation people in touch with the situation, however, in the case of a break.

There are those who say: Well, the parties are almost together. I have sat as the chairman of the Labor Relations Committee for 2 years in Massachusetts. There were times at 3 o'clock in the morning when I thought we were almost together, and at 3:30 in the morning we were back where we were 2 weeks before, because of some statement that somebody made.

So it is very difficult to say with any degree of assurance that the parties are almost together. I do not think anybody could really say that affirmatively and positively.

I can only say that nothing would please the President, this administration, or any of us who are here today, more than to see this settled between labor and management through the collective bargaining procedure. But after 15 months, off and on, of this kind of situation, I think we have come to the point where we just cannot allow this situation to prevail for any longer period.

Senator RANDOLPH. Mr. Chairman, I value the opinion of the Secretary. I have known him in many careers within his own Commonwealth of Massachusetts and within the Federal structure. I know of his constructive efforts to have our economy strong and yet be very fair with all the parties involved.

Mr. Chairman, it is my feeling—and I do not carry this beyond a statement of feeling—that there is no conflict here between the so-called Republican administration in the executive branch of Government and the Democratic majority in the Congress of the United States. I would not want that to exist.

If I felt it did exist I would do everything within my personal, individual power to dissipate it. I feel that in this instance there is very real need, Mr. Chairman, and I respect, of course, the differences within our committee, not partisan, but philosophical, in approach to a situation of this kind.

I do believe that the burden of proof of taking some type of action to meet this situation must rest upon the shoulders and the consciences of the Congress of the United States. That is my feeling and therefore I want, as a member of the subcommittee, and the commit-

tee, to direct my efforts to an end which can be well reasoned, but, Mr. Secretary, must be prompt. I think we, ourselves, will be the target of criticism that could well be valid, if we in any sense attempt to flounder or delay or vacillate.

We must, in the Congress, I think, move to cure this crippling strike with all of its implications, as the Senator from Colorado has indicated, which go beyond the shores and move inland, affecting our economy and all of our people.

I hope that there is no feeling, not even the slightest, of delaying something in the strong hope that there may be a negotiation which will be satisfactory. I think we should act regardless of when we think something is going to take place.

If it takes place, then our efforts were not necessary in the enactment of law, but if it does not take place, then we have taken something off the shelf, as it were, and placed it at the disposal of the administration.

So, Mr. Chairman, I repeat that there is, I think, a burden upon our conscience, we members of this committee and the Congress of the United States.

Mr. VOLPE. Senator, I believe that is a very statesmanlike statement.

The CHAIRMAN. This is the first time we have all been able to get here since the last vote, so I thought it would be a good time for members to express themselves at the beginning of these hearings.

Senator JAVITS. Mr. Chairman, thank you very much. Mr. Chairman, I understand before I came that the Chair expressed some feeling about the President's rather urgent message to the Congress, and I agree with the Chair that the bill sent to us by the administration did not have the flexibility to meet precisely the situation where three parties were involved but as I said on the floor yesterday, I would like to repeat, in fairness to the President, one: we could amend that bill to cover this type of dispute, and second: I have had a bill here for 10 years to deal in a generic way with strikes which are a peril to the Nation or a region and this falls exactly in the latter category.

We have enacted, and I think we in the Congress bear heavy responsibility since 1963, we have dealt on—I put in the Record yesterday about seven occasions, eight occasions, with ad hoc problems of this same character in past separate bills. We certainly have had plenty of opportunity to pass generic legislation.

In that connection I think it very important to note that until the president of one of the railroad operating unions came in here the other day, Mr. Dennis, and was courageous enough to express himself as to what he thought a bill like this should say, we had not had a single expression from any great union leader on the subject.

As far as the trade unions are concerned or were concerned up to his break in that veil of silence, there was no problem. We all know that there is a very deep problem and it is very perilous to the stability of our country. We have yet to face the situation perilous enough to rock the country, and the reason is that the workers are very patriotic people. When we pass a law asking them to come back, they come back. That is one of the most awe-inspiring aspects of American life and American labor.

I know they will again, if we act in this manner.

The President has sent us a bill. We may not like it. We can change it. We have put our own bills in. Senator Williams has his own bill in,

Mr. Chairman. We have had some hearings on his bill and mine, and Senator Dominick's.

We have not heard in any proper way from organized labor. It is most regrettable, as I explained just a few moments ago, Mr. Dennis' statement was the first break in that veil of silence. I hope labor should realize its own situation could be deeply imperiled by the strong feeling of the people of this country, if the country broke down or if a region broke down.

Finally, Mr. Chairman, may I say that I think it is our duty to act.

The responsibility for not acting on generic legislation lies everywhere. It is our duty to act. We cannot permit a region of the country to be in peril, and we must act. Whatever bill we turn out, that is our problem and we will be accountable for it, for the Nation and our constituents, but act we must, and I believe, and I do not want to in any way anticipate our chairman; we cooperate very well, as you know, very closely, but our chairman proposes that we act and will give us that opportunity, and promptly.

The CHAIRMAN. Thank you, Senator Javits.

Senator Kennedy.

Senator KENNEDY. Thank you very much, Mr. Chairman.

I was under the impression that we were trying to evaluate the question of the existence of a national emergency which is claimed in legislation that has been submitted by the President. I think that a case has yet to be made.

Mr. Secretary, is it not true that we find all the military goods that are essential for national defense or for Vietnam are being moved by the dockworkers now?

Mr. VOLPE. Yes, they are.

Senator KENNEDY. And all the perishables are being transported?

Mr. VOLPE. I don't believe all the perishables are being transported.

Senator KENNEDY. Are any perishables being transported?

Mr. VOLPE. None at all.

Senator KENNEDY. Any perishables at all?

Mr. VOLPE. None whatsoever that I know of.

Senator KENNEDY. I believe, however, that all perishables are being warehoused. Could you perhaps tell us a little bit more, if you would, about why you believe that this is a national emergency? Do you believe that it is?

Mr. VOLPE. Senator Kennedy, the fact is that we have already had experience with this particular strike. Mention has been made that the President waited 100 days before he invoked the Taft-Hartley Act. The reason he did that was that a national emergency had to exist. The fact is that it does not take long, particularly after what we already have gone through, to realize the impact of such a strike, not only on those directly affected, as I have related, but also on others not directly involved as a barber working in New York City. A person who is his customer may not get his hair cut or her hair done because he or she is laid off because the factory he or she works at does not have adequate materials or cannot transport finished goods to the Pacific coast.

Mr. VOLPE. I just used that as an example. Perhaps it is not a very good one. It means that the barber is not going to work. I think he is entitled, and all I am saying is—

Senator KENNEDY. Are we measuring inconvenience, such as someone who cannot get his hair cut?

Senator KENNEDY. As you well know, when you have a strike, obviously it has an impact, and there are inconveniences. I do not think any of us are really questioning that. But if we are going to intervene in the process of collective bargaining, then we must insist that there is a real national emergency. I would hope that the case would be stronger than the question of the barbershop. I am afraid that——

Senator DOMINICK. Would the Senator yield?

Senator KENNEDY. That example reflects the impact that the strike may have. But, I am just wondering, if I could, on this point, and then I will yield to the Senator from Colorado, the terms——

Senator DOMINICK. It was on that point.

Senator KENNEDY. I want to get a response on this matter. What is the convincing evidence that you might be able to give us to impress us that an emergency exists in terms of the national health and security and welfare and well-being. As you well know, the suggestion of compulsory arbitration runs contrary to very strong traditions of our society. I would be interested if you could focus on that particular issue for just a moment.

Mr. VOLPE. Senator Kennedy, if I may, a good deal of the answer to your question will come in the testimony of Secretary Butz of the Department of Agriculture, as well as Under Secretary Lynn of the Department of Commerce. I only suggest——

Senator KENNEDY. Is there a representative of the Defense Department here?

Mr. VOLPE. No, there is not.

The CHAIRMAN. I would like to state now, and I was going to later, that both the Defense Department and the Department of Health, Education, and Welfare were invited to this hearing. We had replies from both Departments. The Department of Defense reply was that it was unnecessary, that as far as their responsibility was concerned, shipments were not being impeded by this strike.

The Department of Health, Education, and Welfare simply said from their position of responsibility that this strike was not damaging.

Senator KENNEDY. I raised this, Mr. Secretary, because our committee has been through other crises situations. As a matter of fact, once we were even called to the White House, and we met with President Johnson, the Secretary of Defense, and the Secretary of HEW, and they spelled out in very clear and compelling terms how the national interest was being threatened.

Now, as I understand what the chairman said, neither the Secretary of Defense nor the Secretary of HEW feels sufficiently threatened by this strike in term of the security of the Nation or the health and welfare of the country, to come up here this afternoon.

Do you have any reaction to that?

Mr. LYNN. If I might, Senator Kennedy, I am advised that there may be some misunderstanding with regard to, at least, HEW's position.

Senator KENNEDY. Are you from HEW?

Mr. LYNN. Under Secretary of Commerce.

Senator KENNEDY. Is there a representative from HEW that has been invited, Mr. Chairman?

The CHAIRMAN. Yes.

Senator KENNEDY. Is he here?

Mr. LYNN. I do not believe he is.

The CHAIRMAN. They declined the opportunity to be here to make a statement.

Mr. LYNN. As I understood, sir, if I might, it is on the basis that they believed that the impact as demonstrable by the testimony of the four witnesses that are appearing here was plenty, and that, of course, they would be happy to submit a statement with regard to it, or appear if that appeared necessary with regard to the human impact that is involved in this strike situation because there are undoubtedly human impacts, particularly with regard to the people of Hawaii, that are very important here.

When chlorine is running out in the next two weeks, when the welfare funds are down to zero, I think there is the human aspect to it, as well.

The CHAIRMAN. Well, perhaps following this discussion, they will want to—

Senator KENNEDY. The resolution states it is vital to the national interest, including national health and safety to halt this strike. As one who is vitally interested in the issues of health, I was curious as to which aspects of the national health were being threatened by this strike?

Mr. VOLPE. I think the Secretary of Agriculture would be able to respond to that, Senator Kennedy, if he could be asked to give his statement.

The CHAIRMAN. Do any other members want to comment?

Senator DOMINICK. I wonder if you could yield to me and I can yield to Senator Packwood who has some particular statements on this, just so it fits into the record.

Senator KENNEDY. I had one brief, final observation.

Senator PACKWOOD. Mr. Chairman, Senator Kennedy is asking for evidence of the national emergency. When the Government went into court to seek an 80-day injunction they went to the District Court for the Northern District of California, and I would like to read the finding of fact from that decision.

The CHAIRMAN. Wait just a minute. Did you want to conclude, Senator Kennedy?

Senator KENNEDY. I had one other point regarding an earlier observation that Secretary Volpe made, and then I would be glad to yield.

Senator PACKWOOD. I would rather let him finish now. I have some other things to add.

Senator KENNEDY. Mr. Secretary, you mentioned in your testimony about how the real ball is, so to speak, in the court of the Congress and that it is only through Congress that we shall solve this problem.

Has the President tried to bring the various parties together and use his good office to resolve this strike? What all of us are trying to find out is whether we really are the court of last resort, whether every legitimate avenue has been sufficiently explored prior to coming to the Congress. Therefore, I am wondering if the President himself has already exhausted his remedies. Has he brought the various parties to the White House and asked for a settlement, because it would certainly appear that the parties are extremely close to agreement?

Mr. VOLPE. In September of 1971 the President personally met with the disputing parties in an attempt to settle the strike. The President's efforts were in vain, and he is now asking the Congress for this emergency legislation.

Senator KENNEDY. That is last September?

Mr. VOLPE. Yes.

Senator KENNEDY. Not since September, though?

Mr. VOLPE. Not as far as we know.

Senator KENNEDY. We are in February now. There has not been any meeting, other than the meeting of last September? There has not been any direct participation or intervention by the President in this dispute since then? He has not, as President Johnson did in the 1965 steel strike, brought the two sides together and obtained a settlement. Nor has he done as Mr. Johnson did in the railroad dispute of 1964, that is, directed his Secretary of Labor to negotiate personally with the parties?

I think we have seen action in the past on the part of Presidents pointing out the national interest to the respective parties and achieving a settlement. I would think that in a situation such as this, where the parties appear to be so close together, that the President could be very effective. Therefore, I am interested in what you can tell us about the role of the President in this dispute.

Mr. VOLPE. The President, as I said, has met with them. He has a Secretary of Labor, who is his principal adviser in this area. He has been intimately involved in the negotiations. We are here today as technicians to discuss the impact of the strike.

As I did as a Governor, when one of my cabinet members gave me certain information with regard to a particular situation where he believed the weight of my office could be helpful. I complied and did everything I could to help. The President has done this.

On other occasions, my advisers indicated that the parties were so far apart that I could not accomplish anything and there was nothing to be gained. I am sure that if the President felt that his bringing these two parties together would be helpful, he would do it in a moment.

And this question of their being very close together, Senator, as I indicated a little earlier is hard to judge. There were times when I have sat in labor relations negotiations, when I thought that another half hour would settle the strike or settle the questions before us even when strike has not yet occurred, and all of a sudden we found ourselves going back to a position where we had been 2 weeks before because of comments that might have been made by one party or the other.

So, I do not think that anybody is in a position to say today that this strike is one that might be settled in an hour, a day, a week, or month, or 6 months, because there are any number of things that can develop.

I have seen it happen. I have been present when things happened that could throw the whole thing back into almost the same position as when the dispute originally arose.

Senator KENNEDY. Well, let me say finally, and then I will yield to my colleagues, that perhaps this question would be better directed to the Secretary of Labor. But, it is my understanding, Secretary Volpe, that neither the President, nor the Secretary of Labor has met personally with the respective parties since September.

I feel that even though the Federal mediation services are very constructive and positive forces in attempting to try to mediate disputes, you cannot minimize the importance and significance of either the personal intervention of the Secretary or more dramatically, the personal intervention of the President.

I think it is legitimate for us, in evaluating this claim of urgency that has been spelled out by the President, to weigh the President's own actions. He has given us a description and characterization of this crisis as being dangerous to the national interest, and yet I find no action on his part, no personal intervention and no other action on his part, other than to dump the ball in the lap of the Congress.

We have seen times in our history during the period of the sixties where Presidential intervention has been successful. The case for legislation would be much stronger if we were convinced that the President had gone the last mile and that either one of these parties had said: We are not doing anything. Then the ball, I would feel, would be in our court.

Mr. VOLPE. I think the President has used every tool at his command, Senator Kennedy, and would use every tool that the Congress made available to him to get this thing over with. It is no pleasure for any of us as members of this administration to have to come, as I have come, five times in the last 13 months before this Congress on this issue. I am sure the men on that side of the table, as well as those on this side of the table, would prefer not to have to go through these situations, to say nothing of the great and crippling blow this renders to the American people as a whole.

Senator KENNEDY. We are all mindful of the Vice President's action in 1959 when he brought the parties together in a steel strike and effected a settlement. He was not looking for legislation then. He was able to bring about a settlement. I suppose it is legitimate for us to ask why did he not follow a similar course of action in 1972?

The CHAIRMAN. We were just called for a rollcall vote. We will continue for 5 more minutes and then we will recess for 10 and return.

Senator Packwood.

Senator PACKWOOD. I would like to respond to Senator Kennedy's statement that there has been no finding of a national emergency in this strike by quoting from the district court in California that issued the 80-day Taft-Hartley.

I am quoting—

Senator KENNEDY. I did not say that there was no finding. I asked the administration for their justification. That was the point.

Senator PACKWOOD. I want to give you the court justification.

Senator KENNEDY. I would be interested in theirs (indicating). I am interested as well in the court, but the President has been asking for action and it is important to have the administration describe the reasons as it sees them.

Mr. VOLPE. The judicial branch, if I might add, responded to the request on the part of the Executive.

Senator KENNEDY. Why can you not give us those arguments yourself?

Senator PACKWOOD. May I go ahead without being interrupted?

Senator KENNEDY. If you are going to characterize my remarks I insist you do it accurately.

Senator PACKWOOD. You wanted some evidence.

I will quote from the findings of fact in the court decision.

The strike here involved—namely, those between defendant International Longshoremen's and Warehousemen's Union and the defendant Pacific Maritime Association and other employer defendants in the Pacific Coast ports from San Diego, California, to Juneau, Alaska; and between the defendants International Association of Machinists and Aerospace Workers, AFL/CIO, District Lodge 94 and Local Lodge 1484, and the defendant Pacific Maritime Association and other employer defendants in the Los Angeles—Long Beach, California port area—have affected, and if permitted to continue or to be resumed, will continue to affect a substantial part of the maritime industry of the United States engaged in trade, commerce, transportation, transmission, and communication among the several states and with foreign nations and engaged in the production of goods for commerce. If permitted to continue or to be resumed, said strikes will imperil the national health and safety.

I might add further, Mr. Chairman, that in the legislation we are considering we do not have to make a finding that the national health and safety is injured. What the resolution simply says is: it is vital to the national interest, including the national health and safety that essential transportation services be maintained.

If this committee chooses to refuse to act, if it wants to pretend there is no national emergency and wants to wipe the west coast off and let Oregon and California go down the drain, and let 650,000 tons of wheat for India and Pakistan sit in grain elevators unshipped, then that can be the responsibility of this Congress. If that is the kind of blood we want on our hands, that is our business, but let it not be a fraud. Let us not pretend we do not have the emergency or the power to act.

Let us not pretend that a vital segment of this country is not affected. I have no other statement.

The CHAIRMAN. If I understood Senator Kennedy's inquiry, he wanted the facts to evaluate the extent of the emergency. We have a rollcall vote now.

Senator PELL. May I interrupt for 1 second? I want to point out that certainly we in Congress think it is a very pressing and a compelling situation because I have not seen such a tremendous turnout of the committee members this year. We are seriously concerned.

The CHAIRMAN. I will say that our attendance at all our meetings has been excellent. As chairman, I appreciate that.

(The prepared statement of Secretary Volpe follows:)

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

STATEMENT OF SECRETARY JOHN A. VOLPE BEFORE THE SENATE SUBCOMMITTEE ON
LABOR OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, ON S. J.
RESOLUTION 187, THURSDAY, FEBRUARY 3, 1972.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before you today in support of S. J. Resolution 187. I only wish, however, that my appearances before this Committee concerning a crippling strike in the transportation industry would be less frequent. My real regret, however, is that the Congress has had before it, for almost two years, a proposal which would provide a meaningful remedy for settling these disputes without congressional action.

In February 1970, the President first submitted to Congress his Emergency Public Interest Protection Act designed to amend our hopelessly antiquated transportation labor relations legislation and bring to an end the devastating effects of strikes and lockouts in the transportation industry. The President again recommended that proposal (S. 560) to this Congress on February 3, 1971, and just two weeks ago, in his State of the Union message, repeated his urgent call for action. In submitting S. J. Resolution 187 to Congress, the President made it clear that we were again at the "flash point" because of Congress' inaction on his comprehensive labor legislation, which he has aptly renamed the "Crippling Strikes Prevention Act." As you know, Mr. Chairman, again yesterday the President issued another plea to the Congress for immediate action on both S. J. Resolution 187 and S. 560.

The last time I came before this Committee, I left hopeful that a permanent resolution of this problem was near at hand and that Congress

was ready to act. I am sorry to say I was disappointed. But I remain optimistic. It is through the Congress--through your efforts--that we shall solve this problem. I sincerely hope that this labor impasse is the last we shall have to solve by short term action.

The proposal we are considering today (S. J. Res. 187) is not a comprehensive solution for ending disputes in the transportation industry. It is yet another emergency measure meant to solve fully only the crisis at hand. Yet it must be passed--limited as it is--to protect the interest of the American people until a permanent solution is legislated for all transportation strikes.

As you know, Mr. Chairman, rare is the occasion that I come before the Congress and use harsh words. Unfortunately, this occasion demands harsh words.

I find my appearance today discouraging for another reason. As I believe most of you know, I have had a long association with labor unions and still hold a lifetime membership in the International Plasterers Union. I believe in the trade union movement. I know what it has meant to the American working man. Yet, I also know that the participants in the West Coast dock strike cannot be allowed to show a callous disregard for the American people. Frankly, the history of the current West Coast strike is a sorry one. Negotiations have continued on and off for 15 months. Both sides--management and labor--have been to blame for a seeming inability to resolve their differences.

Let me just say something which I know this Committee is certainly well aware of, but which I think bears repeating. Strikes and lockouts

are economic tools of labor and management. They are meant to assert pressure, to change values and constraints, to make settlement preferable to the continuation of the status quo. This dock strike, however, is similar to many transportation strikes in that its economic effects fall heavily on the shoulders of people not directly involved. People truly affected are the farmers whose crops lie rotting while the entire Pacific marketplace is closed to them. Other people truly affected are the Hawaiian housewives who pay exorbitant prices for everyday goods which must be airlifted from the mainland. And we should not forget the thousands of union members--in all trades and industries--who are also affected.

What of the factory workers who must be laid off because their factory can neither receive its raw materials nor deliver its finished products? What of solidarity now?

And what of our country's economic health? We are now deeply involved in, and individually committed to, phase two of the President's new economic policy. All of us--not just management--not just labor--not just the housewife--but all Americans must strive to break the cruel inflationary spiral which saps our prosperity and standard of living. We are now, after a revaluation of our country's currency, for the first time in a great while able to compete successfully in European and Asian markets. How can we allow the approximately 13,000 participants in this dispute to frustrate the economic expectations of more than 200 million Americans? There is too much at stake to allow so few to harm so many.

If you think these are harsh words, just look at our projections, based on an analysis of last September's dock strike.

The losses in port service industries which are directly involved in the dispute are estimated to be about 8 million dollars a week. The loss to the shipping industry is estimated at 3 million dollars a week, and the loss to the inland transportation companies, 5 million dollars per week. Greater losses will appear in the wholesale and retail trade sectors--29 million dollars per week--and in the industrial and agricultural sectors of the economy--46 million dollars per week. These losses will add up to a 3.4 percent reduction in the regional product of the West Coast States measured at a weekly rate at the height of impact.

Since this Nation's transportation system is so complex and inter-related, the elimination of one of the modes has an immediate effect on the connecting modes. In this case, the initiation of the West Coast dock strike resulted in the embargoing of all rail and truck traffic destined for the West Coast ports.

Depending upon the inventories and amount of storage facility available, the losses caused by the strike would begin within days after the strike and would build to a peak in about 8 weeks. Due to the previous work stoppage, inventories are probably in a more serious condition now than at the beginning of the conflict in July.

The peak employment impact, not including agriculture, would be as follows:

shipping	5 thousand people out of work
port services	18 thousand people out of work
inland transportation	10 thousand people out of work
trade	7 thousand people out of work
industry	148 thousand people out of work

Each day this strike is permitted to continue, the more burdensome the results will become and the more difficult a full recovery will prove to be. At this point in time we can only speculate on markets permanently lost, income losses from spoiled produce and non-recoverable losses to surface transportation modes due to diverted or cancelled traffic. Be assured, however, that as the data come in and the impact is fully documented, it will make grim reading for all concerned--workers--industry--and government.

The proposal the Administration brings before you today was outlined and explained earlier by Secretary Hodgson. I shall not repeat his statement. Let me only say this: compulsory arbitration should be the last choice in any free economic society--a choice rightfully exercised only in extreme situations. But, Mr. Chairman, we have reached such a situation. We are at the point where there is left only that last choice.

The President and the Administration have reluctantly but responsibly reached that difficult decision. It is now time for Congress to exercise similar responsibility.

In the future--and I hope the very near future--you shall see fit to enact a more comprehensive measure. Now, however, you must move forward immediately to meet the crisis at hand. I am confident that the Congress will act in the public interest.

The CHAIRMAN. We will return in 15 minutes, gentlemen.
(Short recess.)

Senator CRANSTON. The hearing will come to order. Chairman Williams will be back shortly, but asked me to start at this time.

Unless some Senator wishes to comment at this point, we might proceed to hear the testimony of Secretary Butz.

**STATEMENT OF HON. EARL BUTZ, SECRETARY OF AGRICULTURE,
ACCOMPANIED BY RAY IOANES, ADMINISTRATOR, FOREIGN
AGRICULTURE SERVICE**

Mr. BUTZ. Mr. Chairman and members of the committee, I am grateful for your invitation to meet with the committee and to discuss the need for emergency strike legislation. American farmers are being hurt each day by a strike that eliminates a major part of their overseas market. They are seriously concerned, and I am concerned on their behalf.

The farmer is much more dependent on exports than the operators of most other businesses. He ships overseas the production from almost one cropland acre out of four—even more in the case of such major crops as wheat and soybeans. Our agriculture must compete effectively in world trade, or it simply cannot exist on anything like the scale that we know it today.

U.S. farmers were seriously injured by last year's strikes—on the west coast, at the Port of Chicago, and at Atlantic and gulf ports. But they did have the benefit of injunctions that opened the ports and kept them open through a critical period during and following the harvest—a record harvest, by the way, for major crops.

The frightening thing to farmers, as we look ahead in 1972, is that they cannot look for further help from their Government under existing legislation. The west coast ports have again closed, and the injunction on the east coast and gulf ports is rapidly coming to an end. Farmers fear that their outlets to world markets will be totally closed.

To put this into dollar figures, the west coast strike is reducing farm exports by almost \$6 million every work day that it remains in effect. If east and gulf coast ports again go on strike, this will reduce farm exports by \$18 million a day. Moreover, there is good evidence that these strikes are damaging our reputation as a dependable supplier of farm products, and this loss could be immeasurable.

It is so important to realize that these strikes not only halt shipping and clog the ports, they also disrupt the entire system by backing up commodities into barges, rail cars, trucks, and warehouses all the way to the farm.

Farmers, along with other major users of the transportation system, have long been concerned by the danger in protracted and crippling strikes. Almost 2 years ago, President Nixon requested legislation that would give him certain options in the case of strikes such as those now occurring. That legislation was reintroduced last year.

Now, with a specific strike causing untold losses and hardship to farmers and others who are not a party to the issues being negotiated, the President simply is asking for authority to take reasonable action. This is the proposal embodied in Senate Joint Resolution 187.

The short run impact of the dock strikes last summer and fall on agricultural exports is now apparent. The 100-day west coast dock strike which began July 1, 1971 and was interrupted October 9 by a Taft-Hartley injunction reduced agricultural exports from the west coast during the June-September period from \$288 million a year earlier to \$73 million in 1971.

Moreover, this coincided with the harvest of one of the largest wheat crops in the history of the Pacific Northwest. At the peak of harvest over 30 million bushels of wheat were on the ground due to a lack of transportation caused by the dock tieup. Some of this wheat suffered quality deterioration.

The 100-day strike and the threat of a continuation have created uncertainty in the wheat market. Based on purchases by the Japanese Food Agency, the U.S. farmer's share of this market for the March-December period fell from 55 percent to 40 percent. U.S. losses of sales are in the neighborhood of 25 million bushels valued at \$40 million, and this loss continues to build. On January 19, the day after the west coast dock strike resumed, the Japanese purchased 8.7 million bushels of wheat for March-April delivery; yet only 1.6 million bushels were purchased from the United States.

If the strike continues for another 60 days, we will lost wheat sales in Japan and other Asian countries for the rest of this fiscal year. This will result in the buildup of huge wheat stocks in the Pacific Northwest which will compete with next year's crop.

Other Far Eastern countries are looking to other sources of supply. A Korean tender for 110,000 tons of barley off the west coast was recently canceled due to the strike, and this barley has been purchased from Australia.

Korean imports of U.S. wheat in July-December 1971 were only 17 million bushels, compared with 28 million bushels in the same months the preceding year. The most affected varieties were hard red winter and soft white. The Koreans have purchased their needs from Australia.

Taiwan's imports of U.S. wheat in July-December 1971 were only 5 million bushels, compared with 12.4 million bushels the year before—a decline of almost 60 percent. In western soft wheat alone, the decline in U.S. sales to Taiwan was from 5.4 million bushels in July-December 1970 to only 1.6 million bushels the same months of 1971.

Thus, wheat exports were the largest casualty of the 100-day strike, although other commodities were affected too, particularly fruits, vegetables, rice, cotton, and livestock products. Even those commodities that succeeded in reaching foreign markets did not represent a total plus.

Of those commodities which did move about one-half were fruits and vegetables and other nonbulk commodities. Lemons were flown to Japan, and fruits and vegetables were moved overland to New York City to insure that their contracts would be met with foreign buyers.

The results of these costly diversions were less than encouraging. For example, two shipments of raisins and one shipment of prunes arrived in the United Kingdom contaminated by insects. The shipments have been investigated and the infestation was found to be directly attributable to the required diversionary hauls.

There is normally a constant flow of tallow from renderers to markets. The west coast dock strike rapidly backed up exports and filled the limited storage available. For a time tallow was diverted to Canadian ports, but now this outlet is no longer available and the tallow is being delivered to the Midwest, at an increased marketing cost of over one cent per pound.

However, for most products the cost involved in diversion was too high, and consequently there were significant losses. In California 10 alfalfa meal dehydration plants were forced to close during the west coast strike. Since exports usually account for about two-thirds of the California output, the domestic market was quickly flooded with alfalfa that would normally be dehydrated for exporting. Furthermore, alfalfa cubes and pellets destined for export and held by the strike were exposed to the sun which reduced carotene content to no more than that of ordinary hay. As a result their value dropped to \$30 per ton compared to the prestrike price of \$50 per ton.

The west coast strike has had a serious impact on prices for acala cotton. This is a specialty cotton grown in the far West which normally sells for a premium of 4 cents per pound above regular cottons. Substantial quantities of acala cotton are exported, and the export market is necessary to maintain the price differential. During the strike and with the threat of a new strike, acala cotton lost its normal premium price and is now selling below the levels of other cottons which do not have acala's unique qualities.

The loss of agricultural exports has a serious impact on port economies. Seattle, a city already beset by serious unemployment problems, is suffering additional losses in employment due to the dock strike. Last year agricultural export losses cost the port district over \$1.0 million monthly in wages and \$3 million monthly in sales and revenues for local businesses.

The problems which arose on the west coast last summer were repeated on the gulf coast, the east coast, and in Chicago on the Great Lakes last fall.

The Chicago strike of nine elevators out of a total 11 in that port began September 1, 1971. These elevators were open from October 9 to November 5 under a temporary restraining order. The court, however, refused to issue an 80-day Taft-Hartley injunction. The elevators have been closed since that time, and this will again be an acute problem once warm weather reopens the Great Lakes shipping route. Export capacity of the nine closed elevators was estimated for September-December at 35 million bushels of corn and soybeans. The closing of this vital port during the height of harvest of a record corn and soybean crop was deeply felt in the Corn Belt. Cash farm prices for corn and soybeans were discounted well below the normal differential between the near-term Chicago futures quotation and cash country prices in Indiana and Illinois.

The east and gulf coast strikes started October 1, 1971, and ended in late November when Taft-Hartley injunctions were issued. These injunctions expire in the middle of February 1972. An evaluation of the impact of this strike is difficult because some ports were open during part of the October-November period. An example, the west gulf ports which are important outlets for wheat, sorghum, rice, and cotton, continued to work until November 15. New Orleans, the major

export point for soybeans and corn was opened from October 28 through November 15 due to an NLRB action. Mobile, Beaumont, and Baltimore were open for shorter periods. Philadelphia was open from October 26 to November 15 under a State court action.

The east and gulf coasts normally account for about two-thirds of our total agricultural exports. During the October-November period in 1970 these ports exported \$917 million of agricultural products compared to \$400 million during the same period in 1971.

The strike impact was especially severe in October on exports of soybeans and corn from gulf ports. Corn exports were down from \$67 million to \$9 million and soybeans were down from \$95 million to about \$16 million. By the time the Taft-Hartley injunction had been issued on the east and gulf coasts, 25 oceangoing vessels were idle at gulf ports, the port elevators were filled, and an estimated 50 million bushels of corn and soybeans were backed up the Mississippi River Valley in barges and railroad cars.

Some of the soybean crushing mills along the Mississippi were forced to close temporarily while others operated at sharply reduced capacity. During this period tallow stocks on the east coast increased and over 100 million pounds of tobacco were stalled at dockside.

In total, the dock strikes on the east, gulf, and west coasts reduced U.S. farm exports during the shutdowns by over \$700 million from year earlier levels. Diversionary movements to open ports during the strike, anticipatory shipments off the east and gulf coasts before the strike, and heavier than normal shipments following the strike will assist in reducing the losses. However, some losses are permanent, and the impact of these strikes will be felt in lost future sales.

The strike impact is not limited to lost export sales. It is felt in the form of reduced farm prices, increased marketing costs, and spoiled crops. This is especially true for those products for which the export market is substantial. We export over one-half of our rice, wheat, and soybean production; nearly two-fifths of the cattle hides; over one-third of the tallow, tobacco, and cotton produced, and one-fifth of total feed grain sales by U.S. farmers.

For example, if past performance is a guide, we expect that at the height of the strike during October and November our farmers sold over 800 million bushels of corn and over 500 million bushels of soybeans. The price discounts received by farmers during this period were a direct result of the reduced foreign demand for these commodities caused by the dock strikes.

U.S. agricultural exports this fiscal year could very well be down \$400 to \$500 million below last year. Part of this decline is due to lower unit values for some of our commodities but American agriculture is not getting the volume gains that could come from these lower prices. Without work stoppages Canada is experiencing a record year for barley exports. Some of our key customers are turning to Canada and Australia for more of their wheat supplies. The Russians were forced to purchase part of their corn requirements from Argentina because of the uncertainty of our port situation. Foreign customers are telling American agriculture that they are shifting their purchases elsewhere where they can get assured delivery. That is the real tragedy of these work stoppages—the loss of future sales to our competitors not only for this year but for years to come.

It is of utmost importance that these dock work stoppages be ended promptly, and that provision be made to prevent future tieups in our transportation system. Not to do this, promptly, will be to subject American farmers to an erosion of income which they cannot and should not be expected to endure. They are growing weary of being bloodied, as innocent bystanders, by someone else's fight. They are justifiably incensed and frustrated at not being able to move to market at harvesttime the product of a whole year's labor, because of unresolved arguments among small groups of people in transportation. Our farmers want protection from this kind of restrictive action—and they want it now.

Mr. Chairman, that is the end of the formal statement. There is a table attached that I would like to have inserted as a part of the record.

The CHAIRMAN (now presiding). Senator Dominick.

Senator DOMINICK. Mr. Secretary, I think that was an extremely good presentation.

Coming from Colorado I can vouch for the fact that farmers get totally incensed when they are caught as third parties in these types of strikes, and I refer particularly to the partial railroad strike last year. The farmers were for the first time in a long period getting a good crop, after having been hailed out for 4 years in a row, when all of a sudden they could not get the grain either to the elevator or to the marketplace because of the railroad strike.

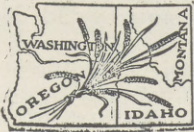
Now they are caught in a bind where they cannot export it. Our people in the agricultural field are incensed over this, and they want to know why Congress is not taking some action. I think it is a justifiable complaint, and I hope we are able to assist them.

The CHAIRMAN. Senator Packwood.

Senator PACKWOOD. I just might add a further piece of corroboration, Mr. Secretary. I have asked that a letter from the executive vice president of North Pacific Grain Growers be included in the record.

I asked him to give me some evidence of the effect the strike was having on signing future contracts and on what might happen to our future markets as long as a strike is threatened. He gave me a specific instance. This was the recent Korean purchase of wheat from Northwest.

(The letter referred to follows:)



NORTH PACIFIC GRAIN GROWERS

INCORPORATED

REGIONAL CO-OPERATIVE GRAIN MARKETING ASSOCIATION

January 28, 1972

Honorable Robert W. Packwood
United States Senate
Washington, D. C. 20510

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PORTLAND, OREGON 97204
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Dear Senator Packwood:

I appreciated the time that you were able to give Glen Hofer and me in your office on Wednesday, January 26. Surely you can count on our support in any effort to terminate the West Coast longshore strike.

You asked that I send you the detail of recent Korean purchases which included special strike provisions. These contract specifications were as follows:

1. Buyer reserves right to cancel contract in event strike occurs prior to vessel's tender for readiness.
2. Buyer has privilege to cancel contract should strike commence within five days of vessel's tender.
3. Should strike occur five days after vessel's tender only cargo on board is to be received and the balance cancelled.
4. Carrying charges caused by cancellation to be waived.

Korea purchased a total of 88,800 tons of wheat during the period January 10/January 13 with the above cancellation privileges. Since the strike renewed on January 17 they have systematically begun cancellation of the contracts. This points out clearly that short term extensions of work by the longshoremen create contract terminology that is very difficult to work with.

Thank you again for the help that you are giving us.

Sincerely yours

NORTH PACIFIC GRAIN GROWERS, INC.

R. K. Bauer
R. K. Bauer

Executive Vice President

Airmail

TERMINAL ELEVATOR: KALAMA, WASHINGTON

SUB-TERMINAL ELEVATORS: SPOKANE, WASHINGTON; KENNEWICK, WASHINGTON

COUNTRY GRAIN ELEVATORS: FORTY-NINE LOCAL CO-OPERATIVE ASSOCIATIONS - 22,000 GROWER MEMBERS - 100,000,000 BUSHEL STORAGE CAPACITY

MEMBERS: PORTLAND GRAIN EXCHANGE - NATIONAL FEDERATION OF GRAIN COOPERATIVES - NATIONAL GRAIN & FEED ASSOCIATION.

Senator Hughes.

Senator HUGHES. Thank you, Mr. Chairman.

Mr. Secretary, I have a series of questions here that I would like to direct to you concerning the agricultural problems in my State as a result of the west coast strike.

Is it true, Mr. Secretary, that the dockworkers have volunteered to ship wheat?

Mr. BUTZ. I understand that is true.

Senator HUGHES. And that the shippers have refused to allow wheat to be loaded?

Mr. BUTZ. I understand that is true.

Senator HUGHES. Is that the right set of circumstances? Is it true that initially the shippers were not going to allow military supplies to be loaded although the union was willing to load the military supplies?

Mr. BUTZ. I am not familiar with that.

Senator HUGHES. I think the record will show that that is the case, Mr. Chairman.

Is it true that the PMA refused a request from a Federal mediator to stop the clocks and continue negotiations last month?

Mr. BUTZ. Those are details I am not familiar with, Senator.

Senator HUGHES. Is anyone of the panel familiar with those details?

Mr. VOLPE. I am not familiar with the answer to the last question, but to determine whether or not the PMA refused to allow wheat to be shipped, which the labor group suggested they would be willing to do, would require the knowledge of some of the intricacies of the very delicate bargaining process.

I can only say to you that it is not as simple as saying that somebody refused to accept the offer to ship the wheat. There were very substantial reasons that did not permit this agreement to take place, and I think that—

Senator HUGHES. Mr. Secretary, is it a fact, regardless of the circumstances, that the dockworkers did volunteer to ship wheat?

Mr. VOLPE. On their terms.

Senator HUGHES. Is it a fact that the shippers refused to allow the wheat to be loaded?

Mr. VOLPE. On the dock workers' terms, yes.

Senator HUGHES. That is the fact?

Mr. VOLPE. Yes.

Senator HUGHES. If the answers to these questions are true, who, in your judgment, is imperiling the national interest? Is it labor or is it management?

Mr. VOLPE. The national interest is being imperiled. May I say, Senator Hughes, that I did not try to blame either labor or management. I just said it was completely irresponsible on the part of both management and labor to allow a situation of this type to continue off and on for 15 months.

I am not blaming either side. I am just saying that the strike had to be settled.

Senator HUGHES. I listened to your testimony before, Mr. Secretary, and I don't think there is any need for us to repeat it again; it is part of the record.

Did you have a question?

Mr. VOLPE. I only wanted to state one further thing, if I might, Senator Hughes. We found in our testimony on the House side we had a number of questions that we believe would be much better directed to people who have principal responsibility for keeping day-to-day contact with regard to these negotiations; that is, the Labor Department.

This panel is here today to talk about the economic impact, and I am sure that Secretary Hodgson, if questions of this kind or others related to the negotiations arise, would be happy to provide answers, either by being here or in writing or otherwise.

Senator HUGHES. Thank you very much.

I am trying to find out what information this panel can give me and if you cannot answer the questions, feel free to say you cannot.

Mr. BUTZ. Let me point out, if I may, Senator Hughes, that the dock workers would load the wheat on their terms, and I presume if the shippers would have accepted that, that would have meant that bargaining would have ended right there.

Senator HUGHES. Mr. Secretary, Senators Mansfield and Metcalf have shared with me their concern about the impact of the strike on Montana from which more wheat is shipped to Japan than from any other State. I understand that is accurate?

Mr. BUTZ I would say that is right.

Senator HUGHES. To the fullest extent of your knowledge, Mr. Secretary, what impact has this situation in which management flaunts the interest of the Nation, had upon our wheat States, by State?

Mr. BUTZ. Well, there is just one national price for wheat. If you impair the price in any part of the country, it is bound to hurt the market nationally. It has been a price factor clear across the Nation.

Senator HUGHES. One other thing that has been suggested by the Senator from Montana. Has the administration urged the PMA to accept the union's offer to load our grain and citrus produce?

Mr. BUTZ. To my knowledge it has not, because as I said, the offer is conditioned on conditions set forth by the union and to accept them would be to end negotiations.

Senator HUGHES. If I might, Mr. Secretary, just for a minute, turn to my own State of Iowa. We have heard of the effect of the west coast dock strike has had on that region of the country and are very concerned about it. Iowa is the second largest exporter of agricultural commodities. I would appreciate if you could tell me the percentage of corn and soybeans in the Midwest that is shipped out of west coast ports.

Mr. BUTZ. Yes. Iowa is the largest producer of corn and soybeans.

Senator HUGHES. Can you tell me the percentage of soybeans shipped out of west coast ports?

Mr. BUTZ. There is not very much. Your principal method of export is down the Mississippi and through the Gulf ports.

Senator HUGHES. Would it be true 1 percent of the corn is, and no soy beans are shipped out of my State through west coast ports?

Mr. BUTZ. I think that would be a reasonable estimate. There would be a very negligible amount shipped out of west coast ports.

Senator HUGHES. The Defense Department asked right away for an exemption of military cargo in order that it be shipped. Did you ask for an exemption for agricultural products so they might be shipped?

Mr. BUTZ. Not to my knowledge; not since I have been Secretary, and I do not think that was asked before I became Secretary.

Senator HUGHES. Was there a reason not to ask then, or is there now?

Mr. BUTZ. We have raised our voice in the most effective way we know how, that we want this strike settled; we want some kind of legislation to prevent a recurrence of this kind of strike.

We estimate that this strike has eroded a billion dollars from net farm income in 1971, and it continues to erode income at an alarming rate.

As Secretary Volpe just said five times in the last 2 years he has appeared on this question up here in emergency situations and we are losing markets.

One of the difficult things is the reliability of our delivery system has broken down and our foreign customers cannot depend on it, and they are going elsewhere to get that.

A simple illustration, before Christmas the Russian Minister of Agriculture was in this country. I had two long conversations with him. He indicated the 5-year plan in Russia contemplates a 5-percent increase in consumption and to achieve their ends they must import coarse grains and soy bean meal.

I told him that he could not come to a more dependable place than here; that we have the capacity, that we have the know-how; that we have the climate, that we are practically weatherproof in that area.

He said, "OK, that is fine, but what about your dock strike?" Frankly, I had some difficulty answering him. I suppose the inference was that in Russia they do not have dock strikes. I do not want to have that kind of system.

I want to have some kind of authority when Taft-Hartley expires so that we do not have a repetition of this.

We have spent years building up a wheat trade. We have literally changed Japan from a rice-eating nation to a wheat-eating nation. Now we are seeing 20 years of work eroded because of the lack of dependability of our wheat delivery system, not because the wheat is not good, but because they cannot depend upon it moving through our ports because of our strikes.

That has come to your home State of Iowa and my home State of Indiana. They have both suffered a great deal because of the strikes in the gulf ports. This came at the very time when the farmers were selling their corn and soybeans.

We cannot define exactly the amount of price erosion per bushel, but we estimate, and I believe it to be true, that the dock strike knocked a dime off the price of corn last time right when our farmers were selling it.

Senator HUGHES. Will you yield, Mr. Secretary, at that point?

Mr. BUTZ. Certainly.

Senator HUGHES. Did the overproduction of corn affect the price of corn also, and what percentage of the price would you have on that?

Mr. BUTZ. It also affected the price because the price was substantially lower than a year ago, but once the dock strike was settled the price snapped back pretty fast.

Senator HUGHES. Snapped back to what, to normal?

Mr. BUTZ. Snapped back to much higher than it was. A substantial measure, I think, of the impact on price of the dock strike is the differential between the spot price of corn in Iowa or Indiana country elevators and the new futures in Chicago.

During the strike this differential was about 10 cents wider than normal. Then that is our best estimate of the impact of the strike on the cash price the farmers got at the very time they were selling their produce.

As you know, in your State corn was piled outside the elevators and there was no place to put it. As a consequence, they paid little for it. This hurt our farmers substantially, and this hurt much more than just the loss of exports. This hurt because the cash price they took during the strike for what they had to sell was lower than when they normally would sell it.

Senator HUGHES. What percentage do you think was due to the strike and what percentage due to overproduction and farm grain policies that were followed?

Mr. BUTZ. Oh, half and half.

Senator HUGHES. Half and half?

Mr. BUTZ. Let me give you a few figures on that differential. For example: between the spot price and the nearby futures price compared with previous years.

Senator HUGHES. Would you tell me whether that is reflected in the U.S. dollar value now or is it reflected in the devaluated dollar or in sales abroad?

Mr. BUTZ. This is the value of the dollar now, the dollar your farmers and mine got when they sold, the same dollars they spent for things they buy.

For example: let us take a differential here in the cash price of corn, the differential between late October 21 and the cash price of December futures was 18 cents. The year before it was 6 cents.

Taking soybeans: last year the differential was 22 and $\frac{5}{8}$ cents. The year before it was 8 cents.

I think those are pretty valid measures.

Senator HUGHES. Mr. Secretary, as I recall you appeared before the Senate Agriculture Committee and testified very strongly against the strategic grain reserves bill and an increase in corn loan rates.

Mr. BUTZ. That is correct.

Senator HUGHES. Do you feel that the policies of the last year contributed to half of this depressed price? Is that not what you just said to me, in overproduction?

Mr. BUTZ. No, sir; not the policies of the last year. It was the excessively good production of the last year.

Senator HUGHES. Increased acreage?

Mr. BUTZ. This Congress passed an Agricultural Act of 1970, before I came on the scene, 2 years ago which was a bipartisan act. It was not an administration measure. It was developed jointly by the Congress and the administration, and had the support from both parties.

Under this act farmers have a great flexibility of management in what they plant, have voluntary participation in it. It has never really had a good chance to operate because of the blight that hit your State and mine in 1970. We had a very short corn crop.

We had a very short supply because of the blight situation of 1970. They asked for small set-aside in 1971, and hindsight says they should have asked for more. My hindsight is 20/20 without glasses, but without hindsight I would have asked for precisely the same thing.

They were able to plant corn; they had a good price; they planted a lot of corn; we had an excellent growing year, excellent harvest season, and as a consequence, we attained 5.5 billion bushels, a record crop.

That was largely the result of a much better than average growing year, but all you can forecast for this year is an average growing year.

Senator HUGHES. What about the 4-percent estimated reduction in planting. Is it only 4 percent, do you think?

Mr. BUTZ. You mean right now?

Senator HUGHES. Right now.

Mr. BUTZ. It is as accurate as anything we have. It is always subject to revision based on farmers' plans, but it is by all odds the best single measure we have at the moment.

Senator HUGHES. Secretary Butz, you have been quoted as saying—and I am not sure myself that this is accurate, so correct me if it is not—

Mr. BUTZ. I am often misquoted on things.

Senator HUGHES (continuing). That the dock strikes cost about \$1 billion in farm exports. Is that right?

Mr. BUTZ. No, sir; I never said it cost a billion dollars in farm exports; I said it cost a billion dollars in farm income.

I cannot prove it is a billion, but nobody in this room can prove that it is not, either.

Senator HUGHES. Mr. Secretary, since you used this figure yourself, could you make a list of agricultural exports by commodities and the Department's estimate of the loss by commodity.

Mr. BUTZ. I do not have that here, but I would be glad to prepare such a report.

Senator HUGHES. If you do it will be helpful.

Mr. BUTZ. We had part of it in the testimony.

Senator CRANSTON. He said it was income.

Mr. BUTZ. You wanted income?

Senator HUGHES. No; I said exports.

Mr. BUTZ. We can do it by exports.

Senator CRANSTON. Could you however give us some of the figures that would total up to a billion dollars?

Mr. BUTZ. I suspect it may add up to over a billion dollars.

Senator CRANSTON. We would like to have accurate figures, Mr. Butz.

Mr. BUTZ. I certainly will. This will include an estimate of the reduced price at which these commodities sold last fall. I have to rely on the differentials. I will be delighted to do that.

(The information referred to above follows:)

THE IMPACT OF DOCK STRIKES ON AMERICAN AGRICULTURE

Because of the dock strikes in 1971—the West Coast, the East and Gulf Coasts, and the Port of Chicago—agricultural exports were reduced by almost three quarters of a billion dollars below comparable periods in the preceeding year. This is a simple total of the reduced exports for the affected ports during the

strike period. Diversionary movements to open ports during the strike, anticipatory shipments off the East and Gulf Coasts before the strike and heavier than normal shipments following the strike will help to reduce losses in exports. But some losses in exports will be permanent.

The reduced demand caused by the strike depressed prices to farmers. Farm income was further reduced by the additional cost of diversion to open ports, increased storage costs, and spoilage where adequate storage was not available. These lower prices and increased costs will result in a reduction in farm income for the six major commodities investigated by about \$755 million. Approximate losses in farm income were wheat \$210 million, feed grains \$235 million, soybeans \$160 million, cotton \$60 million, fruits and vegetables \$70 million, and rice \$20 million. These commodity groups account for 70 percent of U.S. agricultural exports. While only partial information was available on other commodities blocked by the strike, it appears that the impact on farm income was relatively the same as for those commodities mentioned. It is estimated that total loss of farm income due to the dock strikes was over \$1 billion.

Senator HUGHES. Thank you.

I am unclear about something and perhaps you can help me. Did the devaluation of the dollar in the world market last year have any effect on total farm exports?

Mr. BUTZ. Other things being equal, it sure increased the volume of exports because it made our commodities a better buy than before devaluation, but then came the dock strike of course and stopped the shipment, whether it was a better buy or not.

Senator HUGHES. What is the situation in the world wheat reserves today, Mr. Secretary?

Mr. BUTZ. There was an increase in world wheat production in 1971. In most of the major wheat-producing areas of the world we had good growing conditions around the world in 1971.

Senator HUGHES. What percentage of the reserve does the United States hold right now?

Mr. BUTZ. Mr. Ioanes says one-third. We may have to correct that in the record. It is approximately one-third.

Senator HUGHES. Will this reserve enable us to pick up the market-losses in the new futures?

Mr. BUTZ. Not unless we have some kind of guarantee that they will not strike again next year. You see, the uncertainty of our delivery system is now a major impediment to building rural markets. You see, our competitors have plenty of wheat too. It is not quite as good as Canada's—Australia's is good too.

Senator HUGHES. If they are replacing our sales, they are apparently reducing their reserves.

Mr. BUTZ. But they have great productive capacity in the province of Canada and Australia.

Senator HUGHES. Are any of the hides and tallow affected by the west coast dock strike?

Mr. BUTZ. I am not familiar with that. I presume they would not go out the west coast ports.

Senator HUGHES. I believe it was in your testimony that some of the grease tallow is now being shipped to the Midwest from Western States and is costing about one cent a pound to do that.

Mr. BUTZ. Yes. Along that line, we export a very substantial amount of our hides and tallow. Roughly two-fifths of our hides and one-third of our tallow are exported.

Senator HUGHES. But out of that area I am asking you is most of it out of the Midwest itself?

Mr. BUTZ. From wherever it is slaughtered. There is a substantial slaughter volume on the west coast.

Senator HUGHES. That is tied up. Did you indicate the percentages from the west coast that are probably tied up?

Mr. BUTZ. We can put it in the record. We do not have it now.
(Information subsequently supplied for the record follows:)

In fiscal 1971, 31% of Hides and 24% of Tallow was shipped from the west coast.

Senator HUGHES. Mr. Chairman, I yield. I was trying to establish in my own State the effect of this and potential effect of the reinstatement.

Mr. BUTZ. It is very serious, Senator, in your State, but the most important effect on your State was the gulf strike, not the west coast.

Senator HUGHES. If we resolve this on a temporary basis will we not be faced in the middle of March——

Mr. BUTZ. We certainly will before the middle of March because on February 14 the Taft-Hartley expires.

I understand it has been extended for 30 days.

Senator HUGHES. It has been extended for 30 days by voluntary agreement.

Mr. BUTZ. Then the middle of March. Let me emphasize, speaking for American farmers, I do not want a temporary solution. I want a solution that our buyers abroad can depend on; that we are going to have a dependable delivery system to our ports, and it is going to be very difficult for us to build markets abroad as long as that uncertainty hangs over us.

Senator HUGHES. You are not asking for a temporary solution; you are asking for a permanent solution.

Mr. BUTZ. I am asking for both temporary and permanent. We want this right now, and we are testifying right now on the emergency act, but I want the permanent solution too.

Senator HUGHES. Thank you, Mr. Chairman. I believe that was a vote.

The CHAIRMAN. I wonder if our record could be broadened on the question of exports from the Pacific coast ports. You have a table, Mr. Secretary, that shows the agricultural exports by commodity for the months July through September. I wonder if we could have the figures to show the 3 months prior and the months subsequent to this.

Mr. BUTZ. Yes, sir.

The CHAIRMAN. I believe it would be helpful to put this into the overall picture.

Mr. BUTZ. Yes, sir.

(The information referred to above follows:)

Pacific Coast Exports--April-June, 1970 and 1971

Commodity	In million dollars		Percent
	1970	1971	1971 of 1970
Grain and feed.....	131.0	130.5	100
Wheat and flour.....	84.6	82.2	97
Rice.....	20.1	23.5	117
Prepared feed/alfalfa meal; ; ;	7.3	7.1	97
Fats and oils.....	11.1	8.2	74
Tobacco.....	0	--	--
Cotton.....	36.0	45.2	126
Dairy.....	8.9	14.4	162
Poultry.....	2.3	2.6	113
Livestock and meat.....	34.5	38.5	112
Tallow and greases.....	13.2	15.1	114
Hides and skins.....	13.9	14.1	101
Fruits and vegetables.....	57.9	65.0	112
Citrus fruits.....	12.0	17.8	148
Fruit cocktail.....	2.3	2.2	79
Fruit juices.....	4.3	4.2	88
Other fruits and nuts.....	21.4	23.7	111
Vegetables.....	16.9	15.6	98
Sugar and tropical products.....	<u>5.6</u>	<u>6.2</u>	<u>111</u>
TOTAL -- all agricultural commodities.....	297.3	310.6	108

PACIFIC COAST EXPORTS - OCTOBER-NOVEMBER 1970 AND 1971

Commodity	In million dollars		Percent 1971 of 1970
	1970	1971	
Grain and feed	109.0	96.4	88
Wheat and flour	69.5	59.2	85
Rice	.4	13.6	--
Prepared feed/alfalfa meal	6.2	5.4	87
Fats and oils	10.1	11.1	110
Tobacco	0	0	--
Cotton	16.4	33.5	204
Dairy	8.8	11.3	128
Poultry	1.7	1.9	112
Livestock and meat	25.3	36.0	142
Tallow and greases	8.4	11.2	133
Hides and skins	9.0	15.7	174
Fruits and Vegetables	59.1	73.8	125
Citrus fruits	6.1	8.0	131
Fruit cocktail	2.1	2.4	114
Fruit juices	1.4	1.9	136
Other fruits and nuts	38.3	49.0	128
Vegetables	9.3	9.9	106
Sugar and tropical products	4.0	6.2	155
Total Pacific Coast	234.4	270.2	115

Senator PACKWOOD. May I ask a question before we leave. Senator Hughes was referring to the negotiations between the longshoremen and the shippers and the possibility of the longshoremen loading the wheat. Would you define what you meant by shipper when you answered his questions? Were you not talking about elevator companies, and not about farmers?

Mr. BUTZ. Yes.

Senator PACKWOOD. I want to make sure this point is not lost. Shifting the blame does no good for the farmers.

Mr. BUTZ. That is correct.

Senator PACKWOOD. I do not want anyone to think it was the fault of agriculture because no matter what farmers do they cannot move their produce unless the shipper will do it.

Mr. BUTZ. That is my point. I am not a labor expert; I am speaking for the farmers, and we have had enough of it.

Senator PACKWOOD. I am saying again that as we look at this from a congressional standpoint we have 99.5 percent of the people in this country who are going to be affected by a major railroad strike or dock strike, and whether the strike is the fault of management or the fault of the union it does not make any difference to the rest of the people in the country because they are hurt either way.

Mr. BUTZ. Right.

Senator STAFFORD. I have just one question I would like to ask the Secretary, whether the west coast dock strike has had any appreciable effect on the export of dairy products in the United States.

Mr. BUTZ. Not a great deal. We do not move many dairy products through the west coast ports because it is a deficit dairy area generally speaking. Our dairy exports go primarily through the Great Lakes and gulf and east coast ports.

Senator STAFFORD. Thank you very much.

The CHAIRMAN. Is there anything further before we recess?

We will return right after the vote is taken.

(Short recess)

AFTER RECESS

Senator CRANSTON (presiding pro tempore). The committee will come to order.

We will proceed with the testimony of Secretary Lynn.

STATEMENT OF HON. JAMES T. LYNN, UNDER SECRETARY OF COMMERCE

Mr. LYNN. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before your committee to present my views in support of Senate Joint Resolution 187, a resolution to provide procedures for the settlement of the dispute on the Pacific coast and Hawaii among certain shippers, associated employers and their employees.

In light of Secretary Hodgson's testimony, I will not dwell on the facts of the current longshore dispute. Suffice it to say that the negotiations have been underway since October 1970 and that all attempts to resolve it have failed. The exhaustive mediation efforts by the Direc-

tor of the Federal Mediation and Conciliation Service and the good offices of the Governors of the Western States have proved to be of no avail. All the procedures for resolving this dispute under the Labor-Management Relations Act of 1947 have been exhausted.

In September of 1971, the President personally met with the disputing parties in an attempt to settle the impasse. The President's efforts were in vain and he is now asking the Congress for emergency legislation to avert further economic hardship to this Nation.

If the Congress does not act promptly, this strike will cause serious human suffering and economic losses resulting from unemployment, market dislocation, food shortages, and higher prices.

Let me spell out these losses in more detail; first, balance of trade. Continuation of this strike can only aggravate the U.S. balance of trade position. This could raise serious questions in the minds of our trading partners as to our will and our ability to resolve our economic problems.

As you know, in recent years, U.S. imports have been growing at a faster rate than U.S. exports, progressively diminishing the favorable balance of trade we have long enjoyed. Last year, for the first time since 1893, the United States had a trade deficit. The trade deficit, which was \$2 billion, is a matter of highest national concern and vigorous action has been initiated by the administration and the Congress to reverse the situation.

Many American export commodities have close substitutes in world markets. If our products are not readily available, our foreign customers can obtain and will seek substitutes elsewhere. Moreover, if the strike continues, foreign customers may shift permanently to non-U.S. sources of supply, resulting in a continued loss of export markets.

West coast ports are important to the conduct of U.S. foreign trade. In 1970; vessel shipments through those ports accounted for \$4.2 billion in U.S. exports whereas in 1971, only \$3.3 billion in exports were shipped from the west coast. Although part of this was due to lessened demand by our foreign customers, our figures indicate that the west coast dock strike has had a significant adverse effect on U.S. shipments to foreign markets. Also, during the 100-day strike which began on July 1, 1971, U.S. exporters were able to divert some shipments to Canadian and gulf ports at additional expense.

This option has been significantly more limited since the resumption of the strike. Tuesday, pickets at the Mexican border had to be enjoined from preventing diversions to Mexican ports, and as of yesterday, the Canadian longshoremen were still refusing to load any U.S. products diverted from the west coast to Canadian ports, although I understand that an injunction was also issued there last night.

Let me, if I may, also clarify a point I just made as to the pickets at the Mexican border. I have been unable to verify the earlier information that I had that the picketing was discontinued by reason of the injunction. In any event, the information is that all picketing that had commenced has been discontinued at least as of today.

Continuation of the present strike would cause our export losses to increase further, particularly since our foreign customers have already been severely inconvenienced and are even less likely to tolerate additional delays in delivery of U.S. products. Exports which depend heavily on west coast dock facilities for access to international markets

would be particularly affected. Among these are exports of logs and lumber, about 75 percent of which normally move through the affected ports, 40 percent of woodpulp exports, and over 33 percent of wheat exports. For example, the Western Wood Products Association estimated that its members suffered losses of \$943,000 per day during the 100-day strike.

So much for exports; but, what about imports? Obviously, these have also been affected by the west coast dock strike. A case in point is the Japanese automobiles normally unloaded on the west coast. These are transported on specially designed ships which have the flexibility to unload in any U.S. port. Although this would involve some delay in delivery schedules, these automobiles can be unloaded in gulf ports, as they in fact were during the 100-day strike. Because products imported through the west coast are essentially finished and semifinished manufactures which have a considerably greater dollar value per ton than the agricultural products and other raw materials exported from the west coast, the diversion of imports is economically much more feasible than the diversion of exports. Estimates predicated on data available in the Department indicate that the net effect in 1971 on our balance of trade resulting from the 100-day strike was a deficit of \$500 million.

Let us move on to maritime losses. The renewal of the strike continues to severely affect U.S.-flag operators. Their financial losses directly impair our efforts to rebuild the U.S. merchant marine.

As of today, loss of earnings in the longshore segment of the maritime industry resulting from the current strike are estimated to amount to \$410,000 per day in loss of wages. During the 100-day strike, direct, wage losses to U.S. ships' crews amounted to \$5 million, exclusive of fringe benefits.

Some 46 U.S.-flag vessels and 203 foreign-flag vessels were laid up during the peak of the strike's impact resulting in a loss of over 3,000 ship days for U.S.-flag vessels alone. When I testified before the House Subcommittee on Labor, only 2 days ago, I stated that 17 U.S.-flag vessels and 69 foreign-flag vessels were already strikebound. Today there are 21 U.S.-flag vessels and 74 foreign-flag vessels strikebound. The number is growing daily.

Moving on to domestic losses, most of the food supplied to the State of Hawaii normally is shipped from the west coast ports subject to the strike. During the 100-day strike, food supplies had to be shipped from other ports or by air freight at significant additional expense. Rice, an important food staple in Hawaii, had to be rationed. Retail food prices in Hawaii went up approximately 8 percent in the 6-week period from July 1 to the date of the wage-price freeze. Approximately 95 percent of Hawaii's sugar output normally is shipped to the west coast ports subject to the strike. During the 100-day strike, significant losses were incurred as a result of higher shipping costs to other ports and emergency storage costs for these shipments which were delayed.

I am sure you are aware that a group of Hawaiian small businessmen have formed "Operation Black Eye" and have brought to Washington a petition signed by 80,000 residents of Hawaii pleading for an immediate termination of this strike to alleviate the critical situation in that State. Considering the fact that the total population of Hawaii is approximately 769,000, we believe that the number of signatures reflects the concern with which Hawaiians view this strike.

The small businessmen who organized "Operation Black Eye" have indicated to the Department of Commerce that the true impact of the strike cannot adequately be measured by statistics, but must also be seen in human terms, in terms of consumers, particularly those in lower income levels, and in terms of small businessmen. The lower income consumer finds himself unable to purchase many necessities because of the extra costs of air freight and the scarcity of products. The small businessman finds himself lacking the resources to weather the financial burdens of the strike. In short, the people of Hawaii see themselves the victims of a situation over which they have no control and for which they are in no way responsible.

Additional losses occurred in other States affected by the strike. Based on State government statistics, we estimate that cargo losses during the 100-day strike amounted to \$17.5 million per day through California ports and \$6 million per day through Oregon and Washington ports. Losses of \$1 million per day were reported in the States of Washington and Oregon in the form of lost wheat and lumber sales alone. Food prices increased in Alaska, prior to the wage-price freeze, as a result of having to ship food by truck or from other ports.

The strike also has a severe, if not disastrous, impact on some small nearby port neighborhoods and businesses. The halt in port activity adversely depends on a steady flow of merchandise, and also affects small retail establishments.

In closing, I believe that continuation of the dock strike would be a severe blow to the welfare and economy of this Nation. Accordingly, I urge prompt enactment of Senate Joint Resolution 187.

Senator CRANSTON (now presiding). Thank you very much, Mr. Secretary.

Senator Dominick, do you have any questions to address to Secretary Butz? Secretary Volpe had to leave and Secretary Butz would like to leave.

Senator DOMINICK. I have no more; thank you.

Senator CRANSTON. I have one question for Secretary Butz.

You stated, Mr. Secretary, in your testimony that some of the wheat stored on the ground during the 100-day strike suffered quality deterioration. Could you tell us what caused that deterioration?

Mr. BUTZ. Usually it is moisture that gets into it that causes quality deterioration.

Senator CRANSTON. How much wheat actually suffered quality deterioration?

Mr. BUTZ. I suppose there is some deterioration in any wheat stored outside for any length of time. We had in the Northwest area about 30 million bushels stored on the ground. This we estimate. We do not know exactly what it is.

Senator CRANSTON. Is any wheat still on the ground, or is it all presently stored in elevators?

Mr. BUTZ. I suspect it is all moved; I do not know of any in the Midwest that is on the ground. I think it is all under cover now.

Senator CRANSTON. The President referred in his statement to Congress, to "grain currently wasting away." He was really referring to grain in refrigerated storage.

Mr. BUTZ. That is right.

Senator CRANSTON. Deterioration of refrigerated grain is not a problem brought about by the present dock strike.

Mr. BUTZ. Yes.

Senator CRANSTON. I have a general question relating to Senator Williams' opening statement. He referred to former Secretary of Labor Shultz' study 2 years ago which concluded that the longshoremen's strike which took place on the east coast and the gulf port of the United States, had no visible impact on the economy as a whole. It is obvious from what you have said, and what the President has said, that the administration takes a very different view of the impact of the current strike and of the strike of last year. The Shultz study also concluded:

There was no evidence of a permanent loss of export markets because of the strike, and no measurable loss of ability to repenetrate the market once delivery again becomes possible.

I am curious as to why your viewpoint is so opposite to the conclusion reached in the Shultz study. Can you explain this inconsistency?

Mr. LYNN. Let me make a few general comments with regard to that point. As you pointed out, Mr. Chairman, first of all, all three strikes investigated in that report were, I believe, east coast and gulf port strikes.

Second, those strikes were in a period of time when our trade situation and balance of trade were substantially different from what we face today.

Certainly, during the 1962-63 and the 1965 strikes we had a substantially different internationally competitive scene than we have today.

In 1969, the signs of it were becoming clear but certainly nothing as to what we have actually seen in the intensity of international competition in the last couple of years.

The other thing I would say, too, with regard to it is that that report, I believe, did point out that there were severe and even disastrous impacts on certain business in certain places.

And I am always interested as to how studies are put together. The report admitted quite candidly that these are extremely difficult things to measure by way of impact.

Senator CRANSTON. Do you have any added comment?

Mr. BUTZ. No, sir; I am not familiar with that study of 3 years ago.

Senator CRANSTON. I am sure you are anxious to return to your office. There are no further questions.

Mr. BUTZ. Thank you very much for your patience and your attention.

Senator CRANSTON. Do you want to proceed, Senator Dominick?

Senator DOMINICK. Mr. Chairman, I have just one thing that I think would be helpful to put into the record at this time. This is from a report and I will only put in one paragraph of it.

The Pacific Northwest Interindustry Transportation Evaluation Committee report, prepared by the Agricultural Development Division of the Oregon Department of Agriculture, published in January of 1972.

Among other things in a division of the report called "So Long, Farewell," the report reads as follows:

It is, of course, a well-known fact that the dock tie-up hit the industry just as the 1971 crop was being harvested. The immediate results were complete chaos.

The first effect was felt right at the farm level, storage. When the orderly movement of large quantities of grain ceased, much of the grain had to be stored outside; and because of the particularly large crop, that necessitated a double large amount being stored in this manner.

Some 50 million bushels normally marketed during the period were lost, and this loss amounts to \$100 million of value. This was in the first 100 days of the dispute.

After this 10 million to 12 million bushels that had to be stored on the ground and subsequently subjected to possible damage.

No wonder they call that "So Long, Farewell."

I have just a couple of questions of Mr. Lynn. I found your testimony most helpful.

Let me raise this hypothetical. Assuming that no action is taken, and assuming that the west coast dock strike continues, do you know through your contacts with the Labor Department or otherwise whether this would have an appreciable impact on the possibility of gulf and east coast ports also going out at the end of their term in March?

Mr. LYNN. I am afraid I cannot answer that question, Senator Dominick. I am just not that close to that kind of matter.

Senator DOMINICK. I gathered from your statement, however, that at the moment some of the Canadian ports are being closed subject to an injunction against being closed, and that some of the other industries are now looking at the question of whether they should not back this and not make shipments to other ports; is that correct?

Mr. LYNN. Well, the situation was—at the first stage, the one about 3 days ago—that there were pickets at the Mexican border with regard to shipments to Ensenada, and then there were also some refusals, as I understand it, by the Canadian longshoremen to load U.S. exports.

Then there have been more recent developments, as we understand it. The pickets are not there, at least they were not as of this morning, on the Mexican border. An injunction had been obtained with regard to the Canadian longshoremen situation.

But it does demonstrate the fluidity of the situation, most assuredly.

Senator DOMINICK. I also understand from your testimony on page 6 that within 2 days there have been five more U.S.-flags tied up and two more foreign flagships, making now a total of 22 and 71, respectively.

I am interested in the question of why they are coming into these ports if they know they are going to get tied up?

Mr. LYNN. Why are they coming? I think it was their belief they were not going to be tied up. They anticipated they will be able to land, and they are not able to.

Incidentally, I had a last minute revision in my figures to 21 U.S.-flag vessels and 74 foreign flags; although we were down one U.S. flag, we were up three foreign flags.

The point I am making, really, is that they do back up in the ports.

Senator DOMINICK. When they come in in this manner, are they permitted to be unloaded, do you know?

Mr. LYNN. I do not believe so.

Senator DOMINICK. So, I would presume then what they would do is to give their crew a leave and sit there so they do not have to worry about being accused of strikebreaking or anything of that kind in an effort to get it through and also get out of overtime charges by keeping them on the ship which otherwise would have to do.

Do you know how they handle it?

Mr. LYNN. No, I do not know how they handle it. But we have somebody here who does.

Senator CRANSTON. Would you please identify yourself for the record.

Mr. SICKINGER. My name is Henry F. Sickinger. I am Chief, Division of Labor Studies, Office of Maritime Manpower, Maritime Administration.

Foreign ships in our ports invariably remain at anchor. They have to maintain their crews onboard to permit them security, and they simply wait out the strike until they can discharge.

Senator DOMINICK. So, they keep the crews on board?

Mr. SICKINGER. Yes. It would cost them money to go ashore.

Mr. LYNN. But subject to liberty? I hope the sailor is still entitled to liberty once in a while.

Senator DOMINICK. Do American ships handle it the same way?

Mr. SICKINGER. No. Usually their crews would be dismissed promptly as soon as arriving in port. They will leave a gangway watch or security watch onboard, possibly one or two officers.

Senator DOMINICK. But there would be no offloading of cargo?

Mr. SICKINGER. No. The longshoremen would have to come aboard and prepare the ship for discharge of cargo.

Senator DOMINICK. Is this restricted to cargo, or is it also applicable to passenger ships?

Mr. SICKINGER. No; passenger ships are not involved in this. The ILWU has stated from the very beginning they will continue handling passenger ships and mail.

Senator DOMINICK. What happens where you have passenger-carrying freight ships?

Mr. SICKINGER. There would not be too much. There could be an occasional ship that may have passengers aboard. Cargo ships are limited to 12 passengers by law. Most of them carry no more than six or eight.

The crew would assist in taking their baggage off. If they have a motor car the motor car would have to stay on board until termination of the strike.

Senator DOMINICK. Do you know of any noticeable increase in vandalism of cargo or looting of cargo? We have had a lot of testimony in other committees about the problems we have at Kennedy Airport and at a variety of other places about hijacking, looting, vandalism and so on.

Mr. SICKINGER. We have had such reports. I cannot say they have been thoroughly confirmed, but it did refer to discharge at Ensenada and also containers that were discharged at Vancouver. Some were lost for a period of weeks. Some of them I understand were never found. The number and value of them I would not know.

Senator DOMINICK. Thank you. That is all I have.

Senator CRANSTON. Thank you very much.

You stated in your testimony that the net effect of the 1971 balance of trade resulting from the 100-day strike was a deficit of \$500 million. Can you give the background for that figure?

Mr. LYNN. Yes. The way we calculated this was that imports were cut more than exports during the 100-day strike by about \$200 million.

But taking the speedup of imports before the strike, you have a net loss of \$100 million from that, and more net losses because the diversion to other U.S. ports of imports was greater than diversion of exports during the strike. That is one of the key aspects of this, as I touched on in my testimony, the fact that our products going out through those ports are not readily moved about by land to other ports because of their relatively low value per pound or ton of shipment, and yet the products coming in are generally ones having a higher unit value so they can go to another port.

That is another net of \$250 million added to it, and then there is also the make-up on imports higher than on exports after the strike, a net of another \$350 million. So in total, these factors take away \$700 million, which leaves us a balance of \$500 million.

Senator CRANSTON. Before asking the next question, I do want to explain that I view the impact of the strike as a serious one on many, many people in various ways. I am very interested in trying to determine exactly as best I can if these figures are accurate. I am also anxious to see what facts Secretary Butz can present to back up that billion-dollar figure.

Among your own figures you say that, based on State government figures the strike caused losses of \$17.5 million per day in California during the 100-day strike and another \$6 million per day in Washington and Oregon, for a total of \$23.5 million in those three States.

The President also made a point of the same figure, \$23.5 million daily in his statement yesterday.

I would like to know a little more about that figure. For example, can you tell us just how the figure for a daily loss of \$17.5 million in California was arrived at?

Mr. LYNN. I think what I ought to do in that regard is call on my experts to do that, if I might introduce a backup witness. I think that would be useful.

Senator CRANSTON. Fine.

Mr. LYNN. I am advised that those figures are based on statistics reported by some of the States involved, Mr. Chairman.

Senator CRANSTON. Are you aware of the article which appeared in the Los Angeles Times, by Harry Bernstein, raising some questions about those figures?

Mr. LYNN. No, I am not.

Senator CRANSTON. Mr. Bernstein states that \$10 million of this figure is based on the estimate that there are 300,000 workers in California who are in some way related to foreign trade, and on the assumption that every one of them is losing \$30 a day in wages because of the strike. Mr. Bernstein quotes the source of the data used in reaching this figure as the Wells Fargo Bank research department. Wells Fargo denied that there is any basis for assuming that 300,000 employees or anywhere near that number, have been laid off according to their figures.

Bernstein also points out that the California unemployment statistics also show that the estimate of losses is incorrect, since the State jobless rate dropped from 7.3 percent just before the strike began, to 6.2 percent in November when the Taft-Hartley injunction was granted.

Are you able to make any comment on that in view of the fact you are relying on State figures?

Mr. LYNN. On that last point, what I would hope the last figure indicates is a countercurrent which is a healthful one, not to the people who are unemployed because of strike, but to the people of California as a whole.

It would indicate to me that the health of the economy is improving as a general matter, and those are encouraging figures.

But the unemployment suffered in this regard simply means that the rate of recovery has been slowed down. To the particular people involved in the unemployment here, it is a very severe problem.

Senator CRANSTON. I have seen nothing or heard nothing to indicate that the California employment situation is improving. I suggest that you check on those figures before they are used further, because I think there is some reason to question them.

Mr. LYNN. We certainly will.

(The article referred to follows:)

[Los Angeles Times, Jan. 30, 1972]

DOCK STRIKE COSTLY BUT SEEN AS LESS THAN ANTICIPATED

(By Harry Bernstein)

Wild guesses and exaggerations were used in official government estimates of economic losses caused by the West Coast dock strike, a check of figures disclosed Saturday.

There is no question that the strike, which lasted 100 days last year and resumed in January, is having enormous adverse effects on the economy.

Losses have climbed into the millions and possibly the hundreds of millions of dollars.

But Gov. Reagan's estimate of a \$1.7 billion loss to the California economy during the 100-day walkout last year is not substantiated by available facts.

Nor is there reason to believe that Secretary of Labor James D. Hodgson was reporting accurate figures when he said "current estimates of cargo loss per day are \$17.5 million by California and \$6 million by Oregon and Washington."

Both Reagan and Hodgson used the loss estimates in calling for quick congressional action on President Nixon's call for a compulsory arbitration law to end the strike.

GOVERNMENT ESTIMATES

The government estimates assumed that the economy lost virtually all the money it would have made had the 24 West Coast ports been operating, and they made it appear that all workers involved in any way with foreign trade are losing most or all of their wages.

But there are no reliable figures showing a significant increase in unemployment among the 300,000 workers linked in various ways to foreign trade. The state's unemployment figures showed a decline in the unemployment rate, not an increase, despite the strike.

Even though the official government estimates have magnified the losses substantially, specific industries and companies do report that their own losses are substantial, but no reliable cumulative total is available.

The California Department of Agriculture, estimated agricultural losses for the state totaled \$25 million during last year's strike, with losses especially heavy in the citrus and grain industries.

Sunkist Inc. reported its fresh fruit sales were down by \$7 million because of last year's strike, but nearly one-fourth of that was made up by additional sales to canneries.

The major concern of many government experts directly involved in the economics studies is the possible long-range effect of the losses of foreign markets abroad.

The concern is that purchasers in Asian markets especially may decide to find other suppliers if the U.S. products are not reliably available.

The need to assess the total impact of the strike is particularly important in Congress which must decide whether to enact a law that would force the

striking longshoremen back to work and submit their dispute with Pacific Maritime Assn. to compulsory arbitration.

If adopted, it would be the first law of its kind. Compulsory arbitration and government back-to-work laws have been passed only four times, each aimed at nationwide railroad strikes.

A critical question for Congress is whether it wants such a precedent-setting law forcing strikers back to work unless there is a national emergency.

Those advocating the law cite estimates of huge losses to prove the emergency does exist and that Congress should act quickly.

NOT SUBSTANTIATED

But the statistics presented so far by the state and federal governments could not be substantiated as actual losses by government staff experts who prepared the figures for use by Reagan as well as Hodgson and other Nixon Administration cabinet officers.

There were losses, government statisticians said, but they conceded they do not know what the actual losses totaled. A substantial portion of goods normally shipped through West Coast ports instead is being shipped through Atlantic, Gulf, Canadian and Mexican ports, and by truck, train and plane.

For instance, a government estimate listed as a total loss of shipment of cars that would normally move through the Los Angeles Harbor, when in fact the shipment was made through Ensenada or Vancouver, B.C.

If Hodgson's figures were correct, losses during a 100-day strike of longshoremen would total more than \$2.3 billion, or even more than the estimate made by Reagan.

Typical of the statistical confusion was the method used in arriving at the estimate put out by the Nixon Administration that California is losing \$17.5 million every day of the current strike.

Aides of Hodgson said that while he used the figures, it came from California officials, and the federal government just assumed the estimate of a \$17.5 million-a-day loss was correct.

CHECK MADE

A check with state government officials showed that nearly \$10 million of the total estimated loss is based on the assumption that more than 300,000 California workers lose slightly more than \$30 a day in wages because of the strike.

"That figure came from the Wells Fargo Bank research department," explained a Reagan Administration official who gathered the total estimate for use by the state and which, in turn, was picked up by the Nixon Administration for use before Congress.

But Dr. Joseph Wahed, the Wells Fargo economist who prepared the figures, said, "by no stretch of the imagination can you assume that the information in my report meant more than 300,000 Californians were losing \$30 a day in wages due to the longshore strike."

Wahed said his figures were actually contained in a report made last year to show the effect of foreign trade.

He figured—based on data from Hodgson's Bureau of Labor Statistics—that 300,000 workers in California are linked in some way with foreign trade.

"But it is wrong to assume that because the West Coast ports were being struck, all 300,000 people were laid off or lost wages. For instance, 150,000 of that number are in manufacturing and as far as I know they are still working," Wahed said.

The state's own estimate of the number of unemployed also shows that it is an exaggeration to calculate a \$10 million-a-day loss due to unemployment and underemployment resulting from the strike.

California's unemployment statistics also show the estimate of losses is incorrect.

Last June, before the longshoremen struck, the state jobless rate was 7.3% of the work force. In July, after the strike began, the jobless rate dropped, going down to 7%, moved up just 0.1% in August and then continued its downward trend, dropping to 6.2% by November when the strike was ended by a Taft-Hartley Act injunction.

In other words, these figures would indicate that the strike had relatively little impact, if any, on overall employment but the state has estimated a \$10 million-a-day loss due to lost wages of 300,000 workers.

The loss estimate of \$17.5 million-a-day caused by the longshoremen's strike also included a "\$2 million-a-day loss to the local economy (where the ports are located)," according to aides of Gov. Reagan.

But that figure was arrived at by simply estimating the value of the average ship's cargo at \$18.75 a ton, and assuming that represented a total loss to the community. Not considered were such offsetting factors as use of trucks, trains and planes or the fact that a considerable portion of the cargo was moved through the struck ports before and after the strike, and was just delayed, not lost, through the shutdown of the harbors.

Losses estimated at \$500,000 a day for longshoremen's wages and fringe benefits were also tossed into the total, even though the figure is duplicated in other items used to arrive at the total.

None of the statisticians interviewed suggested the longshore strike is not hurting some portions of the economy, but they all agreed that it is an exaggeration to suggest, based on data offered by the state and federal governments so far, that losses to the overall economy are running even close to \$23.5 million a day as the government estimated.

Senator CRANSTON. I have no more questions.

If there are no further questions, I thank you very much for your patience. I thank all of you for being here.

We stand in recess.

(Whereupon, at 5 p.m., the committee recessed, to reconvene at 2 p.m. on Friday, February 4, 1972.)

WEST COAST DOCK DISPUTE, JANUARY-FEBRUARY 1972

FRIDAY, FEBRUARY 4, 1972

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The committee met, pursuant to notice, at 2:15 p.m. in room 4232, New Senate Office Building, Hon. Harrison A. Williams (chairman), presiding.

Present: Senators Williams, Pell, Nelson, Javits, Schweiker, Packwood, and Stafford.

Committee staff members present: Stewart E. McClure, staff director; Robert E. Nagle, general counsel; Robert R. Humphreys, special counsel; and Eugene Mittelman, minority counsel.

The CHAIRMAN. We convene this committee hearing on the West Coast dock strike with an apology for our beginning late.

You know we were called over to the Senate floor to a vote. Also, I would like to add a word of appreciation to Mr. Flynn, Mr. Bridges, and Mr. Brundage for being responsive to the Senate's invitation to come here and help us with our deliberations on the question that faces us.

I know you had a session with the House of Representatives this morning, gentlemen, and you probably wonder why it could not all be done at one time, but I am sure you appreciate that demands keep us here, and House Members there, so we have to do it twice.

Mr. Bridges, shall we just begin, without any of our opening statements.

We would appreciate it if you would present us with your views that I know will be helpful to us.

STATEMENT OF HARRY BRIDGES, PRESIDENT, INTERNATIONAL LONGSHOREMEN & WAREHOUSEMEN'S UNION

Mr. BRIDGES. Well, Senator, I have a statement here which I read to the subcommittee in the House. I suppose I can put in in the record with your committee or—

The CHAIRMAN. It would probably be best if you presented your full statement; yes.

Mr. BRIDGES. All right. I will do it that way. I might paraphrase some of it. The real guts of what I want to say and mean is in the first four or five paragraphs of this statement. It is a statement by me as President of the International Longshoremen's & Warehousemen's Union.

I appear before you to oppose Senate Joint Res. 187 and House Joint Res. 1025—companion bills—now pending the Congress of the United States.

The purported purpose of the joint resolution is to provide a procedure for a settlement of the longshore strike on the Pacific Coast; to establish an arbitration board to hear and settle all issues in dispute; and to make a final and binding agreement which shall not be less than 18 months or more than 24 months; and to provide in some way for no strike or lockout action by the parties during such agreement.

I want to say here and now, personally, and for the International Longshoremen's & Warehousemen's Union, which I have the honor to represent, that our recommendation to the striking ranks will be that the workers came out on strike with a vote on an industrywide secret referendum ballot and they will return the same way.

In saying this, I mean no disrespect or defiance of President Nixon or his high office. I simply mean to say that in this instance he is trying by methods that won't work to force an end to our strike.

Even the President of the United States in his message to Congress does not make the claim that this strike must be ended because the national health and safety is in danger.

Let me state for the record that the ILWU is working all cargo which has been designated as essential by the military. It was not the union but the employers who attempted not to work such cargo.

During the course of the strike all special requests of the administration to work cargo which it deemed essential to the health and safety of the Nation were granted. The special request of President Nixon to work wheat for emergency relief for Pakistan was granted. Other special requests involving special NASA cargo were also granted. During the present strike it is the policy of the union to work all passenger vessels and to unload all refrigerated cargoes which were on the high seas prior to the start of the strike.

It has been stated by the President and various administration spokesmen that the longshore strike is bringing about a permanent loss to the economy of the United States. Let me give you the results of a survey conducted by Mr. George Shultz, presently head of the Office of Management and Budget, in which he says—and here I quote the part of Mr. Shultz' report made a couple of years ago when he was Secretary of Labor, and in that instance, dealt with a long drawn-out strike on all ports on the east coast.

So, that is a part of my statement I will skip to shorten this thing up.

Mr. Shultz now has—I forget what his official title is—but, Director of the Budget.

I will go on to page 4 of my statement.

Recognizing the need of the farmers from the grain belt to ship their wheat abroad, the union has commenced separate negotiations with the principal tidewater grain terminal operators on the Pacific coast of the United States, covering all grain elevators between Puget Sound and Mexico. Our purpose is to negotiate a special separate agreement to permit normal shipments of grain and footstuffs to begin immediately.

Our negotiations with the principal wheat companies are progressing, and we hope for a settlement with them shortly. In addition, our

union is making efforts to commence separate negotiations with citrus, banana, and other perishable food shippers so that any burden which these shippers have may be alleviated.

Now, of course there are hardships to the importers of foreign automobiles and the importers of scotch whisky and the importers of Japanese steel, but I hardly think that the lack of imports of these commodities constitutes an emergency and is detrimental to the health and safety of the United States. In fact, many people, including some administration spokesmen, say just the opposite.

If the President of the United States has any special requests for any special cargo which he thinks must be moved in the interest of the health and safety of our country, we shall consider his requests to move that cargo now, just as we did in July 1971, when he asked us to move wheat destined for Pakistan.

Our negotiations with the Pacific Maritime Association are making some marked progress. The parties have agreed to ask Mr. Sam Kagel, who for many years has been the Pacific Coast Longshore Industry Arbitrator, to act as a mediator in an effort to settle the issues in dispute; and we feel that if the parties are left alone these issues will be settled very quickly. The issues in dispute at present have been greatly narrowed.

The principal misconception which seems to exist—that the major issues are of a jurisdictional nature—is totally untrue. The question of stuffing containers has been settled between the parties. And, if any minor jurisdictional problem should arise, we feel that sufficient mechanism has already been worked out between the International Longshoremen's & Warehousemen's Union and the International Brotherhood of Teamsters to settle these few remaining matters.

The joint resolution attempts to draw the Teamsters Union into this dispute although the Teamsters Union is not on strike. The jurisdiction issue is manufactured for the purpose of passing this resolution.

I have a statement here saying that Mr. Einar Mohn, vice president of the Teamsters Union, is going to attend these hearings, and that is not the case. Mr. Brundage is here instead.

This legislation is so poorly drawn that apparently it was designed to give everybody a piece of the action. The legislation applies to the State of Hawaii, where there has been no strike of longshoremen, no strike of any kind.

In Hawaii our union made special provisions to handle the principal export crop, sugar. It permitted special voyages to bring such supplies as were necessary, and during the entire strike period weekly steamship service has been supplied by one of the principal steamship companies of the United States. There is no emergency in Hawaii. There never has been an emergency in Hawaii. The emergency has been manufactured in the facile minds of some of the Members of Congress from that State—and in the mind of the present Assistant Secretary of Labor who was formerly employed by the Hawaii Employers Council.

We are apart at present on the following points—I mean the union and our employees association of PMA are apart on certain points looking toward a new contract, wages, and so forth, and so on. We are not apart on wages. So, I have got a listing here of a series of items which I think I may as well skip at this stage of the game.

In the context of an industry which has had 24 years of peaceful collective bargaining without a strike during all that period, it seems

hardly practical or proper to me that this is the solution to our problems, meaning the joint resolution that your committee is considering.

We feel that if left alone, within a reasonably short time the parties will arrive at an amicable agreement.

During the last 10 years particularly, the union has grappled with the problem of mechanization, automation, containers, bigger ships. Most of these problems relating to job security, work opportunities and providing the industry with an opportunity to develop, have been settled without strikes.

The present dispute relates basically to the need of the longshoremen for economic security. Many of the issues were complex and novel and required lengthy discussions. Most of these problems have already been settled.

In many industries these problems have resulted in strikes, year after year. The next technology in shipping has presented us with the types of problems which were not even in existence 10 years ago. In this industry productivity has increased and costs declined. Our union must provide the security for our members and their families.

As a matter of fact, with all due respect to the committee, my appearance at these hearings has caused a delay in the negotiations which are required to end the strike.

Let me butt in right there and say, Mr. Chairman, that I am appearing before your committee at your request, voluntarily, so this statement was drawn up for the House committee, where I was subpoenaed. That is not meant to be any criticism of Mr. Thompson but the fact of the matter is, I could not be in two places at once.

These joint resolutions are the first step in bringing about compulsory arbitration for all unions. The passage of the joint resolution will change the face of America and will bring us a long way down the road to compulsory arbitration, elimination of the right to strike, vesting the power over wages and working conditions in the hands of the Government.

In my opinion this whole approach is unconstitutional and illegal. There is no law or constitutional provision requiring compulsory arbitration and there is no law or constitutional provision saying that we can't take a referendum vote to return to work or to stay on strike, or that we must take such a vote. There is no law, at least not right now, which lays down the conditions under which we must return to work regardless of the wishes of the striking rank and file workers.

This joint resolution is the "Trojan Horse" to open the door to an all-out attempt to destroy the transportation unions in the United States, and we on our part have no intention of submitting to such legislation unless that is the will of our members as expressed in a secret ballot.

That is the end of my statement, Mr. Chairman.

There is one final point I want to add, that in my conversation with various people the point is not understood that the number of workers that I am speaking for here today—that are on strike—is 13,000. Anybody would think it was 13 million, but it is really not; it is only 13,000.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Bridges. We will have to recess to go over to the floor and cast a vote, maybe two.

We will recess until 3 o'clock, and we will appreciate it if you would be patient with us until that time.

(Short recess.)

The CHAIRMAN. The hearing will come to order. We will resume. I believe it would be best if we withhold questions and take direct statements from the next two witnesses.

Senator PACKWOOD. Could we question one at a time? I have read their statements and they are sufficiently—

The CHAIRMAN. I have not. The statements are brief so that we will hear the statements.

STATEMENT OF EDMUND J. FLYNN, PRESIDENT, PACIFIC MARITIME ASSOCIATION

Mr. FLYNN. Thank you, Mr. Chairman. I would like to apologize for being late at the beginning of this session. We got involved in traffic.

First, my name is Ed Flynn, and I am president of the Pacific Maritime Association.

The Pacific Maritime Association is made up of 47 steamship companies and 67 stevedoring and terminal companies.

We have offices in San Francisco, Los Angeles, Portland, and Seattle.

The primary function of the association is to negotiate and administer collective-bargaining agreements with various maritime unions. Certainly, you know we have an agreement with the ILWU, which is on a coastwide basis and it covers cargo handling at all Pacific coast ports from Mexico to the Canadian border.

Additionally, the Pacific Maritime Association negotiates for the seagoing personnel of American-flag vessels that are headquartered on the Pacific coast.

However, my remarks, as you would expect, would be limited to the bargaining relationship we have with the Longshoremen's Union. I have a paragraph in my prepared statement that gives you certain statistics that indicate the scope of the bargaining arrangement with the ILWU and cargo handling on the west coast.

What I would like now is to deal briefly with the relationship of the ILWU beginning in 1948, bringing you up to the present dispute.

Since 1948, there had been no contract termination longshore strike on the Pacific coast. In 1961, the parties signed the first two 5-year agreements. The current strike was called at the termination date of that second 5-year agreement; that is, on July 1, 1971.

As a result of our experience since 1948, particularly during the period of the two 5-year contracts, there was nothing that suggested to us that the pattern of peaceful voluntary collective bargaining that had been enjoyed between the parties would not continue. As a result of that feeling, we entered into early bargaining negotiations with the ILWU in November 1970, in an attempt to reach an agreement well in advance of the expiration date of the second of the two 5-year agreements that I referred to.

What has happened since the initial bargaining sessions in November 1970?

First, there have been 90—parties on the west coast right now are engaged in the 90th bargaining session since November 1970. Some of

them have been short, and, on the other hand, some of them have gone around the clock.

Second, we have had two strikes. One lasted 101 days and the second now is in its 18th day.

Third, there has been intervention by the Federal Mediation and Conciliation Service, with the Director of the Service at one time spending 17 consecutive days on the same in San Francisco.

Next, there was personal intervention by President Nixon, and this was the first time the President, since he has taken office, has personally intervened in a labor dispute. He met with the parties in Portland, Oreg., on September 25, 1971. Following that, we had an 80-day injunction under the Taft-Hartley Act, which began on October 6, 1971, and then recently in a further attempt through voluntary bargaining to reach an agreement, the parties agreed on Wednesday to have a third party come in, in an attempt to mediate the dispute.

Now, the question that I think that everybody has on his or her mind is this: Will the present mediation effort produce a contract? I have to say that in view of the track record, that you committee members should not be optimistic. PMA will try, but we have tried for the last 15 months without success, and therefore I advise you not to count on a contract soon.

We find ourselves in this dilemma after 15 months of meetings, despite the fact that the parties have already agreed upon a \$1.12 per hour wage increase for what would be a contract period of less than 17 months' duration. We have agreed to a \$500 per month pension for longshoremen retiring between the ages of 62 and 65, and at age 65 there is a \$350 pension and social security takes over.

We have already agreed to 36-hour per week earnings guarantee for class A longshoremen, and there have been other significant improvements that the parties have agreed to.

Now, the \$1.12 wage increase alone was characterized in the January 23, 1972, New York Times as making "a mockery of all anti-inflation guideposts."

Despite these costly increases, the parties still have major economic differences. Sometimes the hangups in labor disputes result from employer demands to reduce employee complements, to combine jobs, or to eliminate long existing work practices—the type of demand that leads to the union rallying cry: "speed up."

But such is not the case in this situation. If anything, the local bargaining will probably produce less efficient operations in the future. Now, making these statements about productivity anticipation for the next few years, we are not overlooking the fact that there have been significant productivity improvements during the last 10 years. And, frankly, we hope that continued improved technology will continue these productivity gains.

But, I mention these things just to make it very clear to the members of this committee that the dispute we have is in no way attributable to employer demands for the sacrifice of long-established and desired employee work practices.

I think from what I have said that it is clear that we view the hangup as being the union. In view of the fine relationship that existed between the parties since 1948, we think it is bitter and certainly it has been a very costly experience.

Now, some 15 months after we commenced negotiations, we think we have about exhausted our bargaining resources, and therefore we urge Congress to provide a solution. Mind you, when I say, "We urge Congress to provide a solution," we will not forgo our obligation to engage in collective bargaining. But still we feel that no union, no employer, or no combination of the two should be able to hold the widespread financial and human disasters on helpless third parties that have been fomented by this dispute.

Additionally, in this dispute, we have a special situation. Of course, here being in the transportation industry and particularly shipping, we are concerned with such things as the national defense, foreign and domestic commerce, balance of payments, the support of the States of Hawaii and Alaska and territorial Commonwealth of Puerto Rico, and we are concerned with our ability to remain a maritime power in world affairs, and this is not to overlook the fact that there are such mundane things as the tax dollars we are spending to maintain American-flag vessels in the foreign trade.

I would like to comment just very briefly on the matter of compulsory arbitration. Whenever a proposal for compulsory arbitration is made, objections are made that it will destroy free collective bargaining. However, this association, Pacific Maritime Association, has reached the conclusion that the availability of a tribunal to hear and settle this dispute is indeed essential to the preservation of our free collective bargaining system.

Now, if you will permit me to make an analogy, we have in this country, a highly prized judicial system. We regard it as the safeguard of our freedoms, our civil rights, our personal liberties, our properties, our family relationships; indeed, our very lives may be regulated and controlled, or disposed of, by judicial process. And yet we do not refer to such adjudication as compulsory, nor to the judges as outsiders.

What is there about a dispute concerning wages and hours of work, conditions of employment, job rights, or job security that makes it exempt from the same kind of judicial determination—the kind that is available to determine other issues involving equally important subjects?

We have heard it argued that management and labor under our system of free enterprise must each be free to "go to hell in its own way" in collective bargaining without interference or restraint.

One might agree with this philosophy despite the fact that the same freedom is not allowed in other relationships if innocent bystanders are injured, except in situations where national safety and welfare are threatened, and except in the present situation where third parties are being destroyed, and except, most importantly, where collective bargaining has failed.

Therefore, we, the members of the Pacific Maritime Association, urge as a substitute for collective bargaining in this case the passage of the joint resolution that you have before you.

The CHAIRMAN. Thank you very much, Mr. Flynn. We will turn to Mr. Albert Brundage, general counsel, Western Conference of Teamsters, the third party. We understand that you are the third party that has been settled out of this dispute. I hope that is true.

**STATEMENT OF ALBERT BRUNDAGE, GENERAL COUNSEL,
WESTERN CONFERENCE OF TEAMSTERS**

Mr. BRUNDAGE. Not precisely, Mr. Chairman. On behalf of the Teamsters I appreciate the opportunity to appear before you. While we are not a direct participant in the strike, the Teamsters Union is involved.

I think, for purposes of saving as much time as possible, it would perhaps be desirable that I read to you the resolution passed by the general executive board of the International Brotherhood of Teamsters in Miami on January 17, 1972, after consideration of the joint resolution.

"The International Brotherhood of Teamsters is unalterably opposed to the principle of setting labor disputes by imposing agreements dictated by the Government. The principals of industrial democracy will be preserved only through processes voluntarily agreed to by the parties to a labor dispute.

"The International Brotherhood of Teamsters has offered to participate in a voluntary binding arbitration to determine the contested issues relating to the handling of containers. We are still willing to do so.

"In a voluntary arbitration, the parties determine the ground rules, the procedures to be followed, the method and selection of arbitrators and the issues to be decided. In compulsory arbitration, such as proposed by the Government, all the parties to a dispute are stripped of their rights, while the terms and conditions by which the issues will be defined and resolved, as well as the final determination are imposed upon the parties by the Government."

For these reasons, Mr. Chairman, we are opposed to compulsory arbitration. There are still some areas in which there is not complete agreement between the Longshoremen and the Teamsters with respect to the loading and unloading of containers, and it is our proposal that to the extent that the parties are unable to resolve their differences on the container issue that the issues in dispute be submitted to voluntary arbitration with the parties agreeing on the rules of procedure, with the parties agreeing on the scope of the issues, the parties agreeing upon the arbitrators, and that all of the interested parties, the ILWU, Teamsters, Pacific Maritime Association, trucking employers, be afforded the opportunity to participate in such a voluntary arbitration so that the matter could be adjudicated in a manner so that all the interests of the parties are considered.

Thank you very much.

The CHAIRMAN. Thank you, Mr. Brundage. I will start with questions that I think will be answered within 5 minutes, to both Mr. Bridges and Mr. Flynn.

I wonder if you could clarify for us just what the remaining issues in dispute are so that we can get some sense of whether you are, indeed, reasonably close to settlement of this dispute?

Mr. FLYNN. When we resumed bargaining at the beginning of this week, we identified the economic issues that were on the table before the parties unresolved, and according to our arithmetic they had a

cost of 63.8 cents and that is on top of the rather sizable package that I identified, some of the highlight items in my testimony.

There are several, what you will term "noneconomic" issues that still have to be disposed of by the parties.

I know in Mr. Bridges' testimony he said the issues had been narrowed, and certainly they have been narrowed when you look at the differences that exist when you first began, but as to whether the issues that remain are major or minor, whether they lend to immediate resolution through collective bargaining is an extremely difficult one to answer.

The only thing that I can say is that we have been trying for 15 months to get a settlement on this thing, and we have used all of the resources that we have and we still have these issues, and just don't know how great or how significant—

The CHAIRMAN. What are the issues? That is what I would like you to explain?

Mr. FLYNN. We have holidays, the union has a demand for holidays and also prescriptions, for instance, some equalization of wages for employees that work in container freight stations, requests for additional pay for skilled employees, and we have the important question of retroactivity. Those are economic issues.

Harry, did I miss any of the others?

Mr. BRIDGES. Well, Mr. Chairman, the part of the statement that I did not read goes as follows:

We are apart at present on the following points:

1. Effective date of the wage increase.

The union proposes that the wage increase be effective as of November 14, 1971, the date of the commencement of phase II of the President's economic stabilization program. We propose this date because it is the date which has been granted by many of the same employers who are members of the Pacific Maritime Association to other longshoremen employed in the ports on the Atlantic and gulf coasts of the United States.

My point there, to give you the information: many of the same companies represented by the PMA whose ships sail across the Atlantic, have reached agreement with the east coast and the gulf coast. And on the wages they have made them retroactive back to November 14, 1971. These are the same companies, mind you.

So, we have a very difficult time explaining to our workers on the Pacific coast why the same companies should grant the wages retroactive, notwithstanding pay boards or anything else, to the east coast longshoremen and not to us. I cannot answer that question. But that is a big outstanding item, retroactivity, in other words.

Second we are in disagreement on the matter of paid holidays. We are asking 10 paid holidays, another standard item, and again the same companies have agreed to such things with the longshoremen on the east coast. That puts us in a bind.

The CHAIRMAN. How many paid holidays do you have now?

Mr. BRIDGES. None. We are supposed to be a tough union, and I have a helluva time explaining that.

The CHAIRMAN. What are the holidays that you were asking for; the Fourth of July?

Mr. BRIDGES. The Fourth of July, Christmas Day, New Year's Day. We have not got around to the Fourth of July, Abe Lincoln's Birthday, et cetera, and there is another item here that the employees coming under collective bargaining agreements shall be provided with prescription drugs. That is very simple.

The total cost might be about 4 cents an hour. Then we have a few other issues, such as increase in life insurance. That is a very limited thing. We do have a pension plan, but we have too many cases in our industry—which is a very dangerous industry—and just about the time a married man or single man gets to be about 55 or 60 years of age and he is not eligible to retire yet, he drops dead. The wife gets a couple thousand dollars, period.

What we are proposing is an increase in that life insurance up until the time a man dies, up until the time he is eligible to retire, that is. If he can retire, then he does not take retirement and he dies, he is out of luck; but if he dies before he is eligible to retire, his wife gets \$10,000, not a helluva lot.

Now, it is true the employers have offered \$4,000, so we are apart, that is \$6,000 today. There are other issues, such as a difference in skilled differentials which adds up to a few cents an hour total. There is a matter of an unpaid liability—total sum around \$900,000. There were some people retired and they were due to get certain moneys out of a fund that we had built in as a mechanization bonus, it is true the employers completed their liability on the fund. They paid in all the money they were obligated to pay in. That is not too good of an argument, when an injured longshoreman gets injured or sick and has to get out of the industry way before the retirement date, you see?

He takes early retirement under the injury clause and when he thinks he has got some bonus money coming, I have to say to him: Sorry, we have run out of money. We have a deficit around \$900,000 that we are trying to make up. These are the money items.

The chief money item, we are only apart on money items as far as I know, and only some half dozen, and the two main money items being: the 10 paid holidays, and we have offered to make the 10 paid holidays, say, five effective now and five effective a year from now.

The other big money item is the retroactivity which is one cost, a one-shot deal, and this is where we are apart, Mr. Chairman.

Leave us alone, and we will come through all right.

The CHAIRMAN. That leads me to my last question at this point. What procedures would be followed after you who negotiate for your respective organizations come to agreement; what is the ratification procedure in your union, Mr. Bridges?

Mr. BRIDGES. Ratification procedure, we call a conference of our—in this particular case, the West Coast Longshore Division, and that division puts the proposed settlement down to secret ballot of the workers with a "do pass" recommendation and it is voted on by the workers.

The CHAIRMAN. You know, this is a new experience for you. You have not been through this for many years.

Mr. BRIDGES. What is that?

The CHAIRMAN. You have not been through ratification for quite a while.

Mr. BRIDGES. Oh, yes, we have.

The CHAIRMAN. Not following a strike. You have not had a strike since 1948.

Mr. BRIDGES. Yes, but we avoided a strike by referring an agreement and urging the workers to vote for that agreement instead of going on strike. We have not had a strike for 23 years; that is true. That is why I wonder what all the fuss is about now.

We spent 23 years solving the problems of those employers, and now people are mad.

The CHAIRMAN. I am just wondering now, this is something very new for many of your workers, a secret ballot on a ratification of an agreement that you have arrived at.

Mr. BRIDGES. Right you are; yes.

The CHAIRMAN. It is a speculation how this ratification would go, assuming you got everything that you are seeking in the few remaining items. What are the prospects of ratification?

Mr. BRIDGES. First of all, the committee that is negotiating the contract, of which I am chairman, that committee is not going to be called to recommend an agreement that we think will be voted down. When they recommend an agreement to the members, they are pretty sure it will carry. There is a possibility it would not carry.

So, when it is referred back to a vote, it is a secret ballot for the workers, and they vote for it; they automatically vote themselves off of the strike, and they vote for the agreement.

That is the ratification procedure. All that can be done in the space of a week.

The CHAIRMAN. Well, word reaches us, not directly, but through many indirect channels, that there is trouble in the union and that there might be problems of ratification.

Mr. BRIDGES. Oh, yes, you are right there. I have told you why there is trouble in the union. A lot of our workers think that we have spent too many of the last 23 years solving the problems of the employer. Industry has been changing. New ships, new devices, and what has happened to us, the work force has steadily dwindled and production has gone up. There is no argument about that.

Even the employers will not argue that, you see. The workers, many of them, and they are very articulate, and many of them are very young these days; you know how things are. Some of these young guys are pretty rambunctuous, you see—my own kids, too—what has happened, they have said: Look, you have spent too much of our time and our money solving the problems of the boss. Now it is our turn.

We do have some problems like that, but we will straighten them out; I am pretty sure of that.

What bothers me is that there is some validity to their complaints. With these changes in this industry, and the changes have been thorough-going, deep changes of different ships, different technology, and that is true all over the world. The single issue of containers, after they come off the truck or rail car, has eliminated thousands of jobs and at the same time jobs went down, production jumped up very sharply and our workers really think that they have been shortchanged. This causes problems, whether it be our group of workers, or any other group of workers.

The CHAIRMAN. Senator Javits.

Senator JAVITS. Mr. Bridges, you are a labor leader of very great experience, and you, I am sure, as such a labor leader, know that being close to an agreement is still not an agreement; is that not true?

Mr. BRIDGES. Say that again.

Senator JAVITS. Being close to an agreement is still not an agreement?

Mr. BRIDGES. Right you are.

Senator JAVITS. Our chairman and staff are quite correct in seeking to evaluate the issues that separate you and accept in good faith the assertion of employers that they do not think an agreement is so likely—that they think this legislation is necessary. Would you think, Mr. Bridges, from your long experience, that they are as unwilling to have the Government come in here and pass a bill calling for arbitration as the union is?

Mr. BRIDGES. I think Mr. Flynn's attitude in what he said today and this morning is very clear to me. He thinks he will get a better deal out of you people than he will out of us, and he is 100 percent right. We have got him whipped. We have got them on the ropes. They expect you to save them.

If I was in his shoes I would be doing the same thing. If I knew that by stalling around in negotiations until you settled it, I would get myself a cheaper deal; I would do the same thing. I don't blame him, if it would work.

Senator JAVITS. Mr. Bridges, do you think there are only two parties to this dispute, the workers and the employers?

Mr. BRIDGES. Yes.

Senator JAVITS. That the people of the United States or the people of the west coast are not a party to the dispute?

Mr. BRIDGES. No; they are not a party to the dispute. I understand precisely what you mean, Senator, that is that other people are affected by our strike. Other people suffer hardships, business people, small business people—I do not care too much about big business people; they seem to be able to take care of themselves—but the small business people get hurt by our strike; workers get hurt by our strike, and I am well aware of that, you see.

Senator JAVITS. And farmers.

Mr. BRIDGES. And farmers.

Senator JAVITS. That has been the big point.

Mr. BRIDGES. Farmers get hurt; I cannot deny that. No doubt about that at all. We try to take care of farmers. So, I am saying that they are affected. The impact of the strike hurts them in that sense, but they are not necessarily a part of the dispute. My way of thinking is that winning this strike would benefit all workers in this country. That is not an original statement by me. I have heard better people than me say that.

So, I think that what is good for the workers of the United States is good for the country. That is my cockeyed viewpoint.

Senator JAVITS. A fellow named Charlie Wilson said that once, and he spent the rest of his life living it down.

Mr. BRIDGES. He never said that.

Senator JAVITS. He said what was good for General Motors, which is a pretty big company—

Mr. BRIDGES. I am saying what is good for the workers is good for the country.

Senator JAVITS. Are the workers all the people of the United States?

Mr. BRIDGES. No.

Senator JAVITS. Are they the majority of the people of the United States, organized workers?

Mr. BRIDGES. Not organized workers.

Senator JAVITS. That is what we are talking about.

Mr. BRIDGES. Workers are; yes.

Senator JAVITS. Now, Mr. BRIDGES, let me tell you very quickly what I think because I am not trying to lead you into a debate of any kind or to entrap you. I think in a complex situation the real issue is: Is the national health safety in danger and—would you agree that that is the real issue?

Mr. BRIDGES. I do not believe so, Senator. We have taken what steps we can in our small way. I can say this, speaking of the union, if I did not say it, they would make them say it: If we, in truth, were endangering the health and safety of this country, they would throw me out as president if I did not do something about it at once.

Senator JAVITS. Do you think they ought to throw us out as Senators if we did not do something about it, under the same circumstances?

Mr. BRIDGES. Not the same circumstances.

Senator JAVITS. What I meant, sir, if the national health and safety is fiercely in danger now—that is all I am asking you—the issue could be answered “yes” or “no,” but I think we have to establish a criterion.

Mr. BRIDGES. Yes.

Senator JAVITS. Is the right criterion the fact that—and I am using your own language—that this strike must be ended because the national health and safety is in danger; is that the right issue facing the Senate?

Mr. BRIDGES. I do not say that. I do not believe the national health and safety is in danger for 1 minute. I am saying if it was, our attitude would be different. On the other hand, I recognize that the Members of the Senate have to take note of such things as national health and safety, and you have to do something. Where do we part company?

You are of the opinion that the national health and safety is endangered by this strike of 13,000 people on the west coast, and I do not agree.

Senator JAVITS. I did not say that. I asked you what is the issue, sir? Is the issue whether the national health and safety is or is not in danger? I may answer that with you: No; but I think it is very important for us to know what the issue that we have to answer as Senator is, if you can help us, and that is all I ask. I am not trying to give the answer; we are trying to find the answer.

Mr. BRIDGES. I misunderstood, Senator. It seems to me the issue that we are discussing here and that you are discussing is that there should be a law passed to chase the workers I represent back to work empty-handed, whether I like to go or not. That is the issue before us.

Senator JAVITS. That is your construction of the issue.

Mr. BRIDGES. If I am wrong on that, I should be corrected.

Senator JAVITS. I am not trying to correct you. You are too distinguished a leader for me to correct. I am only trying to get you to help us, if you can, because as I understood it, you said: “Even the Presi-

dent of the United States in his message to Congress does not make the claim that this strike must be ended because the national health and safety is in danger."

Mr. BRIDGES. That is what I understand.

Senator JAVITS. Therefore, I ask a logical corollary of that question: If the national health and safety is in danger, would you then agree that the Senate has a duty to act?

Mr. BRIDGES. Yes.

Senator JAVITS. Well, I think——

Mr. BRIDGES. That does not settle a thing. I have a right to explain the answer now, Senator. If the national health and safety is in danger, you see, I think the Senate, all of us, has a responsibility to do something. But, we are talking about a strike, and the other part of the question is: If the national health and safety is in danger because of this strike, you are bound to do something. I might have to go along with that. But, to insist or say that the national health and safety is in danger by this strike is not a fact. That is all I want to say.

Senator JAVITS. Well, Mr. Bridges, we thoroughly agree as to the issue. That is all I was trying to elicit. I thoroughly agree with you. If the national health and safety is in danger, we should act. If it is not in danger, we should not act, because otherwise you get lost in this thicket of speculation: Can you settle it, can you not settle it, and whether collective bargaining is or is not to be permitted to run its course, and I do not think we can resolve it.

But, I do think we can try to come to a judgment on the national health and safety. Now, let me give you some of the pieces of evidence.

The original suit which the Government instituted to get a Taft-Hartley injunction alleges that the national health and safety is in danger, and that statement is found at page 7 of the Government's brief, which reads that the effect of a strike by longshoremen on the national health and safety has been the frequent subject of litigation, and they go on to cite many cases in which they claim the court has held that such a strike endangers the national health and safety.

Subsequently, in its decision, the court made a finding of fact. This is the decision, U.S. District Court, Northern District of California, entered October 20, 1971, finding of fact No. 3: "If permitted to continue or to be resumed, said strikes will imperil the national health and safety."

Then the President sent us a message, and he said in that message, in the second paragraph: "Now, this work stoppage, renewed after injunction under the Taft-Hartley Act has expired again, threatens the Nation's health and safety. Those of us in public office must act swiftly and responsibly to avert its damaging consequences."

Mr. BRIDGES. What is the date of that statement?

Senator JAVITS. That statement is dated January 21, 1972. Then the President, because he did not think we were acting fast enough, on February 2, 2 days ago, wrote the following, paragraph 5 of his message to the Congress:

"I share the belief that Government ordinarily should not tamper with the freedom of bargaining, but when the processes are broken down and the Nation's health and safety are at stake, we in public office have no right to turn our heads."

The implication is clear he says that the health and safety are at stake. Now, will you answer that for us? He says that the court said the health and safety of the Nation is at stake in this work stoppage. Please give us your answer.

Mr. BRIDGES. Well, first I have a statement here, written statement that I mentioned, and I said that the President did not claim that the health and safety was in danger. When I drew this statement up, and we had the original resolution, I might be wrong, but I did not see anything in there, in the original resolution of the Congress, about health and safety. I might be wrong. That is the reason for my statement there. If I am wrong on that, I stand corrected.

Now, the subsequent statement, I know the other day the President, so I am told, when he tried to rush you along a little bit, mentioned it, and let us assume that the President said that. Let us assume that the President said that. Well, we disagree, and I suppose we have the right to disagree with the President, but I want to point out a few things that I mentioned in my statement.

I can assure you, if it is the opinion of the Defense Department that our strike on the west coast has interfered in any way with their duties and activities, it is news to me. We have a close relationship with the commanding general in charge of the west coast, and especially in charge of shipping supplies away to Vietnam. He knows what the rules are. What he says is important and necessary to move, it moves. It moves under the old condition, no wage increases or anything. There is the Defense Department. We start with that.

Senator JAVITS. Mr. Bridges, yesterday we had here the Secretary of Transportation and the Secretary of Agriculture. Secretary Hodgson has been here and the Under Secretary of Commerce, and all of them sustained the statements of the President, when we say the national health and safety in this context, we mean in the region of the Pacific coast.

I would respectfully suggest to our chairman that we demand a similar statement from the Department of Defense. Is that agreeable, Mr. Chairman?

The CHAIRMAN. We can request it. I do not know if we can demand it. Senator JAVITS. Let us request it.

The CHAIRMAN. We did invite the Defense Department to appear at the hearing yesterday. They said—this is a paraphrase and let me not get too far from what was said—that they were having no problems moving shipments essential to defense.

Senator JAVITS. I think we ought to have a statement from the Defense Department. I think Mr. Bridges' statement on that score is entitled to be considered by the Defense Department, and we ought to know, as a part of this record whether national defense is an element of the President's declaration to us regarding the national health and safety.

The CHAIRMAN. We will put that question to the Defense Department.

Mr. BRIDGES. I am only talking about shipping defense goods, not just war materials, but defense and military supplies of all kinds away from the Pacific coast ports, not just to Vietnam, but to Hawaii, to Germany, to a lot of places. And the way the rules worked, what

the general says goes. The general gives the orders and we carry them out. There are the facts just on the Defense Department, and if the reason we are working that cargo is naturally so that argument cannot be raised, that in that sense, at least, we are affecting the national health and safety.

As to the statements of the Department of Transportation and Department of Labor and other things—

Senator JAVITS. Commerce.

Mr. BRIDGES. Well, an argument can be made, I suppose, and I mentioned some of it here in my statement: imports and exports are being affected. I am not denying that. I have it in the statement and of course the people who make a living out of importing steel, produced in Japan and other places, if it is tied up, that is just disgraceful. That is terrible.

The Toyotas and Datsuns and the Volkswagens, all hell breaking loose because of those things. We are only told about the west coast, you know. There are all kinds of room for those items to come in on the east coast, and they do. They come in by way of Mexico. They come in by way of Canada.

So, it is very difficult and I am defending my position, Mr. Senator, you see, and I am not trying to say that the strike is not having an impact. We know darn well it is.

I am not trying to say people are not getting hurt. They are. Farmers are getting hurt. I am very well aware of that. Wheat growers and grain handlers, people that handle grain, export grain, they are getting hurt. We are trying to take steps to that extent to alleviate those problems. When it gets down to try to judge, I cannot quarrel, I guess, with the President's judgment on what affects the national health and safety are, I am sorry; we must disagree that our little strike of 13,000 people is not having a national effect.

Senator JAVITS. You are entirely right to make the case as to numbers, though I must tell you that that cannot be fully controlling on us, as I saw 500 tugboat operators tie up the city of New York tighter than a drum, and it would have frozen to death had the strike continued, and there were only 500. But that is neither here nor there.

I point out that that is not necessarily conclusive. I am very disturbed and concerned about a statement that you made, and please feel free not to answer my question, and I understand perfectly you have an absolute right to reserve your rights on the question I am about to ask. You said the following—you said:

"I want to say here and now personally, and for the International Longshoremen's and Warehousemen's Union which I have the honor to represent, that our recommendation to the striking ranks will be that the workers came out on strike with a vote on an industrywide secret referendum ballot and they will return that same way."

So, I ask you as a leader of your union, whether, if we pass a law asking your workers to return, will they return? Will you recommend that they return?

Mr. BRIDGES. The way that statement reads, the answer is: "No".

I know and I am well aware—I am not here under subpoena, and I am here of my own free will and I can dodge the question, but I

do not intend to dodge it. What I say in that statement, that is my job as president of this union. Those workers expect me to suggest, recommend what they should do and take the thing in context. You pass a law. Now, I do not know if this Congress can pass a law saying my workers or the workers I represent, can—well, we call our workers together by the thousands, and they are in a meeting. We hire a hall. I just get a picture, maybe like the U.S. Senate. Somebody gets up and says: I want to make a motion. I might be chairing that meeting and have to say to the worker: Sit down; you are out of order, not because of the parliamentary law but because this Senate has passed a law saying you cannot make a motion.

Senator JAVITS. The Senate will never pass such a law.

Mr. BRIDGES. That is what I thought.

Senator JAVITS. What your union does is your business and no law in my judgment, will seek to inhibit any vote you make.

The question is: If that vote should be adverse—now let us remember that there was an injunction in this case and your workers came back to work pursuant to the injunction.

Mr. BRIDGES. Right.

Senator JAVITS. And you asked them to do that?

Mr. BRIDGES. That is right.

Senator JAVITS. Now, would you not do the same thing with respect to a law of Congress? I would assume the workers would vote to return under such circumstances. We cannot, I think you will agree with me, as responsible legislators, even talk about legislating without having your view, if you feel free to give it. You do not have to. I repeat again: You are at perfect liberty and there will be no implications from it if you say, Senator, that is a question I do not choose to answer: I cannot answer, or I will not answer. Fine.

I do think it would be extremely helpful to us to know whether the workers would respond to a law in the same way that they responded to an injunction.

Mr. BRIDGES. On that part of the question I could not answer with certainty would the workers respond to the law. The question put to me: What do you mean by this statement, and my recommendation, you see, is that the workers have the right to vote themselves back to work. That is what the statement refers to. They voted to come out on strike. I said they will go back the same way.

I expressed myself on what I would recommend. I would recommend to the workers, and I have no hesitation saying: Look, you guys vote to decide whether to return to work or not.

The other part of the question you are raising: What if the Senate here passes a law saying you have to go back to work? That is what you are asking me.

Senator JAVITS. I am really asking you what will you recommend.

Mr. BRIDGES. That would depend on what the circumstances are. I will cross that bridge when I come to it, Senator. If you recommend that those workers go back to work with a wage cut, I will answer that question right now. I will advise them "no."

Senator JAVITS. You need have no fear.

Mr. BRIDGES. Wait a minute. The way things are going these days I am not so sure. I will say I will have to cross that bridge when I come to it.

But, that statement stands that I will have no hesitation in recommending to the workers that: Look, you are faced with a law; let us look at this whole thing; you came out on strike with a vote. Go back the same way and I will leave it up to those workers. I will take my share of the responsibility.

Senator JAVITS. Did they have a vote when they went back under the Taft-Hartley injunction?

Mr. BRIDGES. Yes.

Senator JAVITS. You went through with this procedure?

Mr. BRIDGES. Yes; we recommended that they obey, but after all, Taft-Hartley is a law that is standing. It is a lousy law. We opposed it; we have challenged it, but it is the law of the land. It has gone through the courts and been upheld in the courts. We are not talking about anything like that now. We are speculating here about what I am stuck with, and what I am curious about is how we are going to get those workers back to work. We have read that joint resolution. I have seen nothing in there that proposes how to get the workers to go back to work.

Senator JAVITS. Let me assure you that anything we pass will be a law fully equivalent in solemnity to the Taft-Hartley Act, so you will have no problems on that score. It will be exactly the law with the same force as the law on the books called Taft-Hartley.

Thank you, Mr. Chairman.

Senator PELL. I have long read about your admirable abilities and I am very glad to see you in person, Mr. Bridges.

I think Senator Javits put the question very well when our responsibility is really to determine whether it is a national nuisance or national emergency, whether the public health and safety are endangered or not. We have to make what we think is our judgment of fact. I may be mistaken.

We have to make that judgment. I am curious about the length of time involved. To my mind, it is still a nuisance and perhaps not yet an emergency, depending on the number of days that go by.

The strike can be a nuisance if it goes on for a month or two months; it can be an emergency if it goes on for a year or two years.

If there is no action taken by the Congress, do you have any premonition in the light of your own experience and work as to how long this strike could go on?

What is your feeling?

Mr. BRIDGES. The only way I can answer that, Senator—it shouldn't take too long to negotiate a settlement of the strike.

But, I am afraid what we are up against, especially after hearing Mr. Flynn this morning and this afternoon, what has happened here is, the Government has loaded the dice against us and that kind of extends the strike.

Now, if the parties got down to brass tacks and negotiated, we could get this strike settled in a day or two in my judgment.

The issues involved, I don't think there is hardly any disagreement between us.

I will say the issues involved—they are all money items and in money terms they range—take Mr. Flynn's figure—figured out by his experts, to 63 cents an hour, additional costs, against what our judg-

ment tells us, about 26 cents an hour—there is the difference in money items.

That's what is holding up the settlement of the strike, to negotiate that.

But, I think I have the thing right here. Where, now Mr. Flynn figures he has you people lined on his side of the fence and he is going to get a cheaper settlement, depending on you people, than trying to fight it out with us.

That can extend and continue the strike.

Senator PELL. I don't think any of us are aligned with anybody. I know I have an open mind on it.

If it is going to go on another year, we have to take action. If it is going to go on a few more days, by all means, let it roll.

Mr. BRIDGES. No reason for it to go on more than a week.

Senator PELL. I know in my own judgment it is time as well as the issue of safety.

Mr. BRIDGES. Let me put it this way, and now I will open up a little bit to the Members of the Senate.

I have said, and it is a fact, that the issues remaining between the parties are money items.

There is a distinction between money items and other items. There can be items such as job security, other things we have struggled with—the method of handling containers, the number of men on the job—speed up things of that kind.

But the money item is what I am talking about, wages, pensions—we have those settled. The guarantee is settled. Certain items of increased welfare costs, they are settled.

When I get down to money items, I mean items that are just on the amount of money that is going to be spent and what they are going to cost.

Well then, there would be no reason at all—and this is the test of what I said, that if this committee lines up on the side of Mr. Flynn—I don't mean you are doing that deliberately, it just happens that way—he is depending on what the Senate is going to do and what the Congress is going to do and here would be the test.

Let us say all the items standing in the way now are subject to or lend themselves reasonably to arbitration.

We are presently working now in negotiating with the arbitrators trusted and selected by both parties acting—Mr. Sam Kagel. He is out there mediating these sessions now.

The remaining items could be referred to Mr. Kagel for final resolution. Let us say we went back and—as we both will be going back to San Francisco today or tomorrow—we spent 2 or 3 more days in those negotiations on the money items, which are the only outstanding items.

If we couldn't agree to a settlement in 2 or 3 days, we toss it to Mr. Kagel and that settles the contract.

Now, that would be a test as against compulsory arbitration, which is a dirty word to begin with.

This is the way I feel about it and I am saying we might get some understanding of what we are up against here, by working it out that way.

Senator PELL. I thank you very much for the frankness of your reply.

As I understand it, your thought is that if we made a firm decision to do nothing and let a week go by, within a week you would yourself resort to voluntary arbitration?

Mr. BRIDGES. I am pretty sure that—let's say for no other reasons the workers have been on strike for nearly a hundred days and go back and come out again.

They don't want to stay on strike over some of these items, in my judgment. I would be duty bound as President to make this proposal.

That would be quite a proposal. Do you think Mr. Flynn would be willing to do that, too?

Senator JAVITS. Let's ask him.

Senator PELL. That would be a great idea.

Mr. FLYNN. It is a great idea, but I am quite sure that any of you who have had some first hand experience in collective bargaining will recognize the pitfalls in that from our point of view.

We started bargaining November 1970. The union has many things to put on the table. The union has taken off very few—we have agreed with a lot. A lot of things have been unresolved are still on the table. And, this is the traditional method of collective bargaining—they are on the table, and there are a couple of key items, as Mr. Bridges says he would like to take a look at.

But, all these other things, are still on the table.

For example, we haven't talked about vacations in 6 or 7 months.

But the union has not withdrawn its vacation proposal.

December 23, 1971, we got a final settlement position from the union that did not include holidays.

Three weeks later we get a settlement position or 2 weeks later we get a settlement position, holidays are back on the table.

The trouble with taking the very appealing proposal that Mr. Bridges has put out to you is this: The union has got probably 99 percent of what it expects to get and some place there is 1 percent left and yet maybe 50 percent that is still some place on the table that has no expectation of getting anywhere.

That's the pitfall of asking employers at this point of the game to accept arbitration with the remaining unresolved disputes.

Let me make another point.

You are talking about economic issues. Mr. Bridges has not expressed himself to some very important noneconomic issues.

He has a manning problem, and most important to us, we have an issue of steadyman. Unless that steadyman issue is satisfactorily resolved, we will not implement a collective bargaining agreement.

That is not a PMA demand at its outset. We had steadyman under the old collective bargaining agreement.

The local unions of the ILWU refused to go along with the concept of steadyman and they are trying to erode the practice that existed under the old agreement.

And, we say under no circumstances, will we permit that practice to be eroded.

Because it is essential to the well-being and productivity of the industry to have steadyman.

I have not heard Mr. Bridges address himself to the point as to whether or not he would like to have the steadymen issue resolved through arbitration or whether his union would permit it to go to arbitration.

Mr. BRIDGES. The answer is, "Yes."

Senator PELL. Excuse me.

It would seem to me that you are saying, that in the negotiations so far, the longshoremen have done better than your negotiators have done, and nothing is finalized, is that what you are saying?

Mr. FLYNN. We have agreed on many things, that everything is tentative until you have an agreement on all things, that is correct.

Senator PELL. This is a really very surprising, and I would think welcome, suggestion of which I have not read in the press. While I am not very familiar with the problems as much as I should be, such as the offer to go to voluntary arbitration or to try to settle within a week, I would think that this suggestion I mentioned would bring some compulsion on you, in spite of the fact that your negotiators have been out-negotiated in what has been some loss so far, to not turn that suggestion down.

Mr. FLYNN. But Senator, the thinking—why would the union take anything off the bargaining table in the next week if it knew that it was still on the table and it was going to go to arbitration?

There would be no incentive whatsoever.

I would like to address myself to the suggestions Mr. Bridges has made, that with the possibility of legislation, we are not going to move on anything.

That statement just does not hold true.

After we knew we were being asked to testify before this committee and the House committee today, PMA on Wednesday of this week, in a last ditch effort to avoid the possibility of a legislated settlement proposed we invite a neutral party in, to attempt to resolve the problem.

Since Sam Kagel has been there, despite the fact that we know there is a possibility of a legislated settlement, we have made concessions to get issues off the table just like Mr. Bridges stated he had made concessions to get items off the table.

We agreed to a proposal yesterday that changed the concept of our guaranteed plan to meet a union demand and this is despite the fact that legislation is being proposed.

And, I make these points to assure you that we are going to continue to meet our obligation to bargain in good faith even while Congress is considering legislation that we feel is perhaps a necessary fallback position, not necessarily for us, but some others who are involved in this problem who will continue to endure the suffering they have.

I assure you, and I hope that some of the members of this committee do not express the doubts, that members of the House committee did this morning, that we are talking out of both sides of our mouth.

We want the legislation as a fallback position, but I assure you, on behalf of the employers that I represent, we are going to approach the bargaining table and try to resolve this thing voluntarily, without the compulsory arbitration that is in the proposed legislation, and

even without having to engage in voluntary arbitration as proposed by Mr. Bridges.

Senator PELL. I would think it is somewhat of a stepladder. You start out with the negotiations—and they have not been too successful so far, then you have voluntary negotiations, then you have voluntary arbitration, and then you have mandatory arbitration.

Now it is at this point, it would seem to me, it would be unwise to consider mandatory arbitration, when apparently negotiations have not yet gone as far as they might on a voluntary basis, and when one side has agreed—I think the record should show this very clearly—and I am surprised at this, one side has agreed to accept voluntary arbitration.

Mr. FLYNN. We would have accepted voluntary arbitration, I suspect, Senator, in November of 1970.

But now, all the giving has taken place. Or a substantial portion of it.

You suggested bargaining hasn't been very successful.

Senator, as I repeated in my testimony, we have had a 112 cent wage increase for a 17-month contract on the table and my recollection is, that comes out to about 26 percent for 17 months.

You members of the committee are aware of what is being negotiated and what the guidelines are.

Senator PELL. That goes beyond guidelines right there.

What happens?

Mr. FLYNN. It goes tremendously above. We have met, I think our obligation in collective bargaining is an attempt to work out an equitable economic settlement.

And now, to propose that with the remaining issues that are on the table, that we dispose of it through arbitration, I just think is adding something to collective bargaining that has never been in the picture.

Senator PELL. Of course, the whole thing might be upset by the Pay Board deciding that it does exceed the guidelines.

Mr. FLYNN. Despite Mr. Bridges' protestations, I think if you look at the cards, the union has a whole lot more to gain from the legislated settlement than we have.

As the legislation is drafted, it gets a clean bill of health from the Pay Board.

I had deep reservations about the ability of both parties, and we have agreed to go before the Pay Board, to get approval of the Pay Board of what we would voluntarily negotiate.

Senator PELL. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Packwood.

Senator PACKWOOD. Mr. Bridges, you met the President and Secretary Hodgson last September in Portland.

Mr. BRIDGES. True.

Senator PACKWOOD. You gave him the impression that the strike would be settled, as I recall, "By this weekend."

Mr. BRIDGES. What was that?

Senator PACKWOOD. As I recall, you gave the President and Secretary Hodgson the impression at that time, that the strike would be settled by, "This weekend," and that was last September.

Mr. BRIDGES. That weekend?

Senator PACKWOOD. Yes.

Mr. BRIDGES. Mr. Hodgson expressed that desire, so did Mr. Shultz and Mr. Counts and the President himself.

I certainly told the President at the time as well as Mr. Hodgson, that we would make every effort as asked by the President to settle it before the end of the month, that the President added something else at the time.

We had a strike on the west coast, the agreement on the east coast terminated September 30, and the President said now, there is no reason to issue an injunction with just the west coast strike—that's the one we are talking about now.

Senator PACKWOOD. Good.

Mr. BRIDGES. But, if the east coast comes out, that's a different thing. An injunction would be almost automatic.

Senator PACKWOOD. I want to ask you whether you indicated late last September, that it was quite possible to settle the strike on the west coast by the weekend?

Mr. BRIDGES. Yes, I said it was quite possible to do that.

Senator PACKWOOD. And, you indicate today that it is quite possibly that you can settle it within a week?

Mr. BRIDGES. I will go further.

In answer to Senator Pell's question, he said, what are the chances of a settlement?

I said, in my opinion, of course, that, if I have heard the testimony correctly, what Mr. Flynn said, looks like the dice are weighed against us now in the normal way of trying to negotiate a settlement.

That's why I then, in proposing how a settlement could be brought about—I said, and I mean it now, I mean it more than ever—we go for a week, go back, negotiate these items—I am talking about the items in difficulty—the money items, no settlement within the next week, shove them to the arbitrator that we have working with us.

He is employed by both parties. He is there and all these arguments that I hear—that arbitrator is a well known national figure.

Certainly, arguments about health and safety, certainly, action like this—Mr. Flynn is talking about—all the money they have comes up in wages, and they are all darn good arguments that would carry weight with the arbitrator.

Senator PACKWOOD. But, you would be willing to submit the whole contract to arbitration, just the unresolved issues?

Mr. BRIDGES. Hell, no.

Senator PACKWOOD. Assuming you arbitrate the unresolved issues and for a week nothing is settled and we have Mr. Kagel take over. There is nothing in this legislation before us that would prohibit that, even if we approve compulsory arbitration and the three arbitrators are appointed.

You could still settle this contract by the time they come to any kind of finding?

Mr. BRIDGES. Yes, I suppose if you start bearing down on us, and I see a compulsory arbitration bill come along, and we are forced and had our druthers, as it were, voluntary or compulsory arbitration, we will take the voluntary way out if we got no other alternative.

Senator PACKWOOD. You have no objection to voluntary arbitration.

Mr. BRIDGES. Yes, I have.

Senator PACKWOOD. If you go for a week without settling would you be willing to submit to arbitration?

Senator PELL. I said if you go into voluntary arbitration now, and he thought he would reach a conclusion at the end of a week.

Mr. BRIDGES. That's it.

I was trying to answer the Senator, when I answer a question like this, I am bound by a committee, and all I can say is, looking at the whole circumstances, after this visit back and talking to you gentlemen, I will tell my committee and say, look here, here is what I proposed to the House committee and here is what I reported to the Senate committee, and I suggest you follow my advice on this.

And that is, let's give it another whirl for a week.

That committee is sitting back there, it looks like they are lining up on Mr. Flynn's side. I am not saying it is true. It is my viewpoint.

But, he might think so. So, I would say before we let that happen, let's give this a whirl for a week and then propose to Mr. Flynn, let's dump all the remaining issues to arbitration and on that basis we go back to work and the strike is over.

The health and safety is all fixed up again and everything else.

Senator PACKWOOD. We understand each other totally.

Whether we pass this bill makes no difference whether you and Mr. Flynn agree to voluntary arbitration.

You stated quite clearly in your opinion, the national health and safety is not affected by this strike?

Mr. BRIDGES. That's right.

Senator PACKWOOD. It is true, however, that the District Court in California found to the contrary when it issued the Taft-Hartley injunction.

It made a finding, that "Said strikes will imperil the national health and safety."

Mr. BRIDGES. Our strike?

Senator PACKWOOD. Yes, this is from the findings of fact, in the District Court of California when the injunction was issued under the Taft-Hartley Act.

So, we already have a judicial finding that your strike does indeed affect the national health and safety.

Mr. BRIDGES. The only answer I can give you to that, Senator, I have seen some courts wrong before.

Senator PACKWOOD. Mr. Bridges, you did not appeal this, and the longshoremen didn't appeal it because you didn't stand a ghost of a chance in the Supreme Court of getting that ruling overturned.

If you had gone up to the Supreme Court on it, you know that the finding would have stood up.

Mr. BRIDGES. Oh, no. Every time we go to the Supreme Court and challenged the Taft-Hartley, we have won.

Senator PACKWOOD. Not on national health and safety.

Mr. BRIDGES. On health and safety, maybe not on that. But we didn't challenge it, you are quite right.

We didn't challenge it in this case, even though we thought it was wrong.

Senator PACKWOOD. Let me ask you this.

You indicated earlier in response to Senator Javits, that after the 80-day injunction was issued, the longshoremen met to discuss the injunction and took a vote. You recommended that they go back to work?

Mr. BRIDGES. Yes.

Senator PACKWOOD. Let me ask you again what Senator Javits asked. If we pass a law saying we shall have compulsory arbitration, you want to have a vote.

What is going to be your recommendation to the men on that vote?

Mr. BRIDGES. On what vote?

Senator PACKWOOD. If we pass this resolution, and it says there will be compulsory arbitration. The parties shall negotiate and the workers shall go back to work, pending arbitration.

You will go to the union hall, and have a vote on whether to go back to work, vote just as you did on the Court injunction in the Taft-Hartley Act.

When the injunction was issued, you recommended to the men to vote Yes.

Mr. BRIDGES. Yes.

Senator PACKWOOD. What will be your recommendation to them as to which way to vote if we pass this bill that says go back to work while we arbitrate the issues?

Mr. BRIDGES. My answer to Senator Stevenson was that I would cross that bridge when we came to it.

Now, so as to try and answer you, and I am not trying to dodge the question—you are asking me about returning to work.

I am well aware of what the resolution says, that during the 40 days when the committee is going to be deciding something, any action is going to be punishable, by a fine or something..

What I don't see in the joint resolution, is how the people are going to return back to work, and under what circumstances.

Now, you are asking me—

Senator PACKWOOD. I am asking you what your recommendation would be to the men?

Mr. BRIDGES. As things stand now, I will recommend that they vote not to go back to work.

Senator PACKWOOD. That they not go back to work even in the face of the law that says they shall go back to work?

Mr. BRIDGES. Senator, I am not trying to dodge. I don't know what kind of law you are talking about.

Senator PACKWOOD. I am talking about the law that you are here testifying about.

Mr. BRIDGES. You are talking about a law—

Senator PACKWOOD. The bill we are considering before us right now that you testified on.

Mr. BRIDGES. Yes.

Senator PACKWOOD. That bill, if passed, would indicate to PMA and to the longshoremen, you go back to work, we are going to settle it by compulsory arbitration.

You are saying you will recommend to the men, vote "no."

Mr. BRIDGES. Let me put it this way, these questions come up, and I will be asked the questions.

Are you recommending we vote to go back to work under the conditions provided last July 1971—I will be asked that question.

Second, do we return to work without any retroactivity? I will be asked that question.

I presume I won't be asked the question, do we return to work with cheaper wages, and things like that.

But the way the workers figure, they just think their wages have lost value.

Senator PACKWOOD. Let me ask you this—

Mr. BRIDGES. To get it clear, if I am asked the question—you are asking me the question what I will recommend to the workers under those circumstances. I will recommend they stay out.

Senator PACKWOOD. If you don't agree with the law your recommendation will be to violate it?

Mr. BRIDGES. I never said that.

Senator PACKWOOD. If we pass a law that says go back to work, you will say we obey the law if it meets certain conditions?

Mr. BRIDGES. No, I said I would have to take a look at that law first.

Senator PACKWOOD. If you agree with the law you will recommend to go back to work and if you don't agree, you will recommend that they stay out?

Mr. BRIDGES. No question if I don't agree with the law, Senator.

I will give you and quote an example.

It would be an extreme case, if the Senate passes a law saying I have to go back to work under cheaper conditions than they walked out in, I can recommend until Hell freezes over and they will throw me overboard.

Senator PACKWOOD. In your testimony, you indicate you do not think we have the constitutional right to pass such a law.

Mr. BRIDGES. I agree with that.

Senator PACKWOOD. We do not have the power?

Mr. BRIDGES. Right.

Senator PACKWOOD. You think it is unconstitutional?

Mr. BRIDGES. Yes.

Senator PACKWOOD. And of course, your test is in the courts?

Mr. BRIDGES. Yes.

Senator PACKWOOD. Do you think there is any power that this Congress has to prohibit you from striking? Any limit to how long you can strike?

How much economic chaos you can cause before Congress has the constitutional right to act?

Mr. BRIDGES. I don't know of any existing law. I am not a lawyer. You are asking me legal questions.

Presently, no such law is on the books.

Senator PACKWOOD. The Taft-Hartley law orders you to go back to work.

Mr. BRIDGES. For 80 days.

Senator PACKWOOD. That is not unconstitutional.

So, we can constitutionally order you back to work for, say, 6 months.

Mr. BRIDGES. Under what law?

Senator PACKWOOD. I am trying to find where your limits of constitutionality are.

You say the Taft-Hartley law is constitutional. You can only constitutionally be ordered back to work for 80 days. But you say we cannot order you back under compulsory arbitration. You say that is unconstitutional.

What law is constitutional? You are attempting to tell me that apparently no law is constitutional.

Mr. BRIDGES. I am not saying that. I am not equipped to say anything like that, Senator.

I am saying that a law that will force a group of workers back to work under any sort of conditions is not now on the books as far as I know.

Senator PACKWOOD. Taft-Hartley Act does that.

Mr. BRIDGES. Taft-Hartley was on the books, it's been found to be constitutional and legal and we have obeyed it.

We don't like it.

Now, we are talking about something that is unknown.

Your question to me, assume we pass the law that orders you back to work and assume—take the reasonable thing—orders you back to work under the conditions that you are working under on July 1 of last year.

You are asking me what would be your recommendation to the workers?

Is that what you are asking me?

Senator PACKWOOD. The law has already been passed at this stage.

The law says go back to work.

What would your recommendations be to the workers?

Mr. BRIDGES. The law we are talking about now?

Senator PACKWOOD. Yes.

Mr. BRIDGES. All I can tell you, it will depend—it would depend what is in that law.

Senator PACKWOOD. I understand your answer.

If the law as passed does not meet your fancy, you are going to recommend "No"?

Mr. BRIDGES. Senator, all I can tell you is, what is in the law—let's make it simple.

You pass the laws, I am not going to quarrel with the right of the Senate to pass a law.

We are going to anticipate the Pay Board. If you reserve the right to pass a law to drive them back to work, you can drive them back to work with a wage cut in the interest of health and safety.

If you try it, we might not win it, but I know what I will tell the workers.

Senator PACKWOOD. Let me ask you a question and Mr. Brundage can get in this, about the dispute with Sea-Land, and unloading of the containers.

I will state what I understand to be the contract and you can correct me if I am wrong, either one of you.

Sea-Land has a contract with the Teamsters whereby they unload the containers at the warehouse, is that correct?

Mr. BRIDGES. Yes.

Senator PACKWOOD. Other than Sea-Land, do the longshoremen do that work?

Mr. BRIDGES. In most cases.

Senator PACKWOOD. The Teamsters are not a party between PMA and the longshoremen?

Mr. BRIDGES. No.

Senator PACKWOOD. Are you and the Teamsters agreed as to the division of this kind of work of future Sea-Land operations?

Mr. BRIDGES. Give me that again.

Senator PACKWOOD. Sea-Land builds a new warehouse. They have an existing contract with the Teamsters which says they will unload containers in the warehouse. Do you and the Teamsters have an agreement that that is the way Sea-Land's work will be divided?

Mr. BRIDGES. Not yet. The question is—we are going to have one. We might have one where we will join the Teamsters.

Now, there is one other agreement we have.

Despite our own difficulties we are agreed we will get together and take these people on and hurt them.

Senator PACKWOOD. Mr. Brundage, let me ask you this. Let's assume PMA and the longshoremen were to conclude a contract and any new extension of Sea-Land will do the work. What will be the response of the Teamsters to that kind of contract?

Mr. BRUNDAGE. The Teamsters have already—both the longshoremen and PMA have noticed that there has been work by the Teamsters with respect to loading and unloading of containers.

Senator PACKWOOD. For Sea-Land?

Mr. BRUNDAGE. Sea-Land and any other place. While it is true Sea-Land is an area in which there have been agreements worked out between the longshoremen and the Teamsters, and while it is true as the Senator suggested that future operations may necessitate additional agreements between the longshoreman and Teamsters, the problem with respect to the containerizations is in no sense limited to Sea-Land.

The problem with respect to the containerizations is a matter of very substantial interest, not only to the two unions involved, but to the Pacific Maritime Association and to the trucking industry.

Senator PACKWOOD. Would you comment on Mr. Bridges' answer when he said they view—

Mr. BRUNDAGE. In the first place, the practices in the different ports have not been uniform. There are certain ports in which Teamsters do a much greater proportion of the loading and unloading of containers.

There are ports on the west coast where the longshoreman do a much greater loading and unloading. They are on the spectrum of the area of jurisdiction—areas at each end of the spectrum where it is pretty clear who is doing it. But there is a very substantial gray area.

Now, the representatives of the longshoreman and the representatives of the Teamsters have been having discussions, looking toward a resolution of the jurisdictional dispute with respect to containerization. Those discussions have had, likewise, a wide range of proposals and counter-proposals, including Mr. Bridges' suggestions and one that has great interest in both sides, the merging of the earnings with the resolution of the jurisdictional disputes to be determined within the organization itself.

One matter, however, with respect to the pending legislation that I think ought to be pointed out—While the Teamsters and longshoreman have not resolved all their disputes with respect to the containerization, both the longshoreman and the Teamsters are in agreement that it would be inappropriate, inadvisable, and undesirable that the matter be settled by compulsory arbitration.

Teamsters instead of that, have proposed through the longshoreman, and would include in that proposal the Pacific Maritime As-

sociation and the trucking industry—that the matters be submitted to voluntary arbitration and that the arbitrator have the authority under the rules of procedure established by the parties, with the issues defined by the parties, to make a final and binding decision which would be final and binding on both unions, as well as the employers operating it.

Senator PACKWOOD. Is that acceptable to the employers? I assume it would be.

Mr. BRUNDAGE. I don't mean to speak for Mr. Flynn, but I understood him this morning at the House hearings to indicate that he was agreeable to that kind of situation.

Senator PACKWOOD. Mr. Flynn, Mr. Bridges indicated in his testimony as far as the moving of some military cargo, the longshoreman were willing to move it and the employers refused to move it. Is that true?

Mr. FLYNN. For a very brief period of time and we retreated very gracefully and in the national interest.

We did—at the commencement of the second phase of the strike of January 17—make a decision that PMA controlled vessels and stevedores would not handle military. It was done, however, with the information and belief that it would not in anyway interfere with the handling of vital military cargo, that it was not against the national defense. Because the military does have certain control vessels, the Gulf and east coast ports were available for shipment of vital cargoes, particularly to the war zone.

About 36 hours after the decision was made, we were notified by the Department of Defense by telegram that our action was interfering with the national defense and we immediately—within a half hour of receiving the telegram—reversed our decision and went along handling military cargo as we had in the past.

As I say, the decision was made because we were of the opinion that it would have no adverse effect on the national interest.

The reason we made the decision was this: That during the first 100 days of the strike the handling of military cargo provided for the longshoreman in the Bay area income averaging from 25 to 30 hours per week during the entire part of the first 100 days of the work stoppage, and whether you like it or not, I think the military under those circumstances was helping to prolong the strike. That was the reason for the decision.

Senator PACKWOOD. Let me say this in conclusion.

Really, I don't much care if the strike is your fault or the longshoremen's—I don't want to drag the Teamsters in too much. I think we have implicit in this legislation the fundamental question of whether the right to strike or the right to lockout is paramount, inviolate or whether we in Congress at some stage can look at the west coast and the national interest and say we are not going to allow either one of you, collectively or individually, to so dislocate the economy of our country. We have not only an obligation but a right to guarantee to farmers, to small businessmen and to the public that they can count on some continuity of transportation services. If the two of you cannot work out the dispute between you, I personally would have no hesitancy to pass this short term compulsory arbitration bill or support some form of long term legislation in the transportation industry.

I have no other questions.

Mr. BRIDGES. Senator, I know you are from Oregon. When we met with the President in Oregon the end of September or whenever it was, he put much emphasis and he impressed me at least with his arguments from farm communities—he had just come from Montana—and the shipping of grain from Idaho, Montana, Oregon, Washington, and of course yourself and others have contacted us. I presume you know the negotiations going on right today, that we have been meeting with all of the grain exporters on the Pacific Coast, Washington, California, and Oregon. We are seeking to reach an agreement with them so that all grain shipment would move right away. The argument is, if they don't get the grain going they will lose the markets. So we are arranging to do that.

Senator PACKWOOD. I am familiar with the fact that you are going on with these separate contract negotiations. But it does no good to the farmers.

Mr. BRIDGES. You requested them.

Senator PACKWOOD. I didn't request those negotiations. You are talking about the elevator operators. The farmers have nothing to do with it. If you sign a contract with them, will this be a separate contract apart from PMA?

Mr. BRIDGES. Yes.

Senator PACKWOOD. It may have a separate termination date, it would not even be necessary to be coterminate.

Mr. BRIDGES. Yes.

Senator PACKWOOD. I can foresee what would happen if you conclude a contract with PMA. One day the grain contract runs out and PMA would not handle it. That might be a very short range settlement for the elevators now. I do not know what would happen.

Mr. BRIDGES. You are quite correct. We sit down with the grain exporters and they are the ones that own the elevators, they have the grain and the grain would be moving in the elevators. We reach agreement with those companies to ship the grain away. We load the ships, but there is one thing missing. We do not own any ships or control any. Mr. Flynn controls the ships and he says to those grain operators, you are a bunch of scabs or traitors for these employers and we won't give you any ships.

We should not get blamed for that.

Senator PACKWOOD. I have no further questions.

Mr. FLYNN. I would like to correct something. I made an error in response to a question you put to me.

I stated longshoremen in the bay area were averaging 25 or 30 hours during the strike. That should have been 25 to 30 percent of their normal earnings.

The CHAIRMAN. I understand that you are hoping to get to Dulles for the next flight to the west coast so we will try to accommodate you.

Mr. BRIDGES. Him, not me.

The CHAIRMAN. Senator Stevenson.

Senator STEVENSON. Thank you, Mr. Chairman. I will be brief. I am trying to catch an airplane, too, Mr. Flynn.

I just want to get a clear understanding of your recommendation, Mr. Bridges.

You say, if I understand you correctly, that the noneconomic issues can be resolved as a result of voluntary arbitration within a week. Is that correct?

Mr. BRIDGES. Noneconomic issues?

Senator STEVENSON. I meant the economic issues.

Mr. BRIDGES. The economic issues, that's right.

Senator STEVENSON. If that is indeed the case, what happens to the noneconomic issues? Do you just go out? What do you recommend?

Mr. BRIDGES. The strike is over.

Senator STEVENSON. The strike is over?

Mr. BRIDGES. Yes.

Senator STEVENSON. Pending the resolution of the noneconomic issues?

Mr. BRIDGES. Sure.

Senator STEVENSON. Pending also the Pay Board's review?

Mr. BRIDGES. The Pay Board review. That's a separate thing.

Senator STEVENSON. That is what I am asking. You say the economic issues are resolved as a result of arbitration. At that point and pending Pay Board review, what do your workers do?

Mr. BRIDGES. What we are proposing on the Pay Board's review—we have a section of the contract that has been agreed to by Mr. Flynn same as the east coast, that if that Pay Board modifies that settlement, that we agreed to by one penny we would cancel the contract. What we do after that, I do not know. But it will leave us free to do what we darn please. That's a separate thing. One step at a time. We are after the contract first.

Senator STEVENSON. Pending the Pay Board review, will you be working?

Mr. BRIDGES. We will be working.

Senator STEVENSON. There will be the possibility, pending on what the Pay Board did, of going out after its decision?

Mr. BRIDGES. It would be my attitude to say to that Pay Board, cut that one penny and we will march out of here. That would be my approach. That is the Pay Board. That has nothing to do with what we are talking about here.

Senator STEVENSON. I think it has something to do with what we are talking about here. At least it makes it a little bit difficult for me to understand why you, Mr. Flynn, would not accept voluntary arbitration as opposed to compulsory arbitration if it could lead to the settlement of at least the economic issues within a short period of time, without a strike over the non-economic issues, and only the possibility of a strike if the Pay Board action was unacceptable to the workers. Why is that not acceptable to you?

Mr. FLYNN. The reason I have given is this: That in the normal collective-bargaining process you have a pretty fair idea of what it is going to take to settle a dispute, and if you are a pretty good judge you have a pretty good idea of what the other party is going to demand to settle the dispute.

Right at the present time it is my opinion, and Mr. Bridges on frequent occasions has agreed and stated that it is his opinion that we are very, very close together. However, if you say that all unresolved issues, economic and noneconomic issues are going to go to arbitration on top of what has already been agreed to, you are opening up

Pandora's box with respect to those additional items that will then have to be considered by an arbitrator on top of what has already been agreed to.

Senator STEVENSON. Is that what you are saying, another process of arbitration would take effect after the resolution of the economic issues by voluntary arbitration?

Mr. BRIDGES. What I am saying, Senator, is this. We have had a part of our so called union demands on the table in every proposed settlement for some months, and it is on the table now—it is in this language and I will read it to you and you will understand it better. The item here says, "other demands, either to be dropped, negotiated, or sent to arbitration." The idea is that these items should not delay the main companies which are settling. The way we approach things in our union and every union that is standard procedure, certain demands are important enough that they can become strike issues. While they have to be settled, negotiated out before you can get a settlement. Others, lend themselves more to arbitration, say. So we divided it up. This paragraph which has been in our proposal for months past, to lump all these items that should not stand in the way of a settlement, the settlement meaning a settlement that prevents a strike or settles a strike, can be referred to negotiations after a return to work, and if the parties can come to an understanding on them they can be arbitrated by the arbitrator. That's what that means.

Mr. Flynn is saying, which is correct, that we have a specific proposal now for paid holidays on the table—it's been there all the time—not too long ago we through paid holidays into this language and into this paragraph where we set other demands. And we proposed—this is before we resumed the strike—that the strike would not be resumed over such a matter as paid holidays. We tossed paid holidays and all these others items in—we let those things go to negotiation and arbitration if necessary without them being strike items. We concentrated on the more important items. That's what I mean.

Senator STEVENSON. I do not understand all this. You could resolve the economic issues, at least according to Mr. Bridges, through voluntary arbitration and after that there might not be a necessity for any further arbitration. And there would not be a strike.

Mr. FLYNN. Let me see if I can clarify what is being discussed here and I have to put a question to Mr. Bridges because he can answer it and you cannot.

While you are proposing voluntary arbitration of the remaining unresolved economic issues, are you talking about those issues that were identified in front of Mr. Kagel on Tuesday and Wednesday of this week as being the remaining unresolved economic issues?

Mr. BRIDGES. Yes, sir.

Mr. FLYNN. No others?

Mr. BRIDGES. No others.

Mr. FLYNN. The things that are on that sheet of paper that add up to our 63.8?

Mr. BRIDGES. Yes.

Mr. FLYNN. In addition to that, when we are talking about arbitrating the noneconomic issues, are you talking about arbitrating among other things the manning dispute, the steadyman issue?

Mr. BRIDGES. Yes.

Senator STEVENSON. Mr. Bridges, you were talking about negotiating those issues, too. Do they have to be arbitrated? Why could they not be negotiated after the resolution of the economic issues on the table as a result of the voluntary arbitration?

Mr. BRIDGES. We are saying the same thing, Senator. Our proposition on the issues, Mr. Flynn is talking about, we give them a while in negotiation after the strike has settled. We do not delay the settlement. We try to negotiate them out and the strike is settled and you try your hand at negotiating. If you cannot reach agreement they go to arbitration. That is what I am saying.

It seems to me what we are talking about here—Senator Pell asked me a question, what is the chance a settlement of this strike soon without this Senate butting in, and maybe gumming up the works. That's the way I put the question. I said, look, the way it seems to me, the strike could be settled within a week, and what I am saying here is, if it is OK with Mr. Flynn I will make the record here right now, if we can settle the darn thing in a week, we will toss them to the arbitrator selected by both parties. And that relieves you people of all the troubles and trials of passing a special law that is going to be mighty uncomfortable.

Senator STEVENSON. Why do you not go ahead and try?

Mr. FLYNN. No problem whatsoever on what Mr. Bridges said. But we have to be very clear on what we are talking about.

We are talking about those economic issues that are identified and presently on the table and we have been talking about the non-economic issues which include the steadyman and the manning issues.

If that's what Mr. Bridges is talking about, I think we should reach an agreement, let us get back to work now and arbitrate.

The CHAIRMAN. Progress.

Senator STEVENSON. I am not so sure about that.

The CHAIRMAN. Sounds promising to me.

Mr. BRIDGES. Unless you understand some of the details I can see where it is confusing.

The purpose of this steadyman—you can arbitrate that until hell freezes over. Here's what it means. We got a contract that's been there for years. There is nothing in the contract that says I must work steady. The contract says working steady means you can work for the same employer all the time. What they are saying is, they want some kind of contract and even the Senate can't make anybody work steady.

You can pass all the cockeyed laws you want to, and you can't get it done. This is what we are talking about by a steadyman. I am perfectly willing to arbitrate that. The men can work steady if they want to.

The CHAIRMAN. Senator Stafford—

Mr. BRIDGES. Nobody can say I tried to conceal the issues—the steadyman issue.

Manning issue means how many men work on a job. That's best to negotiate it out. If it takes that method of arbitrating that issue to settle a strike, I think our committee will accept my recommendation on that.

Mr. FLYNN. One observation. This is a difficulty we have. In essence what is being said here, if the arbitrator finds in favor of the union—rather than the employer, the steadyman issue, he will prob-

ably find a way of sabotaging the findings. If we are talking about arbitration, we have to also address ourselves to the implementation of whatever the arbitrator hands down.

The CHAIRMAN. Would that not come under the heading of the arbitrator's ruling?

Mr. FLYNN. Yes, but you can abide by arbitrator's rulings.

The CHAIRMAN. You have a permanent arbitrator under your contract? Mr. Kagel is your permanent arbitrator, is he not?

Mr. FLYNN. We are talking about a peripheral issue and the proposal Mr. Bridges made, if it is a firm proposal, we would buy it.

Mr. BRIDGES. We have had Mr. Kagel as the permanent arbitrator since January 1 of 1949 which is some time. He has been satisfactory to the parties and knows the game and nobody fools Sammy.

Mr. FLYNN. A firm commitment on the suggestions that have been made here that have been repeated by Mr. Bridges, we will accept them and as I say—

The CHAIRMAN. For voluntary arbitration?

Mr. FLYNN. With the understanding, and I hope this is right, that the guys will go back to work since the issues are going to be resolved, there isn't any reason why they shouldn't go back to work.

The CHAIRMAN. Senator Stafford.

Senator STAFFORD. Mr. Chairman, thank you.

I will waive the questions in order to allow both parties to get back to California as speedily as possible.

Mr. BRIDGES. I hope you know what he means by that last statement, so you get it straight.

Mr. CHAIRMAN. I thought it was quite clear.

We will recap. We will let Senator Pell recap the understanding.

Senator PELL. Let me recap it as it came out of our dialog.

As I understand, the workers would go back, there would be free negotiations for a week, if necessary, followed by voluntary arbitration. If that was refused by either party, then naturally the Congress would be compelled to prescribe arbitration.

Mr. BRIDGES. I didn't agree to the last part.

The first part, Senator, we negotiate for a week and all along I said, the money items. Let's get it clear. I am not joining Mr. Flynn on all items, those money items I have emphasized. That was my position.

Mr. FLYNN. Then you are just settling half the problem. If we are going to talk about arbitration we entertain arbitration of the entire dispute or we continue negotiating. I don't think you can separate these things.

I think what we are talking about is a method of resolving the dispute and I think we either agree to negotiate everything or agree to arbitrate everything.

Mr. BRIDGES. I never proposed that.

The CHAIRMAN. When you say everything, you mean everything that remains in contention?

Mr. FLYNN. Yes, sir, the issues that are before the parties—

The CHAIRMAN. Retroactivity, holidays, prescription drugs, life insurance—

Mr. BRIDGES. Those are on the ones I mean.

Mr. FLYNN. That doesn't settle the dispute unless you have the method of resolving the so-called noneconomic issues.

The CHAIRMAN. What are those?

Mr. FLYNN. At least two of the very important ones, and that is the manning issue and steadyman issue and there are others. We have a proposal of ours on the table with respect to nonmember participation, Senator Packwood, some of the fringe benefit agreements that the parties have negotiated. But I think those items are likewise identifiable. There are three. I would be willing to limit it to those three.

The CHAIRMAN. Let me ask. The thorny issue of the allocation of the container tax has been settled, am I right?

Mr. BRIDGES. Right, and who handles the containers, that's been settled.

The CHAIRMAN. These are not before the parties anymore in this contest, is that right?

Mr. BRUNDAGE. That is not completely right, Senator. There have been discussions that have been going on between the representatives of the Teamsters Union and representatives of the Longshoremen's Union. It would be accurate to state that a substantial amount of progress has been made. But Senator Packwood, for example, raises one question, and there are literally hundreds of questions with respect to the containerization issue unresolved. But let me make a suggestion along the lines that is being explored now.

As far as the Teamsters are concerned, they have proposed, continue to propose, and would urge upon the parties that if and when there is going to be an arbitration of the various disputes, that this particular issue, namely the question of containers, similarly be submitted to the arbitrator for determination with all of the interested parties afforded the opportunity to present whatever evidence and arguments they wish and that that decision be binding.

Hopefully, Mr. Bridges has indicated that—he may be over optimistic—I hope he is not. I hope the issues have been resolved. It takes at least two parties to reach that conclusion. If the issues are resolved between the Teamsters and the Longshoremen, very well; if not, we would suggest that the container issue similarly be submitted as part of the overall dispute for determination by arbitrators, selected by the parties.

Mr. BRIDGES. It is settled now. We settled it by dropping the issue—we said to Mr. Flynn, you can give the work to whomever you chose, Teamsters or anybody else, stuffing of containers—one slight thing, that is when we don't do it, it will cost you a buck a ton extra. They agreed; settled.

Mr. BRUNDAGE. I don't think there would be anything gained to take the time of the committee with respect to this matter.

I think it is a fairly simple matter.

If the parties are in agreement so that there are no further problems, obviously, we need not arbitrate it.

If the parties are not in agreement—we are even quite ready to submit the issue of containerization to Sam Kagel who is the permanent arbitrator under the ILW-PMA agreement.

The CHAIRMAN. That is the only issue?

Mr. BRUNDAGE. The only issue.

The CHAIRMAN. That you are willing to go—

Mr. BRUNDAGE. We are willing to go to the permanent arbitrator under the contract between the Longshoremen and the PMA.

The CHAIRMAN. Now, the way we hear it, the economic issues are in agreement and if you go to arbitration—there are only three issues that would go to arbitration.

Is that right, Mr. Bridges?

Is that all that remains in this?

Mr. BRIDGES. I am not talking about noneconomic issues.

I am talking about the money items.

My position was that those items lend themselves to arbitration and we will go on that line.

Who brings in the economic issues—when we start talking about economic issues, or noneconomic issues here—that's why I told you, we are talking about issues already settled.

To drag them back on the table—I am talking about money items.

The CHAIRMAN. We clarified that and that is all anybody is talking about.

Mr. BRIDGES. Right.

The CHAIRMAN. The issues in dispute, you have identified, and agreed that these are the issues?

Mr. BRIDGES. Right.

The CHAIRMAN. Those could go to arbitration. The only thing remaining is whether the noneconomic issues would go to arbitration as I heard it.

Senator PELL. That is what I heard.

Mr. BRIDGES. There were two of those mentioned, but I said, hell, let them go, steadyman and something else.

I thought certain other items were mentioned.

Senator PELL. I thought I heard two.

The CHAIRMAN. Mr. Flynn said there were three.

Mr. FLYNN. I mentioned two and a third about nonmember participation.

As far as I am concerned, those are the major ones.

I suspect there are others.

The CHAIRMAN. If there is nothing further, let me just say this committee meets in executive session at 2 o'clock on Monday.

We will not call you. You call us. We will look forward to that.

All pertinent information submitted for the record will be printed as an appendix to this hearing record.

Thank you.

(Whereupon, at 4:53 p.m., the committee adjourned.)

APPENDIX I



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

INSTALLATIONS AND LOGISTICS

Mr. Robert E. Nagle
General Counsel
Senate Committee on Labor
and Public Welfare
United States Senate
Washington, D. C. 20510

Dear Mr. Nagle:

This refers to your oral request of today to the office of the Assistant to the Secretary (Legislative Affairs) concerning the impact on the movement of military cargo through the West Coast ports due to the dock strike.

The Pacific Maritime Association is providing ships to DoD as required and the International Longshoremen's and Warehousemen's Union is handling DoD cargo at West Coast ports by meeting all military labor requests. As a result, Department of Defense cargo is moving through military ocean terminals and certain commercial facilities on the West Coast which have been designated as military annexes by the Military Traffic Management and Terminal Service.

Sincerely,

A handwritten signature in cursive script, reading "Paul H. Riley", is positioned above the typed name.

PAUL H. RILEY
Deputy Assistant Secretary of Defense
(Supply, Maintenance & Services)

STATEMENT SUBMITTED BY SENATOR WALLACE F. BENNETT TO
THE COMMITTEE ON LABOR AND PUBLIC WELFARE
JANUARY 31, 1972

Mr. Chairman, I appreciate this opportunity to submit a statement to your committee and share some of my thoughts on the problems surrounding the continuing dock strike by the longshoremen on the west coast. Having been in business for a number of years prior to my coming to the Senate, I would be one of the last to advocate unnecessary government intervention in the collective bargaining process; but in this case the disastrous effects of the strike demand that something be done to end the work stoppage and end it promptly.

A brief chronology of this strike vividly points up the problems that exist for the longshoremen, the shippers, and the economy of the western states. On July 1, 1971 there was a breakdown in the negotiations between the ILWU and the PMA, and all the longshoremen at every west coast port walked off their jobs and did not return for 100 days. During that time lumber, agricultural products and other commodities sat on the docks; producers were denied access to their markets, and layoffs in dependent industries became widespread. Foreign markets which had taken years to build up were lost, possibly never to be regained. Mr. Chairman, it is often difficult for those in the rest of the country to recognize the seriousness of this strike and its effects on the economies of the western states, but we should be aware that in our complex economy the effects will be and have been felt nationwide. The Federal Maritime

Commission summed up these sentiments when they said, "A peculiar aspect of the current west coast shut down is the fact that the economic hardship through loss of wages has been largely incurred by innocent workers in seafaring and other shipping-related operations all over the country who stand to gain nothing from benefits conferred in a settlement with the ILWU.

After exercising considerable patience and understanding, President Nixon invoked the emergency procedures of the Taft-Hartley Act calling for an 80-day cooling-off period, and the longshoremen returned to the docks. The cooling-off period has expired, and we have again witnessed the complete stoppage of work in the west coast ports.

How long can we tolerate 15,000 longshoremen standing idle, 2,000 U.S. seamen left without work, and a daily loss of over half-a-million dollars in wages and fringer benefits? How much longer will the states of Oregon, California and Washington be required to pay unemployment benefits to the 42,000 additional workers who are being forced to give up wages totaling \$1.1 million a day?

Mr. Chairman, I say we cannot tolerate this waste any longer. We will soon reach the point where irreparable damage to domestic markets will equal the damage already done to our foreign markets, and this we simply cannot tolerate. My constituents in Utah are

demanding additional action from their government to put an end to this foolish strike, and as their voice in Congress, I support their request. I trust this committee will see fit to act on the proposals recommended by President Nixon that will bring an end to this strike and return the longshoremen and the 42,000 other idle workers to their jobs. The parties to the west coast dispute had the opportunity to bargain collectively without hindrance from the government for nearly twelve months before the President invoked the emergency provisions of the Taft-Hartley Act, and for over three months since then, but no settlement has resulted.

Obviously no union or industrial concern has the right to strangle an economy and inflict untold injury on thousands and thousands of innocent victims. At some point the public interest must take precedent, and I think we have reached that point.

Thank you.

DOCK STRIKE LEGISLATION

Testimony of
FRANK F. FASI, MAYOR
CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

To The
SUBCOMMITTEE ON LABOR
COMMITTEE ON LABOR AND GENERAL WELFARE
UNITED STATES SENATE

Although the President has invoked the 80-day cooling-off period provisions of the Taft-Hartley Act and the striking members of the ILWU have been called back to work, the State of Hawaii is still in the throes of shortages, high unemployment and rising food prices resulting from the 104-day West Coast Dock Strike. Furthermore, the 80-day cooling-off has not been completely successful since selective labor dispute and job action continues.

The impact of the strike on Hawaii has been and will continue to be profound and long-range in its effect.

However, it is not entirely to the subject of the current West Coast Dock Strike that I wish to address this testimony. Rather, it is to the general effect of shipping stoppages on the people of Hawaii, and the measures which I, my administration and advisors feel should be taken by the Federal government to prevent all such shipping stoppages in the future.

The fact that Hawaii has enjoyed long years of relative maritime labor peace and continuous shipping communications with the West Coast must not lull the Congress into the erroneous belief that once the current crisis -- the West Coast Dock Strike -- is past, all will be normal again.

Let me review briefly the history of what Hawaii has suffered from labor disputes in the maritime industry.

From 1946 through 1952, four major strikes closed down either West Coast and/or Hawaii ports for a total of 390 days:

A West Coast strike starting in October 1946 continued for 54 days. A similar strike starting in September 1948 continued for 96 days. Then came the devastating 177-day ILWU Hawaii Dock Strike from May 1 through October 24, 1949. The fourth shipping stoppage was by the Sailors Union of the Pacific and ports were closed for 63 days in 1952.

Briefer work stoppages on the West Coast and in Hawaii, ranging from one day to 17 days, cost another 142 days of idleness in shipping:

In 1962, after 22 days of total paralysis and after the Governor of Hawaii declared a State of Emergency, President Kennedy invoked provisions of the Taft-Hartley Act and the matter was resolved during the imposed cooling-off period.

Since 1962, Hawaii has been relatively free of shipping stoppages and slowdowns, except for brief flurries in 1969 which were of minor consequence.

The roots of the current jurisdictional problems on the West Coast docks may be found, however, in the 1969 disagreements. The issue of whether the ILWU or Teamsters has the right to stuff and unstuff containers has never been resolved and is a major cause of the shipping stoppage which has been and continues to strangle Hawaii's economy.

Frankly, I have seen or heard nothing which leads me to believe that the jurisdictional issue will be resolved before the current 80-day cooling-off period expires.

According to one of Hawaii's leading economists, Dr. Thomas K. Hitch, in the September 1971 issue of Economic Indicators, published by the First Hawaiian Bank:

During past maritime strikes of two months or longer, the effects locally have been a slowdown in construction; increase in unemployment and underemployment; declines in total personal income, retail trade, and tourist arrivals; price increases; and business failures. Much of the same pattern is developing in the present shutdown.

For the record, I submit the attached copies of newspaper articles indicating that unemployment in Hawaii presently is at a 17-year high, totaling 21,450 jobless persons. Since official figures are one month or more behind the fact, the total is no doubt higher at the present time.

I also submit newspaper articles indicating that produce prices have gone up 10.8 per cent since the West Coast Dock Strike began in July, pushing the overall consumer price index up 5.6 per cent in the past 12 months -- this, in Hawaii, where the high-cost-of-living is second only to Alaska.

With the documentation of the crisis situation (see attached memoranda) and with full knowledge that the situation would worsen during September, I declared a State of Emergency in the City and County of Honolulu on August 23, 1971. (Declaration is attached.)

My State of Emergency Declaration came nearly two months after the West Coast Dock Strike commenced, and only after its crippling effects had seriously

affected the economy and welfare of the people of the City and County of Honolulu.

As Dr. Hitch stated, two months is all Hawaii can bear of a shipping stoppage.

Since August 23, 1971, I have been working continuously to alleviate the hardships the strike has caused and to establish at least a minimal shipping lifeline from the West Coast to our island community. But I did not succeed.

Causes of my failure may be mainly summarized as a lack of cooperation. I received little or no cooperation or support from the Federal government, from both parties to the strike and, far worse, from Hawaii State leadership.

The failure of the Federal government to act quickly, no doubt, stemmed from the "national emergency" provisions of the Taft-Hartley Act. The position taken by some that Taft-Hartley could not be employed because the "emergency" existed only in Hawaii, Alaska, Guam and West Coast port cities and not to the whole country, appears to be reasonable. However, it is my contention that when Hawaii, one of the 50 sovereign states is completely blocked by a general surface transportation strike, it is a national emergency.

Hawaii State leadership, however, was another matter. I have no doubt that from the Governor down, everyone worked hard and long behind the scenes in a vain attempt to alleviate the worst effects of the shipping stoppage. But there simply is no doubt that political obligations prevented and still prevent our State leaders from taking a forthright approach to the problem and its solution.

To emphasize the need for Federal legislation at the earliest possible date, allow me to outline briefly how dependent Hawaii is on surface shipping, as opposed to other types of transportation serving cities in Mainland U.S.

Because of its geographical location in the middle of the Pacific Ocean, over 2,000 miles from the nearest port, Hawaii can be reached only by ship or airplane. The cost of air freight -- up to ten times the per-ton cost of surface shipping -- makes this type of transportation feasible in only a relatively few selected situations.

For all practical purposes, Hawaii's lifeline is surface shipping. Cutting off surface shipping is tantamount to an effective blockade of Hawaii's people -- a cruel, unjust and unnecessary blow to nearly 800,000 innocent bystanders.

The State of Hawaii presently depends on an average of 18 scheduled cargo vessels and five barges a month for its food, parcel post, medical supplies, industrial products, cattle feed, heavy appliances, cars, clothing and almost every type of product necessary to modern living. In the opposite direction, these ships and barges carry our agricultural products to Mainland markets.

In the short-run, we feel the lack of inward, West Coast to Hawaii, shipping immediately. In the long-run, the inability to ship and sell our products is even more

damaging.

In addition to scheduled carriers, Hawaii plays host to numerous other ships, including cruise ships, unscheduled cargo ships, petroleum carriers, military vessels and other freighters that stop in Hawaii but which do not discharge cargoes. Whether these unscheduled ships are operating is of some consequence -- especially the petroleum carriers -- but in the history of West Coast-Hawaii shipping stoppages, these tramp steamers have not deeply affected the economy or welfare of the State of Hawaii one way or the other.

In beseeching this Subcommittee and the Congress to prevent future West Coast-Hawaii shipping stoppages, I do not wish to give the impression that I am opposed to collective bargaining. In most situations, collective bargaining -- inconvenient and costly as it sometimes is -- should be allowed to proceed to its logical conclusion, including strikes. Provided, however, that the process does not endanger national security or the health and welfare of citizens.

Unfortunately, a strike in a bottleneck industry such as shipping can very quickly involve a number of people and businesses which are only distantly related to the dispute. I believe strikes in public utility-like services all fall in this category. I am thinking of the drinking water supply, electric power supply, police and fire departments and, of course, essential shipping when there are no alternatives.

The annual convention of the National League of Cities will meet in Honolulu on November 28, 1971. I have submitted to the Resolutions Committee a position document urging the Congress to pass legislation to protect the people of the State of Hawaii from extreme hardships resulting from shipping stoppages.

My resolution, which is attached for the record, recognizes Hawaii's unique insular, non-contiguous geographical location in relation to the other forty-nine States and its overwhelming reliance on continuous surface shipping.

My resolution goes on to state, "...residents of Hawaii should not be used as the 'pawn' between the parties to the strike in resolving their legitimate grievances and economic differences."

I go on to point out that only the Congress has the power to enact the remedial legislation necessary.

I anticipate that my resolution will be passed by the leaders of the nation's cities.

For most U.S. urban areas, there are always several alternative means of transporting goods. Except for Pacific Trust Territories, the Commonwealth of Puerto Rico and a few other isolated communities, I know of no other U.S. area which finds itself in the same predicament as Honolulu when there is a shipping stoppage.

If all trucks, buses, autos, railroad trains, barges and ships were stopped from going in or out of New York City or the State of New York, I am certain that immediate action would be taken by the Congress. A general surface transportation strike would be unthinkable for a mainland city or state to have to endure. Yet, that is exactly what happens to Honolulu and Hawaii when a shipping strike occurs.

I ask for Hawaii no more and no less than you would provide any other city or state of the Union in the event of a general surface transportation strike.

Next, I ask the Subcommittee and the Congress to act with all due haste, mindful of the current situation in Hawaii. As I have mentioned, there is not much to indicate that during the present 80-day cooling-off period, the West Coast Dock dispute will be resolved. In fact, conditions point to an early resumption of the strike, soon after New Year's.

After careful consultation with the shipping industry, we find that it will take between 40 to 50 days before shipping is back to normal in Hawaii. It will take even longer, if current local disputes and slowdowns continue. Furthermore, the whole picture may be complicated by local residents stockpiling food and other goods in anticipation of a resumption of the strike.

Even accepting the 40 to 50-day estimate, there will be a scant month of normal shipping activity before Honolulu is again plunged into a re-run of the strike we have just barely survived.

A second blow of this magnitude could set Hawaii's economy further back than I care to think. I would like to believe that the Congress will heed our plight and take the necessary steps to restore first-class citizenship to the people of the State of Hawaii.

There are two bills under consideration by the Congress which would greatly help Hawaii, if passed.

The first is the Administration's Senate Bill 560 and companion House Bill 901. This proposed legislation, called the Emergency Public Interest Protection Act, would bring all emergency disputes in transportation under the national emergency provision of the Labor-Management Relations Act. The President would be authorized to employ one of three new options, if a national emergency in transportation were still unresolved after the 80-day Taft-Hartley cooling-off period. These are the options:

1. The President would be authorized to extend the cooling-off period for up to 30 days, with the parties continuing to bargain collectively.
2. The President would be authorized to appoint a special board to review the feasibility of partial operation of essential parts of the struck industry; or by

requiring production or services to a critical class of customers. The board would hold hearings and modify the plan as necessary. It would have 30 days in which to make a decision whether to put the plan into effect. During the 30 days, the status quo would be maintained. This partial operations plan would be limited to a six-month period.

3. The President would require the parties in dispute to submit to the Secretary of Labor their final proposals for full resolution of the dispute following the 80-day cooling-off period. They would be given three days to submit two final offers and, if either party failed to do so, the last offer made during bargaining would be deemed the final offer of the delinquent party. As a second step, the parties would be given the opportunity to select a panel to act as "Final Offer Selector." If they cannot agree, the President would appoint three neutral members. The panel would hold hearings and select one of the final offers which would become the binding agreement. Since there is no provision for compromise, the parties would be well advised to submit realistic and reasonable terms as their final positions.

Of course, members of the Subcommittee are familiar with what I have enumerated, but explaining it in the context of what I have said about the special problems facing Hawaii makes it evident that this proposed legislation would help in this particular case. Much the same thinking is behind my enumerating the features of the Emergency Labor Disputes Act (S.B. 594), introduced by Senator Jacob Javits of New York.

Senate Bill 594 provides authority under the Labor Management Relations Act and Railway Labor Act for the President to freeze the status quo for 30 days before invoking the court-ordered 80-day injunction. This would permit bargaining with respect to emergency board recommendations or findings on a labor dispute. If the labor dispute has not been settled within the 80-day cooling-off period, the President would be empowered to issue an Executive Order which would:

1. Provide for the maintenance or resumption of operations and services.
2. Encourage resolution of the dispute through collective bargaining.
3. To the extent consistent with the emergency, avoid undue interference with the rights of the parties to the dispute.

The bill would make all industries subject to the emergency procedures of the Taft-Hartley Act by repealing the emergency procedures of the Railway Labor Act. Furthermore, emergency procedures would be made applicable to disputes which threaten the health and safety of a region, instead of the entire nation as provided by present law.

This latter provision, of course, is especially significant with respect to Hawaii. Our troubles, no matter how drastic, could seldom be considered as national emergencies under present Taft-Hartley provisions.

It is conceivable, of course, that the provisions of these proposed bills might fail under some circumstances to re-establish surface shipping between the West Coast and Hawaii. For example, the union members might even resign their jobs, or the shipowners might sell their vessels, or time limits might expire, or a slowdown might make a mockery of governmental orders to return to work.

In order to provide for all contingencies, I think additional legislation should be proposed by your Subcommittee giving the President the authority, funds and responsibility to institute emergency shipping of an essential nature after all other means fail, such transportation of basic essentials to be continued between the West Coast and Hawaii until the strike is resolved and ships are again moving.

There are several alternative means of accomplishing this which might be used individually or in concert. I propose the following:

1. Authorize the President to seize the shipping lines and to operate them with military personnel until the stoppage is resolved.
2. Authorize the President to use military transport to carry civilian goods. The Federal government would subsidize the difference between the cost of such shipping and the ordinary cost of surface shipping prior to the stoppage. Thus, the ordinary consumer in Hawaii would not be forced to pay higher than customary prices for food and other essential commodities.

In summary, I ask that the Congress of the United States enact legislation at the earliest possible date, not only to rescue the people of the State of Hawaii from their present predicament, but also to prevent them from ever again falling victim to the pernicious side effects of shipping stoppages between the West Coast and Hawaii.

Further, I ask that you not just think of Hawaii and its 800,000 people, but also of the many hundreds of thousands of American citizens living in other off-shore, non-contiguous possessions of the United States. Then, too, there are the citizens of the Pacific Trust Territories, for whom the Congress is responsible.

Think of us in the same way you would think of any other U.S. Mainland community subject to a general surface transportation blockade.

Speaking for the people of the City and County of Honolulu and the State of Hawaii, I urge your earliest attention to this matter so that it can be considered during the current session of the Congress. Please protect our lifeline.

11/2/71

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



MEMORANDUM

September 25, 1971

TO : HONORABLE FRANK F. FASI, MAYOR

FROM : JAMES L. LOOMIS, DIRECTOR, OFFICE OF INFORMATION AND COMPLAINT

SUBJECT : POST-STRIKE SAILINGS FROM WEST COAST

Attached is a report prepared by Ben Cochrane indicating what kind of a recovery schedule we can expect once the strike ends. A capsule summary of Ben's report follows:

On the third day after the end of the strike, the first ships can sail from West Coast ports, reach Honolulu in four to five days, and commodities can be placed on supermarket shelves in another two days. In short, commodities will be available to Honolulu consumers within nine to ten days after the strike ends.

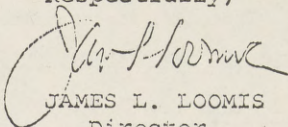
There is a difference of nearly one day in sailing time between Matson and Seatrain lines; Matson vessels take from 3 1/2 to four days while Seatrain ships require five days. The first ships (of Matson and Seatrain) will carry 2,265 containers of cargo totaling 37,000 tons. The containers are now reported to be ready for loading in San Francisco and Los Angeles.

After the arrival of these first ships, approximately 50,000 tons of cargo will arrive in Honolulu on an

MEMORANDUM TO
MAYOR FASI
September 25, 1971
Page 2

average of every four days until the initial surge and backlog are caught up. Based on this rate, shipping will return to normal in 40 to 50 days after the end of the strike.

Respectfully,

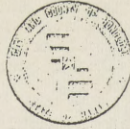
A handwritten signature in dark ink, appearing to read "J. Loomis", is written over the typed name.

JAMES L. LOOMIS
Director

Office of Information and Complaint

JLL:sz
Encls.

CITY AND COUNTY OF HONOLULU

629 POHUKAINA STREET
HONOLULU, HAWAII 96813FRANK F. FASI
MAYORRICHARD K. SHARPLESS
MANAGING DIRECTORBENTON H. COCHRANE
ADMINISTRATOR

PHONE DD1-4122

September 21, 1971

Memo To : James Loomis, Director, Information and Complaints
 From : Benton H. Cochrane, Administrator, Oahu Civil Defense Agency
 Subject : Post-Strike Sailings from West Coast

Seatrains Lines

<u>Vessel</u>	<u>S.F. Bay Area Sails</u>	<u>Honolulu Arrives</u>	<u>Sails</u>
Transoneida	3rd Day	9th Day ✓	10th Day
Seatrains Georgia	6th Day	-	-
Transchamplain	8th Day	14th Day	15th Day
Transontario	13th Day	19th Day	20th Day
Transoneida	18th Day	24th Day	25th Day
Seatrains Louisiana	20th Day	-	-
Transchamplain	23rd Day	29th Day	30th Day
Transontario	28th Day	34th Day	35th Day

Above days are days after strike ends.

Only one ship the SS Transoneida is strikebound in the Bay Area, all others are operating under government contract. On hand in the Bay dock area are approximately 750 loaded containers awaiting immediate loading to ship. This will constitute the initial forwardings at end of strike.

✓ There will be five ships in the Hawaii turn around service and each ship will carry an average of 435 containers.

J. Loomis
Page 2

September 21, 1971

You will note the schedule indicates the first ship will arrive and containers on the street in Honolulu on the 10th day after the strike ends. Subsequent sailings are bunched from 3 to 5 day departures. Crossing requires 5 days and turn around time including unloading and loading requires 24 hours in port.

One possible slowdown may occur later in the program due to container balance as they may not have enough containers to allow port holdovers between some sailings, however they anticipate this to be of only short duration until the ships are back in normal schedule rotation.

Matson: The following ships are now strikebound in ports as follows:

<u>S. F. - Oakland Port</u>	(Container Capacity)
SS Enterprise	1130
SS Progress	1130
SS Hawaiian	500
SS Citizen	456
SS Motorest.	226 plus 360 Autos
<u>Los Angeles Port</u>	
SS Monarch	700
SS Queen	700
SS Legislator	300 plus 400 Autos
<u>Vancouver Port</u>	
* SS California	500
* Not strikebound Under Charter to Hawaii State	

In the ports of San Francisco-Oakland they have on hand sufficient loads to immediately load the first two ships at each port.

From the Bay Area the first ship with 1130 containers will sail on the third day after strike ends. Sailing time to Honolulu will be from 3½ to 4 days and Matson officials say these containers will be available to Honolulu customers on the seventh day after strike ends.

Two ships will be worked with the arrival from Los Angeles of a 700 capacity ship, which will require an additional 24 hours in transit time.

It is Matson's intention to move the ships as fast as cargo is available until the backlog is removed.

J. Loomis
Page 3

September 21, 1971

Turn around time for the Enterprise and Progress will require 54 hours in port for discharge and reloading, other ships in related time, such as the 700 container ships require 36 hours, 456 containers 24 hours, etc.

In the overall, the direct ship's port to port will turn around every 12th to 14th day.

Summary

Results of this survey indicates that Honolulu customers will have in their possession on the tenth day following strike's end a total of 2,265 container loads of miscellaneous freight with an estimated total of 37,000 tons.

On the 14th day, this will be repeated bringing in a total of 74,000 tons of freight or 4,530 containers.

After that, on an average of every four days approximately 50,000 tons will arrive in Honolulu until the initial surge and backlog is consumed. The carriers estimate they will resume normal shipping patterns approximately 40 to 50 days following strike's end.

Contrary to published reports of a 30 to 45 day delay, goods will start appearing on shelves within ten days of the end of the strike.

However, this memo does not take into consideration the effects of the strike on industry, and in particularly the little guy. While shipping service may return to normal within two months, it's a cinch that the economy will not respond so soon.

Bent C.
BENTON H. COCHRANE
Administrator

National Cotton Council of America

BOX 12285, MEMPHIS, TENNESSEE 38112

January 25, 1972



The Honorable Harrison A. Williams, Jr.
 Chairman, Labor and Public Welfare Committee
 United States Senate
 Washington, D. C.

Dear Mr. Chairman:

This is with respect to the emergency dock strike legislation before the Senate Committee on Labor and Public Welfare. The cotton industry is greatly concerned about the failure of the parties to the West Coast dispute to reach a settlement of the issues involved and supports the legislation. Prompt action by the Congress is necessary if the ports are to be reopened and if foreign purchasers of American cotton are to be assured that purchase contracts entered into between them and U. S. sellers of cotton will be fulfilled without further costly delay.

The problem, of course, is much deeper than that involved at the ports in question. Recurring dock strikes over a period of years and in the transportation industry generally, have undermined the confidence of foreign customers in America as a dependable source of supply, have blunted economic recovery, and have subjected millions of our citizens to losses in income. The American public has been the innocent victim.

Our organization, which represents all seven segments of the American cotton industry -- producers, ginners, warehousemen, merchants, cotton cooperatives, cottonseed crushers, and manufacturers -- fully supports efforts to curtail prolonged work stoppages in the transportation industry. In addition to the emergency legislation which your committee is considering, therefore, we strongly urge legislation which will provide the President with the options he needs under law to cope with all transportation strikes when the national welfare is threatened and when he has exhausted his powers under present law. We urge this on a permanent basis.

For cotton which is an important dollar earner abroad, the situation is particularly critical. We historically export one-third of our production. And while the full economic impact of the current West Coast and other port strikes will not be known until later in the year, losses will be astronomical.

We do have the statistics on the 1968-69 dock strikes, and according to records of the International Cotton Advisory Committee, our exports declined by almost $1\frac{1}{2}$ million bales that marketing year. In Taiwan alone, which had purchased an average of 75 percent of its annual cotton requirements from the United States during the five-year period prior to the strike, the loss was enormous. The very threat of that strike caused the Taiwan government to look elsewhere for a reliable major supplier of its raw cotton requirements, and by the end of 1968-69 the U. S. share of that market was reduced from 75 percent to below 60 percent.

-2-

The Honorable Harrison A. Williams, Jr.

January 25, 1972

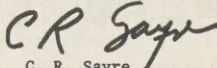
Since World War II, Japan has been our largest export market, and for the five-year period prior to the 1968-69 strike obtained almost one-third of its cotton from the United States. But as a result of that strike, this percentage dropped to 21 percent.

That same strike caused some Central and South American countries to expand their production of cotton, which further eroded our U. S. cotton export market. Despite all these losses, cotton exports were a net dollar earner of foreign exchange during the last fiscal year in the amount of \$362 million, and this is exclusive of the Public Law 480 concessional sales. An early resolution of the problem on a permanent basis, therefore, is most important to the nation's balance of trade.

It is apparent from the above that these disruptive dock strikes result in the severe losses of U. S. cotton export markets, and that prompt action by the Congress is indicated.

We will appreciate having this expression, made on behalf of the entire raw cotton industry, included in the record of the hearings.

Respectfully,



C. R. Sayre
President

STATEMENT TO
THE HONORABLE HARRISON A. WILLIAMS, CHAIRMAN,
AND THE MEMBERS OF THE COMMITTEE ON
LABOR AND PUBLIC WELFARE, U. S. SENATE
ON
SENATE JOINT RESOLUTION 187
BY
EDWARD B. HOLROYDE, PRESIDENT
HAWAIIAN SUGAR PLANTERS' ASSOCIATION
JANUARY 31, 1972

As president of the Hawaiian Sugar Planters' Association, I file this statement on behalf of the members of the Association* and on behalf of all growers and millers of sugarcane in Hawaii.

The purpose of this statement is to describe the negative impact upon the sugar industry in Hawaii caused by interruptions in ocean shipping.

A brief description of the sugar industry and its place in the Hawaiian economy may be helpful in your consideration of Senate Joint Resolution 187.

Background - Hawaiian Sugar Industry

Hawaii is America's leading sugar state. Its production of raw sugar averages 1,200,000 tons annually, an amount equal to one-fifth of total U. S. sugar production, and one-tenth of the country's annual consumption. In addition, about 325,000 tons

*Names of members are appended hereto.

of molasses are produced each year as a by-product of sugarcane processing.

Sugarcane growing and milling is a key part of Hawaii's economic base and is its largest agricultural activity, utilizing nearly one-quarter million acres of land. More than 50,000 persons in Hawaii are dependent wholly or in part upon sugar production for their livelihood.

Sugar is Hawaii's largest single "export" dollar-earning commodity.

In 1971, sugar production in Hawaii contributed an estimated \$210 million to the state economy with more than \$75 million of that going into employee wages and benefits, and another \$17 million going into government tax revenues.

Importance of Ocean Shipping to Sugar

Hawaii's central Pacific location obviously makes it dependent upon shipping -- ocean or air -- for all of the essential supplies it cannot of itself produce, as well as outbound shipments of its highly limited number of "export" commodities.

This is especially true of sugar. We are completely dependent upon ocean shipping to transport our raw sugar and molasses to the U.S. mainland where it must be sold. We are equally dependent upon ocean shipping to bring to Hawaii supplies essential to our operations. Included in this latter category are

fertilizers, trucks, field equipment and factory machinery and all the other things needed to maintain field and factory operations.

Hawaiian sugarcane, unlike that in other areas, is a two year crop. Thus we must plow in capital and operating expenses for two years before any income is produced.

Interruptions of ocean shipping have a double-barrelled impact upon sugar producers in Hawaii ---- on one hand, they increase costs of production while on the other, they reduce our income.

Economic Impact 1971 West Coast Dock Dispute

As an example of these two points, we would like to summarize the adverse effects of the most recent interruption -- the 1971 Pacific Coast dock strike.

The strike, which lasted 100 days and has now been resumed, had the following direct economic effects.

1. It increased the cost of bringing to Hawaii needed supplies and materials from the Mainland because they had to be shipped greater distances at greater cost from ports not struck.

2. To maintain production of raw sugar and molasses, emergency storage facilities were required. More than 90,000 tons of sugar and 10,000 tons of molasses had to be put into emergency storage at a total estimated cost of about \$485,000 out of pocket. Incidentally, we are not tight on storage under

normal circumstances. The five bulk storage facilities on the four sugar islands total nearly 250,000 tons capacity, while there is normally more than 100,000 tons of molasses storage maintained by companies in our industry.

3. Cash shortages to meet current expenses required advances on produced but unmarketed production, thus incurring increased borrowing costs.

4. A reduction of gross annual income of approximately \$5 million to \$6 million below original estimates.

There were other effects -- equally important -- upon our industry over the long term. These relate to the marketing of our sugar and molasses production on the Mainland. This statement will not discuss these effects because Mr. James H. Marshall, President of the California and Hawaiian Sugar Company of San Francisco, also is filing a statement with your committee.

It should be emphasized, however, that C and H is a marketing cooperative owned by the sugar companies of Hawaii. Thus, whatever effects ocean shipping interruptions have on C and H are directly felt by C and H's owner-producers in Hawaii.

Conclusion

Hawaii's sugar industry is caught in a cost-price squeeze of serious proportions. Our costs of goods and services have

escalated. This, coupled with intense price competition in our major markets has resulted in declining profitability. The industry, while a stable income producer for the state, is one of less than satisfactory profits when compared on any valid economic criteria.

We are, in addition, making major operational changes at substantial costs because of the requirements of environmental quality laws and regulations. These have resulted in increased costs of doing business with no chance of our passing those costs on.

These considerations and concerns are only intensified when the normal commerce in which we are engaged is interrupted.

We hope the deliberations of your committee and the Congress will help resolve this problem on a basis that will provide means to end and to prevent future prolonged shipping interruptions. The need for a solution is urgent. We are confident that you will give Senate Joint Resolution 187 and other related legislation prompt consideration and action.

HAWAIIAN SUGAR COMPANIES

Members of Hawaiian Sugar Planters' Association

ISLAND OF KAUAI

GAY & ROBINSON
Makaweli, Kauai 96769
Phone: 338-8233

GROVE FARM Co., INC.
L. M. Van Dreser, *Mgr.*
Puihi, Kauai 96766
Phone: 245-2341; 245-2711

KEKAHA SUGAR Co., LTD.
W. J. Baldwin, *Mgr.*
Kekaha, Kauai 96752
Phone: 337-1472

KILAUEA SUGAR Co., LTD.*
Dale Anderson, *Acting Mgr.*
Kilauea, Kauai 96754
Phone: 828-1430; 828-1421

THE LIHUE PLANTATION COMPANY, LTD.
D. T. Silver, *Mgr.*
Lihue, Kauai 96766
Phone: 245-2112

McBRYDE SUGAR Co., LTD.
P. F. Conrad, *Ops. Mgr.*
Eleele, Kauai 96705
Phone: 335-3121

OLOKELE SUGAR Co., LTD.
D. J. Martin, *Mgr.*
Kaumakani, Kauai 96747
Phone: 335-3145

ISLAND OF OAHU

KAHUKU PLANTATION Co.*
C. D. Christophersen, *Mgr.*
Kahuku, Oahu 96731
Phone: 293-5303

OAHU SUGAR Co., LTD.
J. T. Humme, *Mgr.*
Waipahu, Oahu 96797
Phone: 677-3357

WAIALUA SUGAR Co., INC.
W. W. Paty, Jr., *Mgr.*
Waialua, Oahu 96791
Phone: 637-4520

ISLAND OF MAUI

HAWAIIAN COMMERCIAL & SUGAR COMPANY
W. S. Haines, *Ops. Mgr.*
Puunene, Maui 96784
Phone: 877-0081

PIONEER MILL Co., LTD.
J. W. Siemer, *Mgr.*
Lahaina, Maui 96761
Phone: 661-0061

WAILUKU SUGAR COMPANY
C. G. Street, Jr., *Mgr.*
Wailuku, Maui 96793
Phone: 244-3941

ISLAND OF HAWAII

HAMAKUA MILL COMPANY
L. A. Thevenin, *Mgr.*
Paailo, Hawaii 96776
Phone: 776-1216

HAWAIIAN AGRICULTURAL COMPANY
E. A. Smith, *Mgr.*
Pahala, Hawaii 96777
Phone: 928-8311

HONOKAA SUGAR COMPANY
R. M. Frazier, *Mgr.*
Haina, Hawaii 96709
Phone: 775-0640

HUTCHINSON SUGAR Co., LTD.
J. W. Hewetson, *Mgr.*
Naalehu, Hawaii 96772
Phone: 929-7311

KOHALA SUGAR COMPANY**
A. C. Stearns, *Mgr.*
Hawi, Hawaii 96719
Phone: 889-6322

LAUPAHOEHOE SUGAR Co.
R. A. N. Bruce, *Mgr.*
Papaaloa, Hawaii 96780
Phone: 962-6314; 962-6244

MAUNA KEA SUGAR COMPANY, INC.
J. F. Cykler, *Acting Mgr.*
Hilo, Hawaii 96720
Phone: 935-0855

PAAUHAU SUGAR Co., LTD.
F. C. Schattauer, *Mgr.*
Paaupau, Hawaii 96775
Phone: 775-7221

PEPEEKEO SUGAR COMPANY
H. M. Gomez, *Mgr.*
Pepeekeo, Hawaii 96783
Phone: 963-6211

PUNA SUGAR Co., LTD.
David P. Young, *Mgr.*
Keaau, Hawaii 96749
Phone: 966-9270

* Terminating Operations Effective Dec. 31, 1971.

** Terminating Operations Effective Dec. 31, 1973.

STATEMENT ON BEHALF OF THE AMERICAN MEMBERS OF THE
PACIFIC COAST ASSOCIATION OF PORT AUTHORITIES

My name is John F. Parkinson. I am Executive Vice President of the Pacific Coast Association of Port Authorities, and also Assistant General Manager of the Port of Los Angeles. The Association was founded in Seattle in 1914, and has among its objectives the development, maintenance and protection of water-borne commerce to and from all Pacific Coast ports, and to protect the members' interest in these objectives.

At a regular meeting of the Board of Directors held in San Diego, California, on January 21, 1972, the American members unanimously authorized this presentation.

The corporate members of the Pacific Coast Association of Port Authorities represent public ports along the Pacific Coast, both American and Canadian, as well as the Hawaiian Islands and Alaska. We have 21 American ports in the three Pacific Coastal states, as well as the State of Hawaii as active members. We represent then the investment of hundreds of millions of dollars of public funds in cargo handling facilities, the basic purpose of which is to provide the means of interchange of goods between land and water transportation, for the promotion of commerce, agriculture and fishery for the benefit of the general public. A public interest in the continued operation of our ports is not merely of a local nature but also involves benefits which extend far beyond the immediate sea coast and well into the manufacturing and agricultural areas of the mid continent. The income generated

by farming, manufacturing and transportation which is affected by this strike far exceeds the local waterfront labor costs or losses.

It has long been the accepted and general practice on the Pacific Coast to make a charge against the cargoes moving over our facilities, which is called wharfage and has been the principal source of revenue for our ports. This method of charging fees was based on the principle that like commodities paid similar rates per unit, and also that the amounts paid would increase as volume increased, resulting in equality of charges for small and large shippers alike. This system has worked well and since the cargo or its owner benefits from the use of the facilities it is a fair method of assessment.

However, this system only works when the facilities are in use. When their use is stopped by third party action, such as a long waterfront strike, not only is the public deprived of revenue from its facilities, but the shipping public, the farmer and the consumer lose their benefits, as well as allied transportation workers losing wages.

The current situation on the Pacific Coast is intolerable. In appearing on behalf of the American members of the Pacific Coast Association of Port Authorities, I speak not against labor, not against management, but for the public. The public whose losses from this strike run into billions of dollars, and who will suffer additional unrecoverable losses every day that this situation is allowed to continue.

A return to work under injunctive proceedings unless such return is unlimited in time, is useless. After a prolonged strike,

such as the present one, it requires no less than 60 days, usually longer, to restore more or less normal trade patterns and schedules. Of course, such patterns frequently are permanently disrupted after a strike and most ports will experience some changes in the cargo handled or service provided, and all too often this change is to the detriment of both the port and the market area it serves. We therefore need a solution, not more injunctions. We need some means of arriving at a reasonable solution, which has eluded both parties for well over a year of negotiation. We must not only have legislative action to solve the current problem, but action which will prevent its recurring a year or so down the road.

The members of our Association represent approximately a billion dollars of public funds invested in port facilities, and the Federal Government has made a very considerable investment in dredging and similar work.

There undoubtedly has been or will be testimony given the committee as to the economic impact of the longshore strike on the western states and Hawaii. I will confine myself to the effect on our public ports' own revenues. Our members lost income during the 100-day tie-up last year of about 10 million dollars, income which is lost to the public whom we represent. The daily loss will therefore be approximately \$100,000 under a continued strike. This is a most serious situation. The smaller ports which must depend entirely on cargo movement for their revenue are facing irreparable damage if this strike is allowed to continue for long. The effects of the reduced income on bond commitments, construction plans and other development will be felt for many months to come.

EXECUTIVE OFFICES: P.O. BOX 151 • SAN PEDRO, CALIFORNIA 90733
 TELEPHONE: (213) 832-7241 • 775-3231



ADDRESS ALL COMMUNICATIONS TO THE BOARD
 CABLE ADDRESS: LAPORT

BOARD OF HARBOR COMMISSIONERS
CITY OF LOS ANGELES

SAM YORTY
 MAYOR

January 26, 1972

JOHN J. ROYAL
 PRESIDENT
 JOHN B. KILROY
 VICE PRESIDENT
 FRANK C. SULLIVAN
 PAST PRESIDENT
 MANUEL K. INADOMI
 COMMISSIONER
 JOHN Y. CHU
 COMMISSIONER
 ROBERT D. HUDSON
 SECRETARY
 BERNARD J. CAUGHLIN
 GENERAL MANAGER

Mr. Robert Nagle, Counsel
 Senate, Labor & Health Committee
 4233 New Senate Office Building
 Washington, D.C. 20510

Dear Mr. Nagle:

Transmitted herewith are two resolutions relative to the current labor problems affecting west coast ports. These resolutions were adopted by the Board of Harbor Commissioners at their meeting of January 19, 1972 and were transmitted previously to the California Delegation as well as the principle governmental offices in Washington.

It will be appreciated if these resolutions can be made a part of the testimony of your committee currently underway relative to the west coast dock strike.

Very truly yours,

Robert D. Hudson
 Robert D. Hudson
 Secretary

RDH:bp
 Encls.

RESOLUTION NO. 3544

RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS
OF THE CITY OF LOS ANGELES

WHEREAS, The International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association have been unable to reach an agreement resulting in the resumption of the strike by the Union members; and

WHEREAS, as a consequence of the said strike, irreparable damage has occurred to the economy of the State of California which has cost \$1.5 billion for the one hundred days during the strike, a daily dollar loss of \$17,500,000.00, a daily wage loss of \$325,208.00, and an estimated daily loss of 131,000 short tons of import and export cargo; and

WHEREAS, The Port of Los Angeles, as a result of the strike, has suffered a loss in revenue of approximately \$2 million during the 100-day strike and will experience losses at an even greater rate from the resumption of the strike due to the absence of vessels in port; and

WHEREAS, The longshoremen as a group will suffer a loss of approximately \$1 million a week due to the absence of work and will also drastically affect supporting industries and businesses in an adverse manner; and

WHEREAS, employees of the Los Angeles Harbor Department and others in business and industry will be furloughed or laid off with consequent adverse effects upon the already depressed economy of the State of California; and

WHEREAS, as a result of the resumption of the strike there will be additional business and agricultural failures and losses and it now clearly appears that the public interest is so affected that it should be paramount to that of any individuals or groups involved in the strike; and

WHEREAS, the present inability of the parties also involves jurisdictional issues between the International Longshoremen's and Warehousemen's Union and the Teamsters Union important to both unions;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Harbor Commissioners of The City of Los Angeles strongly urges the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association immediately to agree to and enter into binding arbitration since all efforts at negotiation have failed and to include the Teamsters Union in such arbitration; and

BE IT FURTHER RESOLVED, That said Board also urges that in the public interest the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association forthwith resume work and operations for the benefit and good of all the people of the State of California, so that there will be a viable economy to support the parties to this strike when it terminates; and

BE IT FURTHER RESOLVED, That the Secretary of the Board of Harbor Commissioners of The City of Los Angeles be authorized to forward this recommendation to the International Longshoremen's and Warehousemen's Union, the Pacific Maritime Association, and the Teamsters Union; and

BE IT FURTHER RESOLVED, That the Secretary be authorized to forward this Resolution to the President of the United States and the Governor of the State of California urging that they also use their offices to persuade the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association to adopt and implement the suggestions contained herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Harbor Commissioners of The City of Los Angeles at its meeting held January 19, 1972.

Robert D. Hudson

ROBERT D. HUDSON
Secretary

RESOLUTION NO. 3545

RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS
OF THE CITY OF LOS ANGELES

WHEREAS, The Board of Harbor Commissioners of The City of Los Angeles on January 19, 1972, passed a resolution urging the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association to immediately enter into binding arbitration between themselves and the Teamsters Union; and

WHEREAS, said Resolution provides as follows:

RESOLUTION NO. 3544

RESOLUTION OF THE BOARD OF HARBOR
COMMISSIONERS OF THE CITY OF LOS ANGELES

WHEREAS, The International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association have been unable to reach an agreement resulting in the resumption of the strike by the Union members; and

WHEREAS, as a consequence of the said strike, irreparable damage has occurred to the economy of the State of California which has cost \$1.5 billion for the one hundred days during the strike, a daily dollar loss of \$17,500,000.00, a daily wage loss of \$325,208.00, and an estimated daily loss of 131,000 short tons of import and export cargo; and

WHEREAS, The Port of Los Angeles, as a result of the strike, has suffered a loss in revenue of approximately \$2 million during the 100-day strike and will experience losses at an even greater rate from the resumption of the strike due to the absence of vessels in port; and

WHEREAS, The longshoremen as a group will suffer a loss of approximately \$1 million a week due to the absence of work and will also drastically affect supporting industries and businesses in an adverse manner; and

WHEREAS, employees of the Los Angeles Harbor Department and others in business and industry will be furloughed or laid off with consequent adverse effects upon the already depressed economy of the State of California; and

WHEREAS, as a result of the resumption of the strike there will be additional business and agricultural failures and losses and it now clearly appears that the public interest is so affected that it should be paramount to that of any individuals or groups involved in the strike; and

WHEREAS, the present inability of the parties also involves jurisdictional issues between the International Longshoremen's and Warehousemen's Union and the Teamsters Union important to both unions;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Harbor Commissioners of The City of Los Angeles strongly urges the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association immediately to agree to and enter into binding arbitration since all efforts at negotiation have failed and to include the Teamsters Union in such arbitration; and

BE IT FURTHER RESOLVED, That said Board also urges that in the public interest the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association forthwith resume work and operations for the benefit and good of all the people of the State of California, so that there will be a viable economy to support the parties to this strike when it terminates; and

BE IT FURTHER RESOLVED, That the Secretary of the Board of Harbor Commissioners of The City of Los Angeles be authorized to forward this recommendation to the International Longshoremen's and Warehousemen's Union, the Pacific Maritime Association, and the Teamsters Union; and

BE IT FURTHER RESOLVED, That the Secretary be authorized to forward this Resolution to the President of the United States and the Governor of the State of California urging that they also use their offices to persuade the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association to adopt and implement the suggestions contained herein.

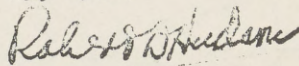
and

WHEREAS, this Board, as a public body burdened with the responsibility of fostering and providing facilities and services for the shipping and related industries, and being well acquainted with the problems thereof, is convinced that a resumption of the longshoremen's strike will irreparably damage the economy and more important the welfare of the people of the State of California and, therefore, believes the public interest has become paramount over the groups immediately involved in the strike;

NOW, THEREFORE, BE IT RESOLVED, That this Board urges and requests the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Governor of California to use their good offices to influence the International Longshoremen's and Warehousemen's Union, Pacific Maritime Association, and Teamsters Union to follow the recommendations of this Board and, if such influence does not result in immediate resumption of work, then to the extent necessary for the protection of the people and economy of the State of California, initiate and cause legislation to be enacted in order to resolve the present problem for now, and in the future, by binding arbitration or a similar procedure; and

BE IT FURTHER RESOLVED, That the Secretary of the Board of Harbor Commissioners of The City of Los Angeles is hereby authorized to send copies of this Resolution to the International Longshoremen's and Warehousemen's Union, Pacific Maritime Association and Teamsters Union.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Harbor Commissioners of The City of Los Angeles at its meeting held January 19, 1972.



ROBERT D. HUDSON
Secretary



235 QUEEN STREET • HONOLULU, HAWAII 96813 • TELEPHONE 538-7808

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Vice Pres., Hawaiian Cement Corp.

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*Officer and Director

February 1, 1972

The Honorable Harrison A. Williams, Jr.
Chairman of the Labor and Public Welfare Committee
United States Senate
Washington, D.C.

Dear Senator Williams:

We have been advised that your committee will accept written statements concerning legislation before you, dealing with the West Coast dock strike.

We would like to submit the enclosed statement which was made today to a Joint public hearing of the State of Hawaii Senate Committees on Human Resources and Public Development. We believe this sums up the situation as it exists in a major sector of Island industry.

Any relief that your committee recommend will be greatly appreciated. We are completely helpless. There is no further legislative relief on the books. The strike is not in our state, so there is no action that our State Legislature can take. Our hands are tied and we are the innocent victims of a situation that is bringing economic ruin to Hawaii.

Sincerely yours,

Roy J. Leffingwell
Roy J. Leffingwell
Executive Vice President

RJL:dc

Encl: Statement of Hawaii Manufacturers Association

cc: Senator Hiram L. Fong
Senator Daniel Inouye
Representative Spark Matsunaga
Representative Patsy Mink

STATEMENT OF THE HAWAII MANUFACTURERS ASSOCIATION CONCERNING SENATE RESOLUTION #1, BEFORE A JOINT HEARING OF THE SENATE COMMITTEES ON HUMAN RESOURCES AND ECONOMIC DEVELOPMENT, TUESDAY, FEBRUARY 1, 1972

My name is Lucius H. Bingham. I am President of Gaspro Inc., and making this statement on behalf of the Hawaii Manufacturers Association. The Association was formed more than 10 years ago and represents manufacturers, processors, fabricators and utilities in the State. Our some 130 members produce about 80 per cent of the non-sugar and pineapple manufacturing volume in the State of Hawaii.

It is seldom recognized, but according to the Standard Industrial Classification, manufacturing is Hawaii's largest single source of income. In 1970:

Manufacturing totalled	\$ 751.7 million
Armed Forces Expenditures	\$ 683.4 million
Visitors	\$ 570 million

Of the manufacturing total, processed sugar amounted to \$196.7 million and pineapple, \$135 million. Therefore that segment of manufacturing which our Association represents, produced \$420 million, or a total somewhat greater than sugar and pineapple combined.

I was asked to make this presentation because the firm which I head appears to be somewhat typical of medium-size manufacturers and industrial distributors in Hawaii. With branch offices on all Islands, we have a State-wide view. It was suggested that I might be able to answer questions about effects of the 119-day West Coast shipping strike on the industrial community of Hawaii.

IMPACT OF SHIPPING STRIKE

Hawaii took a severe beating during the 100-day West Coast longshore strike last year. In mid-November our Association made an attempt to estimate losses to the business economy and came up with the figure of \$36 million. Obviously this is an educated guess at best,

Statement - 2

but the amount will continue to increase for months to come, even without further strikes.

Hawaii is in an untenable position with the strangle hold unions have on our lifeline. Air transportation is helpful but we distribute a number of materials which cannot legally be carried by aircraft. And, there are many types of industrial materials which due to bulk and low unit value cannot move by air due to the cost involved.

We are proud of the contribution local manufacturers made to the economy during the 100-day strike last year. Conditions were much better than in previous shutdowns due to local production of many more commodities. Raw materials store more easily than finished products. For example, flour, which had been a critical item in previous waterfront strikes, was in adequate supply. Two major cement plants and a reinforcing bar steel plant helped keep construction going. A major petroleum refinery supplied much of our requirements. Locally-manufactured plastic containers permitted several firms to stay open that would have otherwise shut due to lack of glass containers. And, Hawaii-made fiberglass tub and shower units permitted many construction contracts to be completed. All of these manufacturing activities are new to the Islands since the last lengthy waterfront tieup. They helped materially in keeping our economy alive.

However, a most disturbing attitude has been created due to our vulnerability to transportation strikes. It is revealed in a statement made by one of our representative manufacturers recently. He said, "I won't invest another nickle in Hawaii until some assurance is given that we will get uninterrupted transportation to and from the Islands." This feeling is expressed in a number of ways by an increasing percentage of our businessmen.

Statement - 3

One of the most serious problems that Island businessmen face as a result of transportation strikes is a vicious cash-flow position. We pretty well knew that 1971 was the time for a strike by the International Longshoremen's and Warehousemen's Union. Heavy investments were made in stocks to carry us over. Money has been tied up well over a half-year now and a substantial part has not yet been received back from the consumers.

Now, we have a continuation of the waterfront strike. We didn't have adequate shipping available to restock following envolving of the Taft-Hartley Act. Many of our members - especially the smaller firms - are in a critical financial situation. One of our members said a few days ago he borrowed \$100,00 to lay in a stock prior to the July 1 strike. He didn't have the money or credit to do it again prior to restarting of the strike.

Most of us are in a critical situation because many shipments of raw materials didn't arrive as scheduled prior to renewal of the strike. Apparently dockworkers seriously slowed down the amount of cargo handled at West Coast ports. We went through a trying period of uncertainty as to what was being loaded, and when we could expect delivery. It was utter confusion. Consequently, we are now in no position to weather another long strike.

The Hawaii Manufacturers Association agrees with the statement made in Senate Resolution No. 1. We urge the State Legislature to request the Congress of the United States to enact appropriate legislation as a means of solving the current deadlock which is causing citizens of this State to suffer irreparable damage, due to no fault of our own.

Thank you for this opportunity to be heard.

STATEMENT
ON BEHALF OF
THE AMERICAN RETAIL FEDERATION

BEFORE
THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

S.J.Res. 187

February 1, 1972

AMERICAN RETAIL FEDERATION

1816 H STREET N.W.

WASHINGTON, D.C. 20006

(202) 783-7971

STATEMENT ON BEHALF OF THE AMERICAN RETAIL FEDERATION

BEFORE

THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

S.J.Res. 187

INTRODUCTION

The American Retail Federation is an organization comprised of fifty state and twenty-nine national retail associations. The membership of these associations consists of a wide variety of retail businesses ranging in size from a small local store to large national chains, representing all aspects of the retail industry and totalling in excess of one million retailers throughout the country.

IMPACT

The impact upon retailers of such a strike as is now taking place in the West Coast ports among dock workers and their employers cannot be overstated. Because of the amount of imported goods we sell in our stores, retailing is one of the major users of ship transportation services. A vast amount of goods that are sold in our places of business are initially brought to this country by ship. This sort of prolonged interruption in a major transportation facility has an immediate adverse impact upon all retailers, their employees and their customers -- the consumer.

As employers who stand imperilled by the effects of this type of transportation strike, we wish to advance our views with respect to the legislation now before this Committee which has been endorsed by the President, S.J.Res. 187.

The Administration has used up its options for settling this labor dispute, and there is little possibility of relief in sight. This being

the case, the Federation supports the decision of the President that mandatory arbitration, as a last ditch solution, must be utilized to bring this damaging conflict between the dock workers and their employers to a speedy and equitable end.

ECONOMIC CONSEQUENCES

If such a work stoppage only affected those who were the parties to the dispute or if there was any real chance that the parties involved would be able to settle their differences in the near future, the Federation could not support S.J.Res. 187. Neither of these is the case here.

There has been extensive discussion in both the Senate and the House of Representatives concerning the impact of this strike on various sectors of our economy. It is not the purpose of our statement to repeat some of the figures that have been mentioned; however, it has become clear that unless some progress is made toward a settlement of this dispute, not only will the Western portion of this country continue to suffer under the effects of this work stoppage, but the entire nation could lose because of its negative impact on the current economic stabilization program.

Therefore, this dangerous situation on the West Coast docks cannot be allowed to continue. If it does, the wheat farmers, lumber interests and many businesses (and those who are employed by these businesses) will continue to be adversely affected by this strike, and all people throughout the nation who were beginning to see a new hope that there was an end to rampant inflation, will find their hopes crushed because nothing was done.

President Nixon said it very eloquently in his message to Congress upon the introduction of this resolution:

"I cannot emphasize too strongly that all of these people -- and, indeed our national economy -- have been made hostage to the interests of those few who persist in prolonging this dispute. These men and women who are hurt so unfairly cannot accept the fact that a dispute in which they play no part can destroy them -- nor can you or I. There is no justification for waiting any longer."

The American Retail Federation heartily agrees -- there is no justification for waiting any longer. Negotiations between labor and management are virtually non-existent. There no longer seems to be any hope that the two sides to this dispute can even talk to each other -- let alone reach an equitable accord.

EFFECT ON THE WORLD MARKET

There has already been millions of dollars, which can never be recovered, lost to this nation because of this strike. It is incumbent upon members of Congress to see that there are to be no more losses -- losses which could not only affect our competitive position in the world export market, but could for some time to come cripple our credibility in these markets when it comes to future export contracts.

All of this, of course, means much more than just a favorable trade position for the United States -- it is much more basic than that. It means that unless something is done soon to end the stalemate on the West Coast, hundreds of jobs will be lost -- lost, just as some improvement was beginning to be seen in the dismal unemployment situation in California, Oregon and other Pacific Coast states. This improved employment will be short-lived, and will tend to depress other portions of the nation unless something is done quickly.

The American Retail Federation, therefore, urges this Committee and Congress to act on S.J.Res. 187, with all due dispatch.

A PERMANENT SOLUTION NEEDED

We emphasize, then, that the legislation before you is just a stop-gap measure. The devastating impact of strikes of this magnitude in transportation is generally acknowledged and there is a continuing concern that such a crisis will from time to time again confront this country. It is clear that a permanent mechanism must be devised which will relieve Congress and the Administration from this periodic burden and effectively preclude prolonged national transportation strikes.

The American Retail Federation has undertaken an in-depth study of the many proposed Emergency Transportation Strike bills. We would prefer a permanent solution to this problem; therefore, we re-submit the following affirmative recommendation for your consideration:

If the parties are in disagreement at the conclusion of the 80-day "cooling off" period, the President should be given the option of a short-term extension of the "cooling off" period not to exceed ten days during which he could use the persuasive powers of his office to aid the parties in reaching agreement.

During this period, the only other option the President will have is to call upon the Chief Justice of the Supreme Court, who in turn shall promptly select and convene a three judge court composed of three active judges of the Courts of Appeal of the United States. This three judge court would sit as a court of original jurisdiction. It should have general equity powers enabling it to assist the parties in mediating the dispute and with the power to issue whatever injunctive relief is necessary and consistent with sound jurisprudence.

If the parties are not able to agree, the court will impose upon the

parties the last offer of either of the parties. Such judgment should be rendered within thirty (30) days from the date upon which the court is convened. In making such a judgment, it should be incumbent upon the court to choose whichever offer is most reasonable under all of the circumstances. In choosing the most reasonable offer, a court should be specifically limited to the consideration of only mandatory subjects of collective bargaining under the National Labor Relations Act.

It should be further provided that the court must issue findings of fact and conclusions of law upon which it has based its judgment on selecting the particular final offer. All decisions of this three man court shall be immediately appealable to the Supreme Court of the United States.

CONCLUSION

On behalf of one of the largest transportation users in the United States, we wish to thank the Committee for the opportunity to present this statement in favor of S.J.Res. 187. So that the need will never arise again, we ask this Committee to consider our plan. We honestly believe that such a proposal will form the basis for a lasting solution to this problem which confronts us all.

TESTIMONY OF RICHARD B. OGILVIE
GOVERNOR, STATE OF ILLINOIS
BEFORE THE
U.S. SENATE LABOR & PUBLIC WORKS COMMITTEE
February 4, 1972

Mr. Chairman, members of the committee:

If the strike by longshoremen against the Gulf Coast ports resumes this month upon the expiration of the 80-day Taft-Hartley Injunction, it will have an immediate and detrimental impact in Illinois--particularly upon farm grain prices. Illinois leads the nation in the export of agricultural products and in addition, exports a multitude of manufactured goods to foreign markets. I realize that this hearing today is primarily directed toward the consideration of legislative alternatives which could be used to deal with the current dock strike on the West Coast. However, the conclusions and recommendations forthcoming from this Committee could be used to terminate a Gulf Coast dock strike should that strike resume on February 14.

There is little doubt but that dock strikes have a direct effect upon export prices. We in Illinois learned this lesson anew during the recent Gulf Coast strike. Proof of this is the fact that during the last three months of 1971 the fluctuations in corn prices in Illinois were related directly to the progress of the Gulf Coast strike. The dock strike began on October 1, 1971. For the two weeks prior to that time, corn prices were 95¢ per bushel. During the first two weeks of the strike, prices drifted down to approximately 90¢. Prices increased somewhat in late October when it was rumored the National Labor Relations Board would seek to end the strike and went to \$1.00 per bushel when

Page 2

dock workers went back to work briefly in November. Then on November 13, when the dock workers again went on strike, prices dropped precipitously until such time as the President announced that he was invoking the "cooling off" provisions of the Taft-Hartley Act. Immediately, corn prices jumped to \$1.05 and continued to rise thereafter for a number of days.

Admittedly, the West Coast strike has had less of an impact on Illinois than was experienced during the Gulf Coast strike. However, dock strikes, whether on the Gulf or West Coast, have a dramatic impact on many people who share no part in the dispute and who are far removed from the ports themselves.

I trust that the parties now involved in collective bargaining on the Gulf Coast will reach an amicable and fair settlement prior to February 14. I urge them to continue negotiating. Last week I sent telegrams to President Nixon and the Federal Mediation and Conciliation Service offering my assistance to them if they believed I could be helpful in settling that dispute. That offer still stands.

While I firmly believe in the collective bargaining process, legislation is needed to terminate crippling dock strikes which occur when collective bargaining breaks down and a national emergency exists. I believe that you should give House Joint Resolution 1025 serious consideration and prompt action even though it only pertains to the West Coast. I say this as a Governor of a Midwestern state because I am aware that if an accord is not reached on the Gulf Coast by February 14, at a minimum this type of legislation will then be needed to end the strikes at those ports.

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APPENDIX II

92D CONGRESS } 2d Session }	HOUSE OF REPRESENTATIVES {	DOCUMENT No. 92-244
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EMERGENCY ACTION TO END DOCK STRIKE,
WEST COAST

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

REQUESTING EMERGENCY ACTION TO END THE DOCK STRIKE ON
THE WEST COAST AND FUTURE TRANSPORTATION DISPUTES

FEBRUARY 2, 1972.—Message referred to the Committee of the Whole House on
the State of the Union and ordered to be printed.

To the Congress of the United States:

As the dock strike on the West Coast continues to impose a cruel and intolerable burden upon the American people, I appeal once again to the Congress for emergency action to end these transportation disputes.

There are now two bills before the Congress dealing with transportation stoppages, and immediate action is urgently required on both:

—S.J. Resolution 187, which would quickly halt the West Coast strike and lead to a fair and early settlement under binding arbitration.

—And the Crippling Strikes Prevention Act, S. 560, which would grant the executive branch sufficient authority so that future disruptions in the transportation industry could be averted.

The American public is rightly frustrated today by the inaction of Congress in ending the West Coast strike. Some crops are rotting while others are stalled in their bins, export customers are looking for more dependable trading partners, and jobs and businesses are threatened with extinction. Tens of thousands of people, who share no part of this dispute, are suffering needlessly.

Yet our Government stands idly by, paralyzed because the executive branch has exhausted all available remedies and a majority in the Congress has been unwilling to enact necessary legislation. This failure to act in time of need speaks directly to the question of why some Americans have lost confidence in their government.

We must act now, swiftly and decisively. Twelve days ago I proposed special legislation to end this strike and asked for enactment within a week. That deadline has passed without a response, and I must report to the American people today that I cannot predict when relief will come. To say that I am disappointed is to state the case in its mildest terms.

For those who argue that the Government should not interfere with collective bargaining, the short answer is that the bargaining in this case has thus far failed—and failed badly for 15 months. I share the belief that Government ordinarily should not tamper with the freedom of bargaining, but when the processes have broken down and the Nation's health and safety are at stake we in public office have no right to turn our heads.

I am also aware that some members of Congress believe this strike will soon be settled at the bargaining table. I sincerely hope they are right, and I urge the parties to continue their bargaining, but the 15 months of fruitless bargaining which have already passed convince me that we cannot depend on this solution.

ISSUES OF GREAT URGENCY

In the absence of an agreement, the critical question is whether all of us in Washington sense the urgency of these issues. I can assure you that the farmer whose grain is wasting away and the exporter who has lost his contract regard this strike as a matter of utmost urgency, and I plead with the Congress to recognize their plight.

For two years I have been trying to impress upon the Congress the need for new legislation in this field. In 1970, during the 91st Congress, and again in 1972 during the 92nd Congress, I proposed the comprehensive crippling strikes prevention program so that future transportation stoppages could be resolved. There has been precious little affirmative response. Yet I am confident that if the Congress had enacted those measures, there might have been no strike on the West Coast and the issues in dispute would have been fairly settled.

Let us resolve that this stoppage on the West Coast will be the last of its kind. The Congress should act immediately to end the West Coast strike and, with utmost dispatch, pass the Crippling Strikes Prevention Act.

THE CRIPPLING STRIKES PREVENTION ACT

Certainly the more far-reaching of the two proposals on which I am seeking action is the Crippling Strikes Prevention Act. It would give the President additional—and, in my opinion, essential—new authority to deal with emergency disputes in the railroad, airline, maritime, longshore, and trucking industries.

First, it would discontinue the emergency strike provisions of the Railway Labor Act of 1926 and provide that all transportation disputes be settled under the Taft-Hartley Act. Currently, disputes in the railroad and airline industries are subject to the Railway Labor Act while all other emergency transportation disputes are governed by the Taft-Hartley Act. Of the two acts, the railway labor law is clearly

the inferior. Under it, the President can delay a strike or lockout for 60 days by appointing an Emergency Board to study the issues and recommend a settlement. Unfortunately, these provisions only seem to discourage hard bargaining because the parties are hesitant to compromise their position before the Board is appointed, and then, recognizing that the Board will probably seek a middle position, the parties tend to adopt a more extreme stance in order to pull the Board in their direction. Thus the gap widens between the disputants and because neither the Board nor the President has any additional authority, strikes often resume at the end of the 60-day period. These resump-tions have occurred at the rate of more than one per year since 1947, and four times during this administration alone I have been forced to ask Congress for special legislation. This is a sorry record, best consigned to our history book.

THREE NEW OPTIONS

Secondly, I propose a major revision of the Taft-Hartley Act to give the President three new options in the case of all emergency disputes in the transportation industry. Under current provisions of this Act, the President may appoint a Board of Inquiry when he believes that a work stoppage imperils the Nation's health or safety. Upon receiving a report from the Board on the status of the strike, the President may direct the Attorney General to petition a Federal District Court to en-join the strike for an 80-day "cooling-off" period. But there the formal authority of the Federal Government ends: the Board or Inquiry may issue no recommendation on a settlement and the President has no additional options when the 80-day period elapses except to ask for emergency legislation. On nine of 30 occasions when this machinery has been invoked since 1947, a strike or lockout has resulted after the 80-day period, as it has now on the West Coast.

To permit a more flexible Federal response, I propose that the President be granted three options when the "cooling-off" period fails to produce a settlement:

- First, he could extend the period for 30 days, a most useful device if the dispute seems to be near an end.
- Secondly, he could require partial operation of the troubled industry, so that those segments essential to the national health or safety could be kept in operation for an additional 180 days.
- Or third, he could invoke a "final offer selection" procedure whereby the final offers of each party would be submitted to a neutral panel. This panel would select, without amendment, the most reasonable of the offers as the final and binding contract between the parties. Unlike bargaining which now occurs under the Railway Labor Act or under arbitration, this approach would encourage the parties to narrow their positions so that they could persuade the panel of their reasonableness. Thus genuine negotiations and settlement would be encouraged automatically.

Among the additional features of this proposal is the establishment of a National Special Industries Commission to conduct a two-year study of labor relations in industries which are especially subject to national emergency disputes.

As I informed the Congress two years ago, the Crippling Strikes Prevention Act creates a balance between two cherished but sometimes inconsistent principles: the protection of the national health and safety against damaging work stoppages, and the protection of collective bargaining from interference by the Government. "Ideally," I said then, "we would provide maximum public protection with minimum Federal interference."

Without doubt, my proposal would tip the present scales back in the direction of greater protection for the public, but we must face up to the hard realities that the old way simply has not worked. The scales, in fact, have been heavily weighted against the public. The actions I propose would not only correct the balance but would also preserve and enhance the processes of collective bargaining.

THE WEST COAST DISPUTE

The present tie-up on the West Coast vividly illustrates why we need the Crippling Strikes Prevention Act. Both the failure of negotiations and the resulting economic losses have been a painful lesson for us all.

Talks and negotiations between the parties have dragged on for 15 months, and I have used every remedy at my command, but to no avail. The Taft-Hartley machinery has been tried, and it has failed. Two extensions in time have been arranged by Government mediators, and twice the mediators' efforts have fallen short. And I have met personally with the parties. Yet this strike has resumed. In my view, it is abundantly clear that present legislation is inadequate and that we need comprehensive solutions.

Only now are we beginning to realize the full damages of the first 100-day strike which closed down the West Coast ports between July 1 and October 9, 1971. I recounted some of these losses to the Congress in my message 12 days ago, but the facts bear emphasis:

- It is estimated that American exports would have been \$600 million higher during this 100-day period except for the work stoppage.
- The strike was particularly hard on our farmers, who have been exporting the product of one cropland acre out of four. During the June-September period, farm exports from the West Coast dropped from \$288 million in the same period in 1970 to \$73 million in 1971.
- Wheat farmers suffered the worst calamities of all, as their sales to major Far Eastern markets fell off drastically. Japan, for instance, purchases over 50 percent of her wheat from the United States. Since April, we have lost sales to Japan of at least 25 million bushels of wheat valued at \$40 million. Ominously, the day after the strike resumed last month, the Japanese purchased 8.7 million bushels of wheat for a spring delivery, but only 1.6 million bushels were bought from the United States.
- Our merchant fleet also sustained heavy losses, as did exporters of vegetables, rice, cotton, and livestock, and wood products, and numerous related industries.

APPALLING HUMAN COSTS

Overall, the 100-day strike thrust a spike into our progress toward economic recovery, threatened our balance of payments, and undermined the confidence of foreign buyers who need to rely upon dependable deliveries. But the most appalling costs were in human terms—those tens of thousands who were not parties to the dispute but suffered because of it.

Those same people are suffering needlessly again, as the costs of resuming the strike begin to mount. I met yesterday with the Governors of California and Washington, whose States along with Oregon lost an estimated total of \$23.5 million a day during the 100-day strike, and they have reported to me that the cost of this resumption is intolerable to their economies. The State of Hawaii is also beginning to feel the punishment. If the strike persists for several weeks, we can anticipate a significant increase in unemployment on the West Coast and huge financial losses for many people across the country.

We can and must end this dispute. Because the parties have already been bargaining under different ground rules for many months, I do not think it would be fair or wise in this case to impose the “final offer selection” solution which I am proposing in the more comprehensive Crippling Strikes Prevention Act. I also see no merit in another “cooling off” extension, because it offers little hope of resolution and it only increases the uncertainty in foreign markets. Instead, I urge the adoption of a plan for settlement by arbitration. As I explained to the Congress 12 days ago, I am asking that a three-member arbitration board be appointed by the Secretary of Labor to hear all the issues and then issue a settlement that would be binding for at least 18 months. No strike or lockout would be permitted from the day this legislation is enacted until the expiration of the binding settlement established by the board.

I strongly favor free collective bargaining, but the time has come for decisive action. I call upon the Congress to take such action on both this emergency bill and the Crippling Strikes Prevention Act.

RICHARD NIXON.

THE WHITE HOUSE, *February 2, 1972.*



92D CONGRESS
2D SESSION

H. J. RES. 1025

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1972

Mr. DELLENBACK (for himself, Mr. ASHBROOK, Mr. GERALD R. FORD, Mr. QUIE, Mr. ERLBORN, Mr. ESCH, Mr. ESHLEMAN, Mr. LANDGREBE, Mr. HANSEN of Idaho, Mr. FORSYTHE, Mr. VEYSEY, and Mr. HOSMER) introduced the following joint resolution; which was referred to the Committee on Education and Labor

JOINT RESOLUTION

To provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by

the International Longshoremen's and Warehousemen's Union (hereafter called Longshoremen's Union) ; and

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935-WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947 as amended (29 U.S.C. 176-178) ; and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts; and

Whereas there is a dispute, involving members of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America (hereafter called the Teamsters Union) employed by some of the above employers and by other employers engaged in activities related to the maritime, stevedoring, and pier work described above, concerning the assignment and performance of such work; and

Whereas a dispute in Hawaii, involving certain employers engaged in activities related to maritime, stevedoring, and pier work described above and certain of their employees represented by the Longshoremen's Union and the Teamsters Union, threatens to disrupt essential transportation services for that State and to endanger the health and safety of its citizens; and

Whereas these disputes are closely related to and a portion of the dispute on the Pacific coast; and

Whereas it is vital to the national interest, including the national health and safety, that essential transportation services be maintained; and

Whereas the Congress finds that emergency measures are essential to continuity of essential transportation services affected by this dispute: Therefore be it

1 *Resolved by the Senate and House of Representatives*
 2 *of the United States of America in Congress assembled,*
 3 That an arbitration board shall be established herein to hear
 4 and settle all issues in this dispute, and to issue a determina-
 5 tion which shall be deemed a final and binding resolution,
 6 understanding, and agreement among the parties and shall
 7 also be deemed to supersede to the extent inconsistent there-
 8 with all other agreements or understandings in which these
 9 parties are involved: *Provided*, That the Secretary of Labor
 10 may terminate the procedures of this resolution before is-
 11 suance of a determination by the arbitration board if he finds
 12 that all the labor organizations and employers involved in
 13 the dispute have reached complete agreement on all the
 14 issues. The determination of the arbitration board shall be
 15 effective for the period stated therein, which may not be less
 16 than eighteen nor more than twenty-four months. During
 17 such period, there shall be no resort to strike or lockout and

1 the parties thereto shall be bound by the terms of the de-
2 termination notwithstanding any agreements they may con-
3 clude among themselves.

4 From the date of enactment until the arbitration board
5 makes its determination, there shall be no resort to strike
6 or lockout, and no change, except by agreement of the par-
7 ties, in the terms and conditions of employment as prescribed
8 in the court order in United States against International
9 Longshoremen's and Warehousemen's Union et al., docket
10 numbered C-17-1935-WTS, October 6, 1971, the agree-
11 ment between the Longshoremen's Union and certain em-
12 ployers in Hawaii, which expired June 30, 1971, under
13 which they have been operating from that time, and the
14 collective bargaining agreements, interpretations, rulings,
15 and practices governing assignment and performance of work
16 involved in this dispute by members of the Longshoremen's
17 Union and the Teamsters Union.

18 For the purposes of this resolution, the term "parties"
19 shall mean the parties who were under the jurisdiction of the
20 court in United States against International Longshoremen's
21 and Warehousemen's Union et al., docket numbered C-17-
22 1935-WTS, October 6, 1971, in the Pacific coast portion of
23 this dispute who have not settled prior to the enactment of
24 this resolution, and the parties in section 6 of this resolution.
25 In addition, any employer of employees involved in this dis-

1 pute who are represented by Teamster Union locals listed in
2 section 6, not otherwise made a party, may elect to place
3 itself voluntarily under the jurisdiction of the arbitration
4 board created by section 2 of this resolution as a party by
5 giving notice of such election by certified mail within seven
6 days of the enactment of this resolution to the board in care
7 of the Secretary of Labor, Washington, District of Columbia
8 20210, and to the Teamsters Union local involved at its local
9 address and to the International Brotherhood of Teamsters,
10 Chauffeurs, Warehousemen, and Helpers of America at 25
11 Louisiana Avenue Northwest, Washington, District of Co-
12 lumbia 20001.

13 SEC. 2. (a) There is established an arbitration board
14 (hereafter called the board) consisting of three members, to
15 be appointed by the Secretary of Labor within five days of
16 enactment of this resolution. The members shall then elect
17 a chairman.

18 (b) The board shall make all necessary rules for con-
19 ducting its hearings and giving the parties to the contro-
20 versy a full and fair hearing, which shall include an oppor-
21 tunity to present their case in person, by counsel, or by other
22 representative as they may select.

23 (c) For the purpose of hearings conducted by the
24 board, it shall have authority conferred by the provisions of

1 sections 9 and 10 (relating to the attendance and examina-
2 tion of witnesses and the production of books, papers, and
3 documents) of the Federal Trade Commission Act of Sep-
4 tember 26, 1914, as amended (15 U.S.C. 49, 50).

5 (d) The board shall begin its hearings no more than
6 fifteen days after enactment. The board shall make its de-
7 termination no later than forty days after enactment.

8 (e) In its determination the board shall resolve all the
9 issues in the dispute.

10 (f) The board's determination shall be retroactive to
11 the date of enactment of this resolution. The board may make
12 such further provisions for retroactivity to a date prior to
13 the enactment of this resolution, if any, as it finds appropri-
14 ate and consistent with the terms of this resolution.

15 (g) The board shall make its determination consistent
16 with the policy of the Economic Stabilization Act of 1971,
17 and such determination shall be final and binding in every
18 respect, subject only to review as provided in section 2 (h).

19 (h) Any party, as defined in section 1, aggrieved by a
20 determination of the board may, within fifteen days after its
21 issuance, obtain review of the determination in the United
22 States Court of Appeals for the District of Columbia. The
23 decision of the court of appeals may be reviewed in the
24 Supreme Court by writ of certiorari or upon certification
25 as provided for in section 1254 (1) and (3), title 28,

1 United States Code. The commencement of proceedings
2 under this subsection shall not, unless ordered by the court,
3 operate as a stay of the determination of the board. A de-
4 termination of the board shall be conclusive unless found
5 to be arbitrary or capricious.

6 (i) Members of the board shall receive compensation
7 at a rate of per diem equivalent to the rate for a GS-18
8 when engaged in the work of the board as prescribed by
9 this section, including traveltime, and shall be allowed travel
10 expenses and per diem in lieu of subsistence as authorized
11 by law (5 U.S.C. 5703), for persons in the Government
12 service employed intermittently and receiving compensation
13 on a per diem when actually employed basis.

14 For the purposes of carrying out its functions under this
15 Act, the board is authorized to employ experts and con-
16 sultants or organizations thereof as authorized by section
17 3109 of title 5, United States Code, and allow them while
18 away from their home or regular places of business, travel
19 expenses (including per diem in lieu of subsistence) as
20 authorized by section 5703 of title 5, United States Code,
21 for persons in the Government service employed inter-
22 mittently, while so employed. The board is also authorized
23 to employ such support services as are necessary for its
24 operation.

25 SEC. 3. (a) The Secretary of Labor shall appoint a spe-

1 cial referee within 3 days of enactment of this resolution who
2 shall have the responsibility provided herein and shall receive
3 the same compensation as a member of the board.

4 (b) Notwithstanding any other law, the special referee
5 shall have exclusive jurisdiction over any disagreement oc-
6 ccurring after the enactment of this resolution but before the
7 arbitration determination has gone into effect which involves
8 collective-bargaining agreements, interpretations, rulings,
9 and practices governing assignment and performance of
10 work between the Longshoremen's Union and the Teamsters
11 Union, and which may lead to violation of this resolution.
12 The special referee may also during this period consider other
13 disagreements which may lead to violation of this resolution
14 if he finds it would effectuate the purposes of the resolution
15 to do so rather than to defer to other procedures, and if he
16 does so he shall assume exclusive jurisdiction over such dis-
17 agreements. The special referee shall have the same authority
18 provided in section 2 (c) relating to attendance and exami-
19 nation of witnesses and the production of books, papers, and
20 documents. The special referee is authorized to issue orders
21 to obtain compliance by the parties with the requirements of
22 this resolution. The Attorney General shall have power to
23 petition the district court of the United States wherein the
24 violation or threatened violation occurs or having jurisdiction

1 of the parties for enforcement of such orders and for appro-
2 priate relief or restraining orders.

3 The findings of the special referee, unless found to be
4 arbitrary or capricious, shall be conclusive. The jurisdiction
5 of the United States district court, and its judgment and
6 decree as to matters within its jurisdiction under this section
7 shall be final and not subject to review.

8 SEC. 4. (a) The Attorney General of the United States
9 shall be authorized to maintain any civil action necessary to
10 obtain compliance with any provision of this resolution.

11 (b) Any strike, lockout, or other concerted activity in
12 violation of this resolution shall be subject to a penalty not
13 to exceed \$100,000. Each calendar day in which such a vio-
14 lation occurs shall be considered a separate violation.

15 SEC. 5. There is authorized to be appropriated such sums
16 as may be necessary for the implementation of this resolution.

17 SEC. 6. The following employers and labor organizations
18 are parties to the dispute in addition to those parties described
19 in section 1:

20 (a) Castle and Cooke Terminals, Limited, 965 North
21 Nimitz Highway, Honolulu, Hawaii 96817.

22 Hilo Transportation and Terminal Company, Post Office
23 Box 455, Hilo, Hawaii 96720.

24 Theo H. Davies and Company, 800 Fort, Honolulu,
25 Hawaii 96813.

- 1 Honolulu Terminals Company, Limited, Pier 19, Hono-
2 lulu, Hawaii 96817.
- 3 Kawaihae Terminals, Post Office Box 818, Hamuela,
4 Hawaii 96743.
- 5 Kauai Sugar Storage Corporation, Post Office Box 1743,
6 Lihue, Hawaii 96766.
- 7 Matson Terminals, Incorporated, 521 Ala Moana Boule-
8 vard, Honolulu, Hawaii 96803.
- 9 McCabe, Hamilton, and Renny Company, Limited, 224
10 Mokauea, Honolulu, Hawaii; Lihue, Hawaii; Kahului,
11 Hawaii 96819.
- 12 Oahu Transport Company (Highway and Terminal
13 Warehousing Company, Limited), Post Office Box 3288,
14 Honolulu, Hawaii 96801.
- 15 Seatrain Lines, California, San Island Access Road,
16 Honolulu, Hawaii 96819.
- 17 Pacific Container Service, Honolulu, Hawaii.
- 18 International Longshoremen's and Warehousemen's
19 Union, Locals 142 and 160, 451 Atkinson Drive, Honolulu,
20 Hawaii.
- 21 Kahului Trucking and Storage, Kahului, Hawaii.
- 22 (b) The International Brotherhood of Teamsters, Chauf-
23 feurs, Warehousemen, and Helpers of America.
- 24 The following Teamster Union locals of:

- 1 State of Washington
- 2 City of Seattle, Local Unions 174, 741, 44, and 117.
- 3 City of Takoma, Local Unions 313 and 461.
- 4 City of Aberdeen, Local Union 599.
- 5 State of Oregon
- 6 City of Portland, Local 162 and 81, Coos Bay 689,
- 7 Hoquin Local 58.
- 8 Vancouver, Washington, Local 501.
- 9 Astoria Local 569.
- 10 State of California
- 11 Long Beach, Local 692.
- 12 San Diego, Local 542.
- 13 Oakland, Local 70.
- 14 San Francisco, Local 85.
- 15 Stockton, Local 439.
- 16 Sacramento, Local 150.
- 17 Oakland, Locals 85 and 853.
- 18 State of Alaska
- 19 Anchorage, Alaska, Local 959.
- 20 State of Hawaii
- 21 Honolulu, Local 996.

House Calendar No. 228

92^D CONGRESS
2D SESSION**H. RES. 796**

[Report No. 92-828]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1972

Mr. SISK (for himself and Mr. SMITH of California) submitted the following resolution; which was referred to the Committee on Rules

FEBRUARY 8, 1972

Reported with an amendment, referred to the House Calendar, and ordered to be printed

[Strike out all after "*Resolved*," and insert the part printed in italic]

RESOLUTION

- 1 *Resolved*, That upon the adoption of this resolution the
2 House shall immediately resolve itself into the Committee of
3 the Whole House on the State of the Union for the con-
4 sideration of the joint resolution (H.J. Res. 1025) to provide
5 a procedure for settlement of the dispute on the Pacific coast
6 and Hawaii among certain shippers and associated employers
7 and certain employees. After general debate, which shall be
8 confined to the joint resolution and shall continue not to ex-
9 ceed two hours, to be equally divided and controlled by the
10 chairman and ranking minority member of the Committee on
11 Education and Labor, the joint resolution shall be read for
12 amendment under the five-minute rule. At the conclusion of

1 the consideration of the joint resolution for amendment, the
2 Committee shall rise and report the joint resolution to the
3 House with such amendments as may have been adopted, and
4 the previous question shall be considered as ordered on the
5 joint resolution and amendments thereto to final passage
6 without intervening motion except one motion to recommit.
7 That upon the adoption of this resolution the House shall
8 immediately resolve itself into the Committee of the Whole
9 House on the State of the Union for the consideration of the
10 joint resolution (H.J. Res. 1025) to provide a procedure for
11 settlement of the dispute on the Pacific coast and Hawaii
12 among certain shippers and associated employers and certain
13 employees. After general debate, which shall be confined to
14 the joint resolution and shall continue not to exceed two hours,
15 to be equally divided and controlled by the chairman and
16 ranking minority member of the Committee on Education and
17 Labor, the joint resolution shall be considered as having been
18 read for amendment. No amendment shall be in order to the
19 joint resolution except one amendment in the nature of a sub-
20 stitute therefor, the text of which shall be identical to that of
21 House Joint Resolution 1054 as introduced in the House on
22 February 7, 1972, and said substitute shall not be subject
23 to amendment. All points of order against said substitute are
24 hereby waived. At the conclusion of the consideration of the
25 joint resolution for amendment, the Committee shall rise and

1 *report the joint resolution to the House with such amendment*
2 *as may have been adopted, and the previous question shall*
3 *be considered as ordered on the joint resolution and amend-*
4 *ment thereto to final passage without intervening motion ex-*
5 *cept one motion to recommit. After the passage of the joint*
6 *resolution (H.J. Res. 1025), it shall then be in order to take*
7 *from the Speaker's table the joint resolution of the Senate*
8 *(S.J. Res. 197) and consider the same in the House.*

PROVIDING FOR THE CONSIDERATION OF HOUSE JOINT RESOLUTION 1025, A JOINT RESOLUTION TO PROVIDE A PROCEDURE FOR SETTLEMENT OF THE DISPUTE ON THE PACIFIC COAST AND HAWAII AMONG CERTAIN SHIPPERS AND ASSOCIATED EMPLOYERS AND CERTAIN EMPLOYEES

FEBRUARY 8, 1972.—Referred to the House Calendar and ordered to be printed

Mr. COLMER, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 796]

The Committee on Rules, having had under consideration House Resolution 796, by a record vote of 9 to 6, report the same to the House with the recommendation that the resolution do pass, with the following amendment:

Strike all after the word "*Resolved*," and insert in lieu thereof:

That upon the adoption of this resolution the House shall immediately resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1025) to provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees. After general debate, which shall be confined to the joint resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the joint resolution shall be considered as having been read for amendment. No amendment shall be in order to the joint resolution except one amendment in the nature of a substitute therefor, the text of which shall be identical to that of House Joint Resolution 1054 as introduced in the House on February 7, 1972, and said substitute shall not be subject to amendment. All points of order against said substitute are hereby waived. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendment as may have been adopted, and the previous question shall be considered as ordered on the

joint resolution and amendment thereto to final passage without intervening motion except one motion to recommit. After the passage of the joint resolution (H.J. Res. 1025), it shall then be in order to take from the Speaker's table the joint resolution of the Senate (S.J. Res. 197) and consider the same in the House.

92^D CONGRESS
2^D SESSION

H. J. RES. 1054

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 1972

Mr. MATSUNAGA introduced the following joint resolution; which was referred to the Committee on Education and Labor

JOINT RESOLUTION

To provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain steamship companies and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective-bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by the International Longshoremen's and Warehousemen's Union (hereafter called Longshoremen's Union) ; and

I

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California, in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935-WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947, as amended (29 U.S.C. 176-178); and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts; and

Whereas there is a dispute, involving members of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America (hereafter called the Teamsters Union) employed by some of the above employers and by other employers engaged in activities related to the maritime, stevedoring, and pier work described above, concerning the assignment and performance of such work; and

Whereas a dispute in Hawaii, involving certain employers engaged in activities related to maritime, stevedoring, and pier work described above and certain of their employees represented by the Longshoremen's Union and the Teamsters Union, threatens to disrupt essential transportation services for that State and to endanger the health and safety of its citizens; and

Whereas these disputes are closely related to and a portion of the dispute on the Pacific coast; and

Whereas it is vital to the national interest, including the national health and safety, that essential transportation services be maintained; and

Whereas the Congress finds that emergency measures are essential to continuity of essential transportation services affected by this dispute: Therefore be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

3 That immediately upon the enactment of this resolution the
4 Attorney General shall petition any district court of the
5 United States having jurisdiction of the parties to enjoin
6 the continuation of any strike or lockout arising out of a
7 dispute between the Pacific Maritime Association and the
8 International Longshoremen's and Warehousemen's Union.

9 The court shall have jurisdiction to issue such an injunction,
10 and to make such other orders as may be appropriate, if it
11 determines such strike or lockout meets the criteria set forth
12 in section 208 (a) (i) and (ii) of the Labor-Management
13 Relations Act, 1947. Such injunction may be issued for a
14 period not to exceed thirty days. Upon the settlement of
15 such dispute, the Attorney General shall move the court to
16 discharge the injunction, which motion shall then be granted
17 and the injunction discharged.

18 SEC. 2. If no settlement is reached prior to the twenty-
19 fifth day after the issuance of an injunction obtained pursuant
20 to section 1 of this resolution, the Attorney General shall

1 petition the district court involved to extend the injunction
2 then in effect for an additional thirty days following its
3 original expiration date. Upon settlement of the dispute, the
4 Attorney General shall move the court to discharge the in-
5 junction, which motion shall then be granted and the injunc-
6 tion discharged.

7 SEC. 3. (a) (1) If no settlement has been reached by
8 the thirty-first day following the issuance of the original
9 injunction, the Secretary of Labor shall direct each party to
10 submit to him within three days a final offer as to all un-
11 resolved issues and a full and complete statement covering
12 all issues upon which agreement has been reached.

13 (2) If any of the parties refuses to submit a final offer,
14 as described in subsection (a) (i) of this section, the last
15 offer, if any, as to each unresolved issue made by such party
16 during previous bargaining shall be deemed that party's final
17 offer.

18 (3) Any offer submitted by a party pursuant to this
19 section, together with those issues with respect to which
20 agreement has been reached by the parties, must constitute
21 a complete collective-bargaining agreement and resolve all
22 the issues involved in the dispute, and must propose a con-
23 tract period of not less than eighteen months' duration.

24 (b) The Secretary, upon receipt of such final offers
25 from both parties, shall transmit them, one to the other, at

1 the same time, and parties shall bargain collectively for a
2 period of five consecutive days after they receive the other
3 party's final offer as to unresolved issues. The Secretary may
4 act as mediator during the period of the final offer selection
5 proceedings.

6 (c) If no settlement has been reached before the end
7 of the period described in subsection (b) of this section, the
8 Secretary shall appoint a special panel of three impartial
9 members to act as the final offer selector.

10 (d) No person who has a pecuniary or other interest
11 in any organization of employees or employers or employers'
12 organizations which are involved in the dispute shall be
13 appointed to such panel.

14 (e) If a settlement is reached by the parties to the dis-
15 pute at any time prior to the panel's selection of a final offer
16 as prescribed below, the panel shall adjourn its proceedings
17 and report to the Secretary within five days the fact that a
18 settlement has been reached and the terms of such settlement.

19 (f) The panel shall at no time engage in an effort to
20 mediate or otherwise settle the dispute in any manner other
21 than that prescribed by this section.

22 (g) From the time of appointment by the Secretary
23 until such time as the panel makes its selection, there shall
24 be no communication by the members of the panel with

1 third parties concerning recommendations for settlement of
2 the dispute.

3 (h) Beginning with the direction of the Secretary to
4 submit final offers as to unresolved issues and until the
5 panel makes its selection and the final agreement is signed,
6 there shall be no change, except by agreement of the par-
7 ties, in the terms and conditions of employment. In no in-
8 stance shall such period exceed thirty days.

9 (i) The panel shall not compromise or alter the final
10 offer that it selects. Selection of a final offer shall be based
11 on the content of the final offer and no consideration shall
12 be given to, nor shall any evidence be received concern-
13 ing, the collective bargaining as to the unresolved issues
14 in this dispute, including offers of settlement not contained
15 in the final offers. The panel shall, however, in order to
16 ascertain the completeness of the final offers submitted
17 for selection, determine which of the issues have been
18 agreed upon by the parties, and are therefore outside the
19 scope of such final offers.

20 (j) The panel shall, upon concurrence of two or more
21 of its members, select what it deems to be the most reason-
22 able of the final offers submitted by the parties. The panel
23 may, in reaching its decision, take into account the follow-
24 ing factors:

25 (1) past collective-bargaining contracts between the

1 parties including the bargaining that led up to such
2 contracts;

3 (2) comparison of wages, hours, and conditions of
4 employment of the employees involved, with wages,
5 hours, and conditions of employment of other employ-
6 ees doing comparable work, giving consideration to
7 factors peculiar to the industry involved;

8 (3) comparison of wages, hours, and conditions of
9 employment as reflected in industries in general, and in
10 the same or similar industry;

11 (4) security and tenure of employment with due
12 regard for the effect of technological changes on manning
13 practices or on the utilization of particular occupations;
14 and

15 (5) the public interest, and any other factors nor-
16 mally considered in the determination of wages, hours,
17 and conditions of employment.

18 (k) The final offer selected by the panel, together with
19 its findings as to issues on which agreement had been reached
20 by the parties, shall be transmitted immediately to the Secre-
21 tary, who shall issue an order requiring the parties to accept
22 and sign as the final contract between them the selected offer
23 as to the unresolved issues, together with the agreement pre-
24 viously reached on all other issues. The Secretary shall im-

1 mediately transmit a copy of such order, together with the
2 final contract to each of the parties.

3 (1) The determination by the panel shall be conclusive
4 unless found arbitrary and capricious by the district court
5 which granted the injunction pursuant to section 1 of this
6 resolution.

7 (m) If any of the parties refuse to sign the final agree-
8 ment as selected by the panel within twenty-four hours
9 after the issuance of the Secretary's order, the Attorney
10 General shall immediately petition the district court which
11 issued the injunction pursuant to section 1 of this reso-
12 lution to enjoin the further refusal by the party or parties
13 to sign the agreement as provided in the Secretary's order.
14 The court shall have jurisdiction to issue such an injunc-
15 tion, if it determines that the strike or lockout still meets
16 the criteria set forth in section 208 (a) (i) and (ii) of
17 the Labor-Management Relations Act of 1947.

18 (n) The following rules of procedures shall be appli-
19 cable to the panel's functions under this subsection:

20 (1) NOTICE OF HEARING.—Upon appointment by
21 the Secretary, the panel shall promptly notify and in-
22 form the parties of the time, place, and nature of the
23 hearings, and the matters to be covered therein.

24 (2) HEARINGS TO BE PUBLIC.—The panel shall
25 hold public hearings, unless it determines private hear-

1 ings are necessary in the interest of national secu-
2 rity, or unless the parties agree to present their positions
3 in writing. The record made at such hearings shall in-
4 clude all documents, statements, exhibits, and briefs
5 which may be submitted, together with the stenographic
6 record. The panel shall have authority for the conduct
7 of an orderly public hearing. The panel may exclude
8 persons other than the parties at any time when in its
9 judgment the expeditious inquiry into the dispute so
10 requires.

11 (3) PARTICIPATION BY THE PANEL IN THE HEAR-
12 ING.—The panel, or any members thereof, may, on its
13 own initiative at such hearing, call witnesses and in-
14 troduce documentary evidence, and may participate in
15 the examination of witnesses for the purpose of expedit-
16 ing the hearing or eliciting material facts.

17 (4) PARTICIPATION BY THE PARTIES IN HEAR-
18 ING.—The parties or their representatives shall be given
19 reasonable opportunity (A) to be present in person at
20 every stage of the hearing; (B) to be represented ade-
21 quately; (C) to present orally or otherwise any ma-
22 terial evidence relevant to the issues; (D) to ask
23 questions of the opposing party or witness relating to
24 evidence offered or statements made by the party or
25 witness at the hearing, unless it is clear that the ques-

1 tions have no material bearing on the credibility of that
 2 party or witness on the issues in the case; and (E) to
 3 present to the panel oral or written argument on the
 4 issues.

5 (5) STENOGRAPHIC RECORDS.—An official steno-
 6 graphic record of the proceedings shall be made. A copy
 7 of the record shall be available for inspection by the
 8 parties.

9 (6) RULES OF EVIDENCE.—The hearing may be
 10 conducted informally. The receipt of evidence at the
 11 hearing need not be governed by the common law rules
 12 of evidence.

13 (7) REQUESTS FOR THE PRODUCTION OF EVI-
 14 DENCE.—The panel shall have the power to subpoena.
 15 It shall request the parties to produce any evidence it
 16 deems relevant to the issues. Such evidence should be
 17 obtained through the voluntary compliance of the par-
 18 ties, if possible.

19 SEC. 4. (a) The panel established under section 3 of this
 20 resolution may act by majority vote.

21 (b) A vacancy on the panel shall not impair the right
 22 of the remaining members to exercise all of the powers of the
 23 panel. In case of vacancy due to death or resignation, the
 24 Secretary may appoint a successor to fill such vacancy.

25 (c) Members of the panel shall receive compensation

1 at a rate of up to the per diem equivalent of the rate for
2 GS-18 when engaged in the work of the panel as prescribed
3 by this resolution, including traveltime, and shall be allowed
4 travel expenses and per diem in lieu of subsistence as author-
5 ized by law (5 U.S.C. 5703) for persons in the Federal
6 Government service employed intermittently and receiving
7 compensation on a per diem, when actually employed, basis.

8 (d) For the purposes of carrying out its functions under
9 this resolution the panel is authorized to employ experts and
10 consultants or organizations thereof as authorized by section
11 3109 of title 5, United States Code, and allow them, while
12 away from their homes or regular places of business, travel
13 expenses (including per diem in lieu of subsistence) as au-
14 thorized by section 5703 (b) of title 5, United States Code,
15 for persons in the Federal Government service employed
16 intermittently, while so employed.

17 SEC. 5. DEFINITIONS.— (a) The term "Secretary" when
18 used in this resolution refers to the Secretary of Labor.

19 (b) The term "parties" wherever used in this resolution
20 shall mean the parties who were under the jurisdiction of
21 the United States District Court, Northern District of Cali-
22 fornia, in United States against International Longshore-
23 men's and Warehousemen's Union et al., docket numbered
24 C-17-1935-WTS, October 6, 1971, who have not settled
25 their dispute prior to the enactment of this resolution.

1 SEC. 6. APPROPRIATIONS.—There are hereby author-
2 ized to be appropriated such sums as may be necessary to
3 carry out the provisions of this Act.

4 SEC. 7. SEPARABILITY.—If any provision of this resolu-
5 tion, or the application of such provision to any person or
6 circumstance, shall be held invalid, then the remainder of
7 this resolution, or the application of such provision to per-
8 sons or circumstances other than those as to which it is held
9 invalid, shall not be affected thereby, but shall remain valid
10 and in full force.

11 SEC. 8. EFFECTIVE DATE.—This resolution shall take
12 effect immediately upon its enactment and the legality of any
13 action authorized herein and taken thereafter shall be gov-
14 erned by the Act regardless of when such action is initiated.

92D CONGRESS
2D SESSION

H. J. RES. 1056

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 1972

Mr. THOMPSON of New Jersey introduced the following joint resolution; which was referred to the Committee on Education and Labor

JOINT RESOLUTION

To provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective-bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by the International Longshoremen's and

Warehousemen's Union (hereafter called Longshoremen's Union) ; and

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935-WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947, as amended (29 U.S.C. 176-178) ; and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts; and

Whereas the health and safety of the Nation should be protected against damaging work stoppages; and

Whereas a strike or lockout concerning military cargoes, agricultural cargoes, and shipments to and from Hawaii damage the national health and safety; and

Whereas collective bargaining should be as free as possible from governmental interference; and

Whereas a partial operation of the industry will keep the essential segments of the industry in operation and permit the major part of the strike or lockout to continue: Now, therefore, be it

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the President of the United States be, and hereby

1 is, authorized to direct the Attorney General to petition
2 any district court of the United States having jurisdiction
3 of the parties to enjoin such portion of a strike or lock-
4 out concerning military cargoes, agricultural cargoes, and
5 shipments to and from Hawaii. The district court shall
6 have jurisdiction to issue an injunction against any por-
7 tion of the strike or lockout if it finds that such por-
8 tion of the strike or lockout, if permitted to continue,
9 will imperil the national health or safety.

10 When the President finds that the parties have reached
11 agreement, or that the national health or safety no longer
12 requires such injunction, or upon the expiration of sixty
13 days from the date upon which such injunction is issued,
14 whichever is the earlier, he shall direct the Attorney
15 General to move the court to discharge the injunction.

16 In any case, the provisions of the Act of March 23,
17 1932, entitled "An Act to amend the Judicial Code and
18 to define and limit the jurisdiction of courts sitting in equity,
19 and for other purposes," shall not be applicable.

20 The order or orders of the court shall be subject to
21 review by the appropriate United States courts of appeals
22 and by the Supreme Court upon writ of certiorari or
23 certification.

24 This Act shall become effective five days after it is en-
25 acted into law.

92^D CONGRESS
2^D SESSION

S. J. RES. 197

[Report No. 92-605]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 1972

Mr. HUGHES, from the Committee on Labor and Public Welfare, reported the following joint resolution; which was read twice and ordered to be placed on the calendar

FEBRUARY 8, 1972

Considered, read the third time, and passed

JOINT RESOLUTION

To provide a procedure for settlement of the dispute on the Pacific coast between certain shippers and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by the International Longshoremen's and Warehousemen's Union; and

II—O

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California, in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935 WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947, as amended (29 U.S.C. 176-178) ; and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts and transportation services essential to the national interest are not being maintained; and

Whereas it is vital to the national interest that essential transportation services be maintained; and

Whereas the Congress finds that emergency measures are essential to continuity of essential transportation services affected by this dispute: Therefore be it

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That (a) an arbitration board shall be established herein to
- 4 hear and settle all issues in this dispute, and to issue a deter-
- 5 mination which shall be deemed a final and binding resolu-
- 6 tion, understanding, and agreement between the parties and
- 7 shall also be deemed to supersede to the extent inconsistent
- 8 therewith all other agreements or understandings between
- 9 the parties: *Provided, That* proceedings under this joint

1 resolution shall be terminated immediately upon certification,
2 in writing, by the parties to the Secretary of Labor that they
3 have reached complete agreement on the disposition of all
4 the issues. The determination of the arbitration board shall
5 be effective for the period stated therein, which may not be
6 less than eighteen months. During such period, there shall
7 be no resort to strike or lockout as between the parties.

8 (b) From the date of enactment of this joint resolution
9 until the arbitration board makes its determination, there
10 shall be no resort to strike or lockout as between the parties,
11 and no change, except by agreement of the parties, in the
12 terms and conditions of employment as prescribed in the court
13 order in United States against International Longshore-
14 men's and Warehousemen's Union et al., docket numbered
15 C-17-1935-WTS, October 6, 1971.

16 (c) For the purpose of this joint resolution the term
17 "parties" means (1) the International Longshoremen's and
18 Warehousemen's Union and (2) the Pacific Maritime
19 Association, and all employers who are members of that
20 association.

21 SEC. 2. (a) There is established an arbitration board
22 (hereinafter referred to as the "board") which shall be con-
23 stituted in the following manner:

24 (1) Within three days after the enactment of this joint
25 resolution, both parties to the dispute, by agreement, may

1 designate one individual to perform the functions and exercise
2 the powers of the board.

3 (2) In the event that the parties do not agree upon an
4 individual under paragraph (1) of this section, each party
5 shall within three days immediately following the expiration
6 of the three-day period under paragraph (1), designate an
7 individual to serve on the board. The two members of the
8 board so designated shall select, within three days after their
9 appointment, a third individual to be a member and act as
10 chairman of the board. In the event that the two members of
11 the board designated by the parties cannot agree on the selec-
12 tion of the third member as chairman under this paragraph,
13 within three days after their appointment, the third member
14 who shall be the chairman shall be selected by the chief judge
15 of the United States district court for the Northern District of
16 California.

17 (3) In the event that either party does not designate a
18 member under paragraph (2) of this subsection, then the
19 chief judge of the United States district court for the North-
20 ern District of California shall designate one individual to
21 exercise the powers of the board.

22 (b) The board shall make all necessary rules for
23 conducting its hearings and giving to the parties and all
24 other persons it determines may be directly affected by the
25 board's determination notice and a full and fair hearing, which

1 shall include an opportunity to present their case in person,
2 by counsel, or by other representative as they may select.

3 (c) For the purpose of hearings conducted by the
4 board, it shall have authority conferred by the provisions
5 of sections 9 and 10 (relating to the attendance and ex-
6 amination of witnesses and the production of books, papers,
7 and documents) of the Federal Trade Commission Act (15
8 U.S.C. 49, 50).

9 (d) The board shall begin its hearings no more than
10 fifteen days after enactment. The board shall make its
11 determination no later than forty days after enactment.

12 (e) In its determination the board shall resolve all
13 the issues in the dispute.

14 (f) The board's determination shall be retroactive to
15 the date of enactment of this resolution. The board may
16 make such further provisions for retroactivity to a date
17 prior to the enactment of this resolution, if any, as it
18 finds appropriate and consistent with the terms of this
19 resolution.

20 (g) The board shall make its determination consistent
21 with the policy of the Economic Stabilization Act of 1971,
22 and such determination shall be final and binding in
23 every respect, subject only to review as provided in sec-
24 tion 2 (i).

1 (h) In the event of disagreement as to the meaning of
2 any part or all of a determination by the board, or as to the
3 terms of all the detailed agreements or arrangements neces-
4 sary to give effect thereto, any party may within the effective
5 period of the determination apply to the board for clarifica-
6 tion of its determination, whereupon the board shall recon-
7 vene and shall promptly issue a further determination, with
8 respect to the matters raised by any application for clarifica-
9 tion. Such further determination may, in the discretion of
10 the board, be made with or without a further hearing, and
11 shall be final and binding in every respect, subject only to
12 review as provided in section 2 (i) .

13 (i) Any party, as defined in section 1, aggrieved by a
14 determination of the board may, within fifteen days after its
15 issuance, obtain review of the determination in the United
16 States Court of Appeals for the Ninth Circuit. The decision
17 of the court of appeals may be reviewed in the Supreme
18 Court by writ of certiorari or upon certification as provided
19 for in section 1254 (1) and (3) , title 28, United States Code.
20 The commencement of proceedings under this subsection
21 shall not, unless ordered by the court, operate as a stay of the
22 determination of the board. A determination of the board
23 shall be conclusive unless found to be arbitrary or capricious.

24 (j) Members of the board shall receive compensation
25 at a rate of \$250 per day when engaged in the work of

1 the board as prescribed by this section, including traveltime,
2 and shall be allowed travel expenses and per diem in lieu
3 of subsistence as authorized by law (5 U.S.C. 5703), for
4 persons in the Government service employed intermittently
5 and receiving compensation on a per diem when actually
6 employed basis.

7 (k) For the purposes of carrying out its functions under
8 this Act, the board is authorized to employ experts and
9 consultants or organizations thereof as authorized by section
10 3109 of title 5, United States Code, and allow them while
11 away from their home or regular places of business, travel
12 expenses (including per diem in lieu of subsistence) as
13 authorized by section 5703 of title 5, United States Code, for
14 persons in the Government service employed intermittently,
15 while so employed. The board is also authorized to employ
16 such support services as are necessary for its operation.

17 SEC. 3. (a) The Attorney General of the United States
18 shall be authorized to maintain any civil action necessary to
19 obtain compliance with any provision of this resolution.

20 (b) Any strike, lockout, or other concerted activity in
21 violation of this resolution shall be subject to a penalty not
22 to exceed \$100,000. Each calendar day in which such a
23 violation occurs shall be considered a separate violation.

24 SEC. 4. There is authorized to be appropriated such sums
25 as may be necessary for the implementation of this resolution.

LEGISLATION FOR SETTLEMENT OF
WEST COAST DOCK STRIKE

FEBRUARY 8, 1972.—Ordered to be printed

Mr. HUGHES, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany S.J. Res. 197]

The Committee on Labor and Public Welfare, having had under consideration legislation to provide a procedure for settlement of the dispute on the Pacific coast between certain shippers and associated employers and certain employees, reports an original joint resolution and recommends it do pass.

PURPOSE OF THE RESOLUTION

The joint resolution reported herewith is designed to end the strike which is presently taking place in Pacific coast ports by members of the International Longshoremen's and Warehousemen's Union.

The current strike commenced on January 17, 1972, after the expiration of an 80-day injunction which had previously been issued on October 6, 1971, under section 208 of the Labor-Management Relations Act of 1947. Prior to the issuance of the 80-day injunction, a strike had been in effect for 100 days.

This resolution, which is similar to the proposal of President Nixon submitted in his message of January 21, 1972, would provide for the appointment of a board of arbitration to make a determination of all the issues in the dispute. The arbitration board would consist of one individual, agreed on by the parties, but if the parties are unable to agree on one individual, the board shall consist of three members, one member to be designated by each party, and the third member who would also serve as chairman, to be selected by the two members designated by the parties. Should the two members designated by the parties be unable to select a third member to serve as chairman, the chief judge of the U.S. District Court for the Northern District of

California would designate a third member to serve as chairman. Finally, should either of the parties fail to designate a member, the same judge would designate one arbitrator to serve as the board.

Pending the determination of the arbitration board, and during the period its determination is effective, which shall be for not less than 18 months, the parties are prohibited from engaging in any strike or lockout.

The determination of the arbitration board is required to be consistent with policy of the Economic Stabilization Act of 1971 and the board's determination will be final and binding on the parties, subject only to judicial review in the Court of Appeals for the Ninth Circuit, which may set aside the determination only if it is found to be arbitrary and capricious.

In concluding its hearings, the arbitration board shall give the parties, and all other persons whom it finds may be directly affected by its determination, notice and a full and fair hearing, which shall include an opportunity to present their case in person, by counsel, or by other representatives as they may select. This latter provision is specifically designed to give nonparties to this dispute whose labor-management relationships may be directly affected such as the Teamsters Union, and employers with whom the Teamsters have contracts, as well as employers who are not members of the Pacific Maritime Association but whose employees are represented by the ILWU, an opportunity to be heard by the board on any jurisdictional or other pertinent issues which are involved in this dispute. Such nonparties, however, would not be bound by the board's determination unless, of course, they consent to be bound.

COMMITTEE CONSIDERATION

President Nixon, in his special message of January 21, 1972, urged the enactment of special legislation to end the current longshore strike on the west coast. The administration's proposal was introduced by Senator Packwood and Senator Javits (by request) as Senate Joint Resolution 187. A subsequent message from the President urging the prompt enactment of Senate Joint Resolution 187 was sent to the Congress on February 2, 1972.

The Committee on Labor and Public Welfare heard Administration witnesses, including the Secretaries of Labor, Transportation, Agriculture, and the Under Secretary of Commerce, on January 26, and February 2, 1972. On February 3, 1972, the committee heard representatives of the employers and the unions involved in this dispute.

On February 7, the committee met in executive session and by a rollcall vote of 16-0 reported this resolution. There were no rollcall votes on amendments. The rollcall on the motion to report, by Senator Javits, was as follows:

YEAS—16

Mr. Williams
Mr. Randolph
Mr. Pell
Mr. Nelson
Mr. Mondale
Mr. Eagleton
Mr. Cranston
Mr. Hughes
Mr. Stevenson

Mr. Javits
Mr. Dominick
Mr. Schweiker
Mr. Packwood
Mr. Taft
Mr. Beall
Mr. Stafford

NAYS—0

BACKGROUND OF THE PRESENT DISPUTE

The International Longshoremen's and Warehousemen's Union represents virtually all of the employees performing longshore work on the west coast of the United States and in Hawaii. Most of the employers involved in the current dispute are members of the Pacific Maritime Association which represents them for the purposes of collective bargaining. They include steamship companies, contracting stevedores, contracting marine carpenters, lighterage operators, and other employers engaged in related pier activities for vessels engaged from or to Pacific coast or Hawaiian ports of the United States.

The collective bargaining agreement which was in effect between the parties expired on June 30, 1971. Negotiations for a new agreement commenced in November, 1970. To date, some 90 negotiating sessions have been held but no agreement has been reached.

On July 1st, upon the expiration of the previous agreement, a strike commenced which lasted 100 days. On October 4, 1971, the President, acting pursuant to Sections 206-208 of the Labor-Management Relations Act of 1947, issued Executive Order No. 11621 appointing a Board of Inquiry in this dispute as well as a dispute involving longshore work on the East and Gulf Coast ports. On October 6, 1971, the Board of Inquiry issued its report and the President authorized the Attorney General to seek the issuance of an 80-day injunction as authorized by Section 208 of the Labor-Management Relations Act of 1947. On the same day, the U.S. District Court of the Northern District of California issued a temporary restraining order enjoining the strike in Case No. C-71-1935-WIS. That injunction was dismissed effective December 25, 1971, and the parties agreed to extensions of the no-strike period until January 17, 1972. Despite intensive negotiations under the personal auspices of the Director of the Federal Mediation and Conciliation Service, the parties were unable to reach an agreement, and the strike commenced again on January 17, 1972. Since that time the parties have continued to negotiate but have still not reached agreement.

IMPACT OF THE DOCK STRIKE

The message of the President, as well as testimony presented by the Secretary of Transportation, the Secretary of Agriculture, and the Under Secretary of Commerce, indicated the critical economic impact caused by the earlier 100-day strike and its current resumption, particularly upon the agricultural segments of our economy. Pertinent excerpts from the message of the President and the testimony presented to the committee which summarize this impact follow:

Excerpts from the President's Message of February 2, 1972

Only now are we beginning to realize the full damages of the first 100-day strike which closed down the West Coast ports between July 1 and October 9, 1971. I recounted some of these losses to the Congress in my message 12 days ago, but the facts bear emphasis:

—It is estimated that American exports would have been \$600 million higher during this 100-day period except for the work stoppage.

—The strike was particularly hard on our farmers, who have been exporting the product of one cropland acre out of four. During the June–September period, farm exports from the West Coast dropped from \$288 million in the same period in 1970 to \$73 million in 1971.

—Wheat farmers suffered the worst calamities of all, as their sales to major Far Eastern markets fell off drastically. Japan, for instance, purchases over 50 percent of her wheat from the United States. Since April, we have lost sales to Japan of at least 25 million bushels of wheat valued at \$40 million. Ominously, the day after the strike resumed last month, the Japanese purchased 8.7 million bushels of wheat for a spring delivery, but only 1.6 million bushels were bought from the United States.

—Our merchant fleet also sustained heavy losses, as did exporters of vegetables, rice, cotton, and livestock, and wood products, and numerous related industries.

Overall, the 100-day strike thrust a spike into our progress toward economic recovery, threatened our balance of payments, and undermined the confidence of foreign buyers who need to rely upon dependable deliveries. But the most appalling costs were in human terms—those tens of thousands who were not parties to the dispute but suffered because of it.

Those same people are suffering needlessly again, as the costs of resuming the strike begin to mount. I met yesterday with the Governors of California and Washington, whose States along with Oregon lost an estimated total of \$23.5 million a day during the 100-day strike, and they have reported to me that the cost of this resumption is intolerable to their economies. The State of Hawaii is also beginning to feel the punishment. If the strike persists for several weeks, we can anticipate a significant increase in unemployment on the West Coast and huge financial losses for many people across the country.

*Excerpts from Testimony of the Secretary of Transportation,
John A. Volpe*

Mr. VOLPE. The losses in port service industries alone which are directly involved in the dispute are estimated to be about 8 million dollars a week. The loss to the shipping industry is estimated at 3 million dollars a week, and the loss to the inland transportation companies, 5 million dollars per week. Greater losses will appear in the wholesale and retail trade sectors—29 million dollars per week—and in the industrial and agricultural sectors of the economy—some 46 million dollars per week.

Since this nation's transportation system is so complex and interrelated, the elimination of one of the modes has an immediate effect on the connecting modes. In this case, the initiation of the West Coast dock strike resulted in the embargoing of all rail and truck traffic destined for the West Coast ports.

Depending upon the inventories and amount of storage facility available, the losses caused by the strike would begin within days after the strike and would build to a peak in about 8 weeks. Due to the previous work stoppage, inventories are probably in a more serious condition now than at the beginning of the conflict in July.

The peak employment impact, not including agriculture, would be as follows: shipping, five thousand people out of work; port services: 18,000 people out of work; inland transportation: 10,000 people out of work; trade: 7,000 people out of work; and industry: 148,000 people out of work.

Each day this strike is permitted to continue, the more burdensome the results will become and the more difficult a full recovery will prove to be. At this point in time we can only speculate on markets permanently lost, income losses from spoiled produce and nonrecoverable losses to surface transportation modes due to diverted or cancelled traffic. Be assured, however, that as the data come in and the impact is fully documented, it will make grim reading for all concerned—workers, industry and government.

Excerpts from Testimony of the Secretary of Agriculture, Earl L. Butz

Mr. BUTZ. * * * U.S. farmers were seriously injured by last year's strikes—on the West Coast, at the Port of Chicago, and at Atlantic and Gulf ports. But they did have the benefit of injunctions that opened the ports and kept them open through a critical period during and following the harvest—a record harvest, by the way, for major crops.

The frightening thing to farmers, as we look ahead in 1972, is that they cannot look for further help from their government under existing legislation. The West Coast ports have again closed, and the injunction on the East Coast and Gulf Ports is rapidly coming to an end. Farmers fear that their outlets to world markets will be totally closed.

To put this into dollar figures, the West Coast strike is reducing farm exports by almost \$6 million every work day that it remains in effect. If East and Gulf Coast ports again go on strike, this will reduce farm exports by \$18 million a day. Moreover, there is good evidence that these strikes are damaging our reputation as a dependable supplier of farm products, and this loss could be immeasurable.

It is so important to realize that these strikes not only halt shipping and clog the ports, they also disrupt the entire system by backing up commodities into barges, rail cars, trucks, and warehouses all the way to the farm.

Farmers, along with other major users of the transportation system, have long been concerned by the danger in protracted and crippling strikes. Almost two years ago, President Nixon requested legislation that would give him certain options in the case of strikes such as those now occurring. That legislation was reintroduced last year.

Now, with a specific strike causing untold losses and hardship to farmers and others who are not a party to the issues being negotiated, the President simply is asking for authority to take reasonable action. This is the proposal embodied in S.J. Res. 187.

The short run impact of the dock strikes last summer and fall on agricultural exports is now apparent. The 100-day West Coast dock strike which began July 1, 1971, and was interrupted October 9 by a Taft-Hartley injunction reduced agricultural exports from the West Coast during the June-September period from \$288 million a year earlier to \$73 million in 1971.

Moreover, this coincided with the harvest of one of the largest wheat crops in the history of the Pacific Northwest. At the peak of harvest over 30 million bushels of wheat were on the ground due to a lack of transportation caused by the dock tieup. Some of this wheat suffered quality deterioration.

The 100-day strike and the threat of a continuation have created uncertainty in the wheat market. Based on purchases by the Japanese Food Agency, the U.S. farmer's share of this market for the March-December period fell from 55 percent to 40 percent. U.S. losses of sales are in the neighborhood of 25 million bushels valued at \$40 million, and this loss continues to build. On January 19, the day after the West Coast dock strike resumed, the Japanese purchased 8.7 million bushels of wheat for March-April delivery; yet only 1.7 million bushels were purchased from the United States.

If the strike continues for another 60 days, we will lose wheat sales in Japan and other Asian countries for the rest of this fiscal year. This will result in the buildup of huge wheat stocks in the Pacific Northwest which will complete with next year's crop.

Other Far Eastern countries are looking to other sources of supply. A Korean tender for 110,000 tons of barley off the West Coast was recently cancelled due to the strike, and this barley has been purchased from Australia.

Korean imports of U.S. wheat in July-December 1971 were only 17 million bushels, compared with 28 million bushels in the same months the preceding year. The most affected varieties were hard red winter and soft white. The Koreans have purchased their needs from Australia.

Taiwan's imports of U.S. wheat in July-December 1971 were only 5.0 million bushels, compared with 12.4 million bushels the year before—a decline of almost 60 percent. In western soft wheat alone, the decline in U.S. sales to Taiwan was from 5.4 million bushels in July-December 1970 to only 1.6 million bushels the same months of 1971.

Thus wheat exports were the largest casualty of the 100-day strike, although other commodities were affected too, particularly fruits, vegetables, rice, cotton, and livestock products. Even those commodities that succeeded in reaching foreign markets did not represent a total plus.

Of those commodities which did move about one-half were fruits and vegetables and other non-bulk commodities.

Lemons were flown to Japan, and fruits and vegetables were moved overland to New York City to insure that their contracts would be met with foreign buyers.

The results of these costly diversions were less than encouraging. For example, two shipments of raisins and one shipment of prunes arrived in the United Kingdom contaminated by insects. The shipments have been investigated and the infestation was found to be directly attributable to the required diversionary hauls.

There is normally a constant flow of tallow from renderers to markets. The West Coast dock strike rapidly backed up exports and filled the limited storage available. For a time tallow was diverted to Canadian ports, but now this outlet is no longer available and the tallow is being diverted to the Midwest, at an increased marketing cost of over one cent per pound.

However, for most products the cost involved in diversion was too high, and consequently there were significant losses. In California ten alfalfa meal dehydration plants were forced to close during the West Coast strike. Since exports usually account for about two-thirds of the California output, the domestic market was quickly flooded with alfalfa that would normally be dehydrated for exporting. Furthermore, alfalfa cubes and pellets destined for export and held by the strike were exposed to the sun which reduced carotene content to no more than that of ordinary hay. As a result their value dropped to \$30 per ton compared to the pre-strike price of \$50 per ton.

The West Coast strike has had a serious impact on prices for acala cotton. This is a specialty cotton grown in the far West which normally sells for a premium of 4 cents per pound above regular cottons. Substantial quantities of acala cotton are exported, and the export market is necessary to maintain the price differential. During the strike and with the threat of a new strike, acala cotton lost its normal premium price and is now selling below the levels of other cottons which do not have acala's unique qualities.

The loss of agricultural exports has a serious impact on port economies. Seattle, a city already beset by serious unemployment problems, is suffering additional losses in employment due to the dock strike. Last year agricultural export losses cost the port district over \$1.0 million monthly in wages and \$3 million monthly in sales and revenues for local businesses.

The problems which arose on the West Coast last summer were repeated on the Gulf Coast, the East Coast and in Chicago on the Great Lakes last fall.

The Chicago strike of 9 elevators out of a total of 11 in that port began September 1, 1971. These elevators were open from October 9 to November 3 under a temporary restraining order. The court, however, refused to issue an 80-day Taft-Hartley Injunction. The elevators have been closed since that time, and this will again be an acute problem once warm weather reopens the Great Lakes shipping route. Export

capacity of the 9 closed elevators was estimated for September–December at 35 million bushels of corn and soybeans. The closing of this vital port during the height of harvest of a record corn and soybean crop was deeply felt in the corn belt. Cash farm prices for corn and soybeans were discounted well below the normal differential between the near term Chicago futures quotation and cash country prices in Indiana and Illinois.

The East and Gulf Coast strikes started October 1, 1971 and ended in late November when Taft-Hartley injunctions were issued. These injunctions expire in the middle of February 1972. An evaluation of the impact of this strike is difficult because some ports were open during part of the October–November period. As an example, the West Gulf Ports which are important outlets for what, sorghum, rice, and cotton, continued to work until November 15. New Orleans, the major export point for soybeans and corn was opened from October 28 through November 15 due to an NLRB action. Mobile, Beaumont, and Baltimore were open for shorter periods. Philadelphia was open from October 26 to November 15 under a state court action.

The East and Gulf Coasts normally account for about two-thirds of our total agricultural exports. During the October–November period in 1970 these ports exported \$917 million of agricultural products compared to \$400 million during the same period in 1971.

The strike impact was especially severe in October on exports of soybeans and corn from Gulf ports. Corn exports were down from \$67 million to \$9 million and soybeans were down from \$95 million to about \$16 million. By the time the Taft-Hartley injunction had been issued on the East and Gulf Coasts, 25 ocean-going vessels were idle at Gulf ports, the port elevators were filled, and an estimated 50 million bushels of corn and soybeans were backed up the Mississippi River Valley in barges and railroad cars.

Some of the soybean crushing mills along the Mississippi were forced to close temporarily while others operated at sharply reduced capacity. During this period tallow stocks on the East Coast increased and over 100 million pounds of tobacco were stalled at dockside.

In total, the dock strikes on the East, Gulf, and West Coasts reduced U.S. farm exports during the shutdowns by over \$700 million from year earlier levels. Diversionary movements to open ports during the strike, anticipatory shipments off the East and Gulf Coasts before the strike, and heavier than normal shipments following the strike will assist in reducing the losses. However, some losses are permanent, and the impact of these strikes will be felt in lost future sales.

The strike impact is not limited to lost export sales. It is felt in the form of reduced farm prices, increased marketing costs, and spoiled crops. This is especially true for those products for which the export market is substantial. We export over one-half of our rice, wheat, and soybean produc-

tion; nearly two-fifths of the cattle hides; over one-third of the tallow, tobacco and cotton produced, and one-fifth of total feedgrain sales by U.S. farmers.

For example, if past performance is a guide, we expect that at the height of the strike during October and November our farmers sold over 800 million bushels of corn and over 500 million bushels of soybeans. The price discounts received by farmers during this period were a direct result of the reduced foreign demand for these commodities caused by the dock strikes.

U.S. agricultural exports this fiscal year could very well be down \$400-\$500 million below last year. Part of this decline is due to lower unit values for some of our commodities but American agriculture is not getting the volume gains that could come from these lower prices. Without work stoppages Canada is experiencing a record year for barley exports. Some of our key customers are turning to Canada and Australia for more of their wheat supplies. The Russians were forced to purchase part of their corn requirements from Argentina because of the uncertainty of our port situation. Foreign customers are telling American agriculture that they are shifting their purchases elsewhere where they can get assured delivery. That is the real tragedy of these work stoppages—the loss of future sales to our competitors not only for this year but for years to come.

EXCERPTS FROM TESTIMONY OF THE UNDER SECRETARY
OF COMMERCE, JAMES LYNN

Mr. LYNN. * * * If the Congress does not act promptly, this strike will cause serious human suffering and economic losses resulting from unemployment, market dislocation, food shortages and higher prices.

Let me spell out these losses in more detail; first, balance of trade. Continuation of this strike can only aggravate the U.S. balance of trade position. This could raise serious questions in the minds of our trading partners as to our will and our ability to resolve our economic problems.

As you know, in recent years, U.S. imports have been growing at a faster rate than U.S. exports, progressively diminishing the favorable balance of trade we have long enjoyed. Last year, for the first time since 1893, the United States had a trade deficit. The trade deficit, which was \$2 billion, is a matter of highest national concern and vigorous action has been initiated by the Administration and the Congress to reverse the situation.

Many American export commodities have close substitutes in work markets. If our products are not readily available, our foreign customers can obtain and will seek substitutes elsewhere. Moreover, if the strike continues, foreign customers may shift permanently to non-U.S. sources of supply, resulting in a continued loss of export markets.

West Coast ports are important to the conduct of U.S. foreign trade. In 1970, vessel shipments through those ports accounted for \$4.2 billion in U.S. exports whereas in 1971,

only \$3.3 billion in exports were shipped from the West Coast. Although part of this was due to lessened demand by foreign customers, our figures indicate that the West Coast dock strike has had a significant adverse effect on U.S. shipments to foreign markets. Also, during the 100 day strike which began on July 1, 1971, U.S. exporters were able to divert some shipments to Canadian and Gulf ports at additional expense.

This option has been significantly more limited since the resumption of the strike. Tuesday, pickets at the Mexican Border had to be enjoined from preventing diversions to Mexican ports, and as of yesterday, the Canadian longshoremen were still refusing to handle any U.S. products diverted from the West Coast to Canadian ports, although I understand that an injunction was also issued there last night.

Let me if I may also clarify a point I just made as to the pickets at the Mexican Border. I have been able to verify the earlier information that I had that the picketing was discontinued by reason of the injunction. The information is that all picketing that had commenced has been discontinued at least as of today.

Continuation of the present strike would cause our export losses to increase further, particularly since our foreign customers have already been severely inconvenienced and are even less likely to tolerate additional delays in delivery of U.S. products. Exports which depend heavily on West Coast dock facilities for access to international markets would be particularly affected. Among these are exports of logs and lumber, about 75 percent of which normally move through the affected ports, 40 percent of woodpulp exports, and over 33 percent of wheat exports. For example, the Western Wood Products Association estimated that its members suffered actual losses of \$943,000 per day during the 100 day strike.

So much for exports; but, what about imports? Obviously, these have also been affected by the West Coast dock strike. A case in point is the Japanese automobiles normally unloaded on the West Coast. These are transported on specially designed ships which have the flexibility to unload in any U.S. port. Although this would involve some delay in delivery schedules, these automobiles can be unloaded in Gulf ports, as they in fact were during the 100 day strike. Because products imported through the West Coast are essentially finished and semifinished manufacturers which have a considerably greater dollar value per ton than the agricultural products and other raw materials exported from the West Coast, the diversion of imports is economically much more feasible than the diversion of exports. Estimates predicated on data available in the Department indicate that the net effects in 1971 on our balance of trade resulting from the 100 day strike was a deficit of \$500 million.

Let us move on to maritime losses. The renewal of the strike continues to severely affect U.S. flag operators. Their financial losses directly impair our efforts to rebuild the U.S. merchant marine.

As of today, loss of earnings in the longshore segment of the maritime industry resulting from the current strike are estimated to amount to \$410,000 per day in loss of wages. During the 100 day strike, direct wage losses to U.S. ships' crews amounted to \$5 million, exclusive of fringe benefits.

Some 46 U.S. flag vessels and 203 foreign flag vessels were laid up during the peak of the strike's impact resulting in a loss of over 3,000 ship days for U.S. flag vessels alone. When I testified before the House Subcommittee on Labor, only two days ago, I stated that 17 U.S. flag vessels and 69 foreign flag vessels were already strikebound. Today there are 21 U.S. flag vessels and 74 foreign flag vessels strikebound. The number is growing daily.

Moving on to domestic losses, most of the food supplied to the State of Hawaii normally is shipped from the West Coast ports subject to the strike. During the 100 day strike, food supplies had to be shipped from other ports or by air freight at significant additional expense. Rice, an important food staple in Hawaii, had to be rationed. Retail food prices in Hawaii went up approximately 8 percent in the six week period from July 1 to the date of the wage-price freeze. Approximately 95 per cent of Hawaii's sugar output normally is shipped to the West Coast ports subject to the strike. During the 100 day strike, significant losses were incurred as a result of higher shipping costs to other ports and emergency storage costs for these shipments which were delayed.

I am sure you are aware that a group of Hawaiian small businessmen have formed "Operation Black Eye" and have brought to Washington a petition signed by 80,000 residents of Hawaii pleading for an immediate termination of this strike to alleviate the critical situation in that State. Considering the fact that the total population of Hawaii is approximately 769,000, we believe that the number of signatures reflects the concern with which Hawaiians view this strike.

The small businessmen who organized "Operation Black Eye" have indicated to the Department of Commerce that the true impact of the strike cannot adequately be measured by statistics, but must also be seen in human terms, in terms of consumers, particularly those in lower income levels, and in terms of small businessmen. The lower income consumer finds himself unable to purchase many necessities because of the extra costs of air freight and the scarcity of products. The small businessman finds himself lacking the resources to weather the financial burdens of the strike. In short, the people of Hawaii see themselves the victims of a situation over which they have no control and for which they are in no way responsible.

Additional losses occurred in other states affected by the strike. Based on state government statistics, we estimate that cargo losses during the 100 day strike amounted to \$17.5 million per day through California ports and \$6 million per day through Oregon and Washington ports. Losses of \$1 million per day were reported in the states of Washington

and Oregon in the form of lost wheat and lumber sales alone. Food prices increased in Alaska, prior to the wage-price freeze, as a result of having to ship food by truck or from other ports.

The strike also has a severe, if not disastrous, impact on some small nearby port neighborhoods and businesses. The halt in port activity adversely affects small truckers, importers and exporters whose livelihoods depends on a steady flow of merchandise and also affects small retail establishments.

* * * * *

SECTION-BY-SECTION ANALYSIS

The "whereas" clauses note that there is a labor dispute between employers (or employer associations) of steamship companies and related activities and their employees represented by the International Longshoremen's and Warehousemen's Union; that an order enjoining this dispute pursuant to the Labor-Management Relations Act of 1947 granted by the United States District Court for the Northern District of California expired on December 25, 1971; that all procedures for resolving the dispute provided in the Labor-Management Relations Act of 1947 have been exhausted and have not resulted in a settlement of the dispute; that a settlement has not been reached despite intensive mediation efforts and transportation services essential to the National interest are not being maintained; that it is vital to the national interest that essential transportation services be maintained; and a Congressional finding that emergency measures are essential to continuity of essential transportation services affected by this dispute.

Section 1(a) establishes an arbitration board to hear and make a final determination as to all issues in the dispute. The determination shall be effective for a period not less than eighteen months, during which time there shall be no strike or lockout as between the parties. Provision is also made for immediate termination of proceedings under this resolution upon written certification by the parties to the Secretary of Labor that complete agreement on the disposition of all issues has been reached.

Section 1(b) provides that from the date of enactment until the arbitration board makes its determination there shall be no strike or lockout as between the parties and no change, except by agreement, in the terms and conditions of employment, as prescribed in the 80-day injunction order of the United States District Court for the Northern District of California dated October 6, 1971.

Section 1(c) provides that for the purposes of this joint resolution the term "parties" means (1) the International Longshoremen's and Warehousemen's Union and (2) the Pacific Maritime Association and all employers who are members of that Association.

Section 2(a) provides for the establishment of an arbitration board. The board would consist of one individual, agreed on by the parties, but if the parties are unable to agree on one individual, the Board shall consist of three members, one member to be designated by each party, and the third member who would also serve as chairman, to be selected by the two members designated by the parties. Should the

two members designated by the parties be unable to select a third member to serve as chairman, the chief judge of the U.S. District Court for the Northern District of California would designate a third member to serve as chairman. Finally, should either of the parties fail to designate a member, the same judge would designate one arbitrator to serve as the board.

Section 2(b) provides that the board shall make all necessary rules for conducting its hearings, and shall give to the parties and to all other persons it determines may be affected by its determination, notice and a full and fair hearing, including the opportunity to appear in person or by counsel.

Section 2(c) confers upon the board the authority contained in sections 9 and 10 of the Federal Trade Commission Act with respect to the attendance of witnesses and production of documents.

Section 2(b) requires the Board to begin its hearings within 15 days from date of enactment and requires the Board to issue its determination within 40 days from date of enactment.

Section 2(e) requires the Board to resolve all issues in the dispute.

Sections 2(f) states that the Board's determination is retroactive to the date of enactment or, in the discretion of the Board, to an earlier date.

Section 2(g) states that the Board shall make its determination consistent with the policy of the Economic Stabilization Act of 1971, and that the determination shall be final and binding in every respect, subject only to review as provided in subsection (i).

Section 2(h) provides that the Board shall be reconstituted upon application by any party, for a clarification of the meaning or terms of the Board's determination. The Board is directed to issue a further determination as to matters raised for clarification, with or without additional hearings, and its subsequent determination is final and binding in every respect subject only to review as provided in subsection (i). The committee intends that nothing in this provision will preclude the parties from utilizing their own procedure for settling grievances or other disputes.

Section 2(i) allows for judicial review of any determination of the Board in the U.S. Court of Appeals for the Ninth Circuit and states that commencement of any judicial review does not operate to stay the determination unless so ordered by the Court. This subsection also provides that the determinations of the Board are conclusive unless found to be arbitrary or capricious.

Section 2(j) provides for compensation of Board members at a rate of \$250 per day.

Section 2(k) authorizes the Board to employ consultants and provides for necessary supportive services.

Section 3(a) authorizes the Attorney General to maintain appropriate civil action to enforce the Resolution.

Section 3(b) provides a penalty for a strike, lockout or other concerted action up to \$100,000, with each day of violation being a separate violation.

Section 4 authorizes appropriations of such sums as necessary to implement the Resolution.



Public Law 92-235
92nd Congress, S. J. Res. 197
February 21, 1972

Joint Resolution

86 STAT. 40

To provide a procedure for settlement of the dispute on the Pacific coast between certain shippers and associated employers and certain employees.

Whereas there is a dispute between employers (or associations by which such employers are represented in collective bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities for ships engaged in service from or to Pacific coast or Hawaiian ports of the United States (hereafter called employers), and certain of the employees of such employers represented by the International Longshoremen's and Warehousemen's Union; and

Whereas the order enjoining a strike in this dispute granted by the United States District Court, Northern District of California, in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935 WTS, October 6, 1971, expired on December 25, 1971, pursuant to the Labor-Management Relations Act of 1947, as amended (29 U.S.C. 176-178); and

Whereas all procedures for resolving such dispute provided for in the Labor-Management Relations Act, 1947, have been exhausted and have not resulted in settlement of the dispute; and

Whereas a settlement has not been reached despite intensive mediation efforts and transportation services essential to the national interest are not being maintained; and

Whereas it is vital to the national interest that essential transportation services be maintained; and

Whereas the Congress finds that emergency measures are essential to continuity of essential transportation services affected by this dispute: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) an arbitration board shall be established herein to hear and settle all issues in this dispute, and to issue a determination which shall be deemed a final and binding resolution, understanding, and agreement between the parties and shall also be deemed to supersede to the extent inconsistent therewith all other agreements or understandings between the parties: *Provided*, That proceedings under this joint resolution shall be terminated immediately upon certification, in writing, by the parties to the Secretary of Labor that they have reached complete agreement on the disposition of all the issues. The determination of the arbitration board shall be effective for the period stated therein, which may not be less than eighteen months. During such period, there shall be no resort to strike or lockout as between the parties.

Pacific coast
dock strike.
Settlement
procedure.

(b) From the date of enactment of this joint resolution until the arbitration board makes its determination, there shall be no resort to strike or lockout as between the parties, and no change, except by agreement of the parties, in the terms and conditions of employment as prescribed in the court order in United States against International Longshoremen's and Warehousemen's Union et al., docket numbered C-17-1935-WTS, October 6, 1971.

Strike prohibi-
tion.

(c) For the purpose of this joint resolution the term "parties" means (1) the International Longshoremen's and Warehousemen's Union and (2) the Pacific Maritime Association, and all employers who are members of that association.

"Parties."

Arbitration
board, estab-
lishment.

SEC. 2. (a) There is established an arbitration board (hereinafter referred to as the "board") which shall be constituted in the following manner:

(1) Within three days after the enactment of this joint resolution, both parties to the dispute, by agreement, may designate one individual to perform the functions and exercise the powers of the board.

(2) In the event that the parties do not agree upon an individual under paragraph (1) of this section, each party shall within three days immediately following the expiration of the three-day period under paragraph (1), designate an individual to serve on the board. The two members of the board so designated shall select, within three days after their appointment, a third individual to be a member and act as chairman of the board. In the event that the two members of the board designated by the parties cannot agree on the selection of the third member as chairman under this paragraph, within three days after their appointment, the third member who shall be the chairman shall be selected by the chief judge of the United States district court for the Northern District of California.

(3) In the event that either party does not designate a member under paragraph (2) of this subsection, then the chief judge of the United States district court for the Northern District of California shall designate one individual to exercise the powers of the board.

(b) The board shall make all necessary rules for conducting its hearings and giving to the parties and all other persons it determines may be directly affected by the board's determination notice and a full and fair hearing, which shall include an opportunity to present their case in person, by counsel, or by other representative as they may select.

(c) For the purpose of hearings conducted by the board, it shall have authority conferred by the provisions of sections 9 and 10 (relating to the attendance and examination of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act (15 U.S.C. 49, 50).

(d) The board shall begin its hearings no more than fifteen days after enactment. The board shall make its determination no later than forty days after enactment.

(e) In its determination the board shall resolve all the issues in the dispute.

(f) The board's determination shall be retroactive to the date of enactment of this resolution. The board may make such further provisions for retroactivity to a date prior to the enactment of this resolution, if any, as it finds appropriate and consistent with the terms of this resolution.

(g) The board shall make its determination consistent with the policy of the Economic Stabilization Act of 1971, and such determination shall be final and binding in every respect, subject only to review as provided in section 2(i).

(h) In the event of disagreement as to the meaning of any part or all of a determination by the board, or as to the terms of all the detailed agreements or arrangements necessary to give effect thereto, any party may within the effective period of the determination apply to the board for clarification of its determination, whereupon the board shall reconvene and shall promptly issue a further determination, with respect to the matters raised by any application for clarification. Such further determination may, in the discretion of the board, be made with or without a further hearing, and shall be final and binding in every respect, subject only to review as provided in section 2(i).

38 Stat. 722.

85 Stat. 743.
12 USC 1904
note.

February 21, 1972

- 3 -

Pub. Law 92-235 86 STAT. 42

(i) Any party, as defined in section 1, aggrieved by a determination of the board may, within fifteen days after its issuance, obtain review of the determination in the United States Court of Appeals for the Ninth Circuit. The decision of the court of appeals may be reviewed in the Supreme Court by writ of certiorari or upon certification as provided for in section 1254 (1) and (3), title 28, United States Code. The commencement of proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the determination of the board. A determination of the board shall be conclusive unless found to be arbitrary or capricious.

Review.

62 Stat. 928.

(j) Members of the board shall receive compensation at a rate of \$250 per day when engaged in the work of the board as prescribed by this section, including traveltime, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703), for persons in the Government service employed intermittently and receiving compensation on a per diem when actually employed basis.

Compensation;
travel expenses.

80 Stat. 499;

83 Stat. 190.

(k) For the purposes of carrying out its functions under this Act, the board is authorized to employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, and allow them while away from their home or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed. The board is also authorized to employ such support services as are necessary for its operation.

80 Stat. 416.

SEC. 3. (a) The Attorney General of the United States shall be authorized to maintain any civil action necessary to obtain compliance with any provision of this resolution.

(b) Any strike, lockout, or other concerted activity in violation of this resolution shall be subject to a penalty not to exceed \$100,000. Each calendar day in which such a violation occurs shall be considered a separate violation.

Penalty.

SEC. 4. There is authorized to be appropriated such sums as may be necessary for the implementation of this resolution.

Appropriation.

Approved February 21, 1972.

LEGISLATIVE HISTORY:

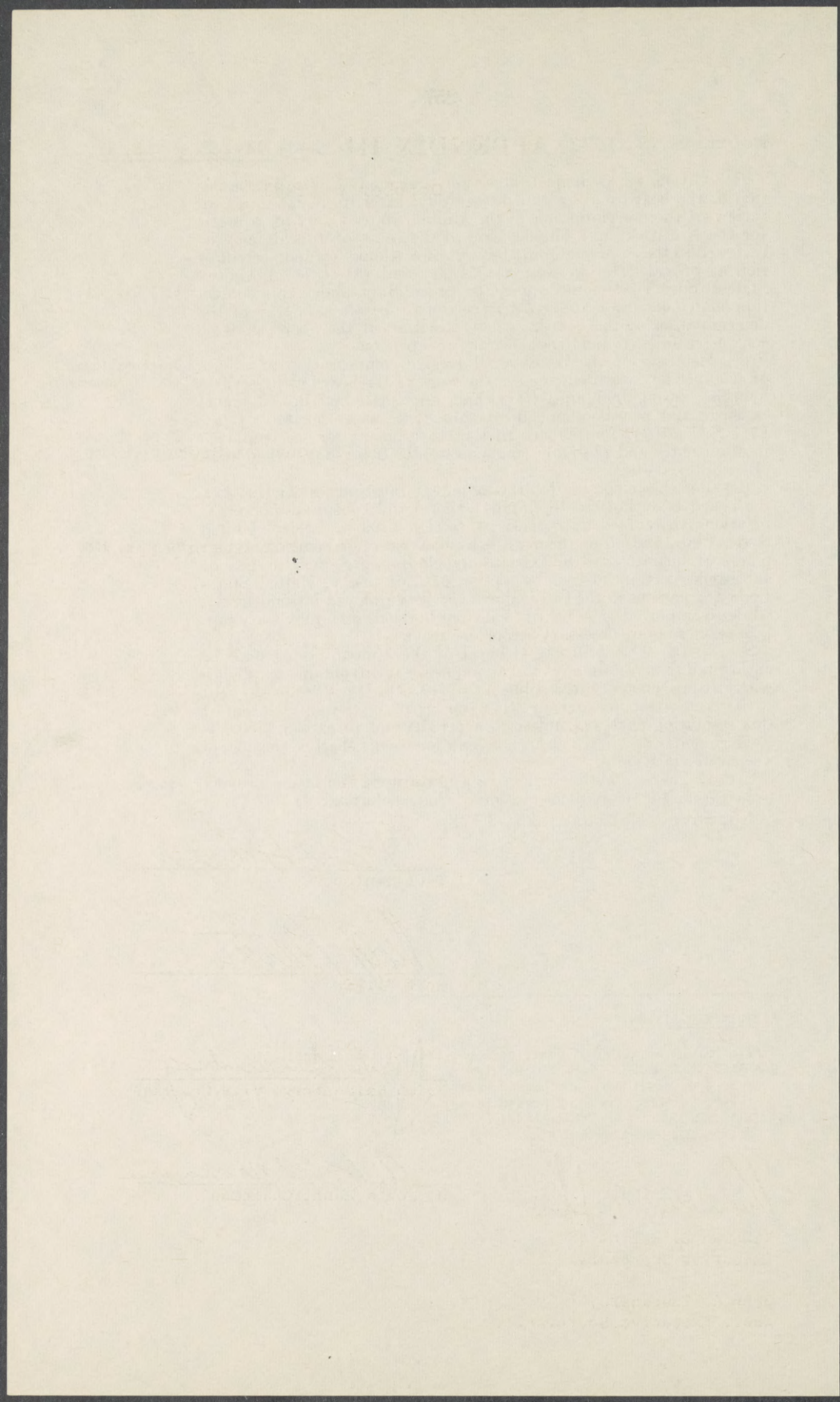
SENATE REPORT No. 92-605 (Comm. on Labor and Public Welfare).
CONGRESSIONAL RECORD, Vol. 118 (1972):

Feb. 8, considered and passed Senate.

Feb. 9, considered and passed House, in lieu of H. J. Res 1025.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 8, No. 9:

Feb. 21, Presidential statement.



APPENDIX III

October 6, 1971

The President

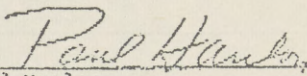
The White House

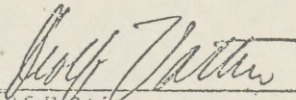
Dear Mr. President:

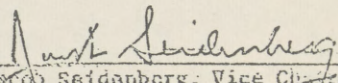
On October 4, 1971, under Executive Order No. 11621, as amended, you appointed this Board of Inquiry to report to you on the labor disputes affecting the Longshore Industry of the United States.

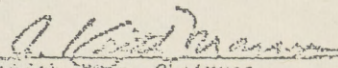
The Board has the honor of submitting its report herewith.

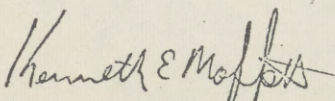
Respectfully,


Paul Hanlon


Rolf Valtin


Jacob Seidenberg, Vice Chairman


J. Keith Mann, Chairman


Kenneth E. Moffatt,
Executive Secretary

John C. Zancanaro,
Asst. Executive Secretary

REPORT TO THE PRESIDENT

Submitted by

THE PRESIDENT'S BOARD OF INQUIRY

Created by

EXECUTIVE ORDER NO. 11621, AS AMENDED

Paul Hanlon

Rolf Valtin

Jacob Seidenberg
Vice Chairman

J. Keith Mann
Chairman

October 6, 1971

REPORT TO THE PRESIDENT

I.

Introduction

This Board of Inquiry was appointed by President Richard Nixon on October 4, 1971, pursuant to Section 206 of the Labor-Management Relations Act, as Amended.^{1/} Its purpose is to inquire into the longshore disputes affecting ports on the Atlantic, Gulf, and Pacific Coasts, and in the Great Lakes Port of Chicago.

The statutory mandate of the Board is to make an inquiry and provide the President with a written report of that inquiry, stating the facts and circumstances of the dispute and setting forth each party's statement of its position; the Board is prohibited from making recommendations.^{2/}

The Board met on October 5, 1971, and determined that the most thorough and expeditious inquiry into the facts of the dispute could be obtained through separate investigations for the various geographic areas involved. Thus, Chairman J. Keith Mann and Member Paul D. Hanlon met in San Francisco,

^{1/} 29 U.S.C.A. 178. The Board of Inquiry was created by Executive Order 11621, as Amended.

^{2/} Id., Section 206 (29 U.S.C.A. 176).

California, to make inquiry into the Pacific Coast situation, and Vice Chairman Jacob Seidenberg and Member Rolf Valtin met in Washington, D.C., to conduct a similar inquiry into the Atlantic and Gulf Coast situation, and the situation in the Port of Chicago. Parties to the disputes were contacted to obtain their views, and hearings were held in both cities to obtain further information.

II

BACKGROUND

The disputes in question involve companies, and their representative associations, doing business in Pacific, Atlantic and Gulf Coast ports, and in the Port of Chicago, and certain longshore and other workers represented by the International Longshoremen's and Warehousemen's Union, (ILWU), and the International Longshoremen's Association, AFL-CIO, (ILA), and the International Association of Machinists and Aerospace Workers, AFL-CIO, (IAM).

Specifically:

(1) On the Pacific Coast, a dispute exists between certain companies, some of whom are represented by the Pacific Maritime Association, and longshore and other workers represented by the International Longshoremen's and Warehousemen's Union, and the International Association of Machinists and Aerospace Workers. The dispute involves ports in the States of Oregon, Washington, California and Alaska.

The various collective bargaining agreements expired by their own terms at midnight on June 30, 1971. The International Longshoremen's and Warehousemen's Union thereupon engaged in a work stoppage in all ports except in Alaska. However, the International Longshoremen's and Warehousemen's Union excepted from the work

stoppage all military cargo, passenger ships, mail, baggage and stores as well as shipments by two non-Pacific Maritime Association member employers to the State of Alaska.

The International Association of Machinists and Aerospace Workers similarly engaged in a work stoppage affecting five employers engaged in longshore operations in the Los Angeles, California area. Representatives of the parties have met on various occasions since July 1, 1971 and are reported to have made substantial progress. An additional meeting is reportedly scheduled for October 7, 1971.

The principal negotiations are between the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union. Representatives of these parties have met numerous times on an intermittent basis beginning in November 1970. During the immediate past the Director of the Federal Mediation and Conciliation Service met with the parties on a daily basis from September 15, 1971 through October 4, 1971 without achieving a settlement despite some progress. Employers not represented by the Pacific Maritime Association traditionally sign collective bargaining agreements on the same terms and conditions as negotiated by the Pacific Maritime Association. No negotiations are

reported to have taken place between those employers and the International Longshoremen's and Warehousemen's Union during the current dispute.

(2) On the Atlantic and Gulf Coasts, a dispute exists between certain companies, and their associations, and longshore workers represented by the International Longshoremen's Association. The dispute affects Atlantic and Gulf Coasts ports from Maine to Texas.

(3) In the Port of Chicago, a dispute exists between certain grain elevator companies and Local 418 of the ILA.

The ports affected by these disputes handle most of the export and import trade of the United States.

III.

The Pacific Coast Dispute

A. Procedural Issues

1. The ILWU Position

The Board understands the basic position of the ILWU to be that the strike on the Pacific Coast does not imperil the national health or safety nor will it do so if permitted to continue. The union contends, therefore, that the statutory standard is not met and that the criteria prerequisite to invoking the Act as a basis for this proceeding are lacking.

In its statement in support of this contention, the ILWU points to the continued movement of military and national defense cargo during the strike and the uninterrupted movement of emergency relief cargo. In addition, the ILWU maintains that it has agreed to or allowed the release of perishables from strikebound docks and ships (and later all cargo from the docks), has allowed terminal grain elevators to operate at capacity, and has serviced passenger ships. Finally, the Union notes that its strike action has been limited to the West Coast, the Ports of Vancouver, British Columbia, and Ensenada, Mexico, remaining open as well as vessels being free to carry cargo to and from Hawaii from points other than the Pacific Coast.

In addition to the position that there is no underlying basis for Governmental intervention, the ILWU has entered an objection that the two members of the Board sitting as a sub-committee to hear the Pacific Coast portion of the dispute do not constitute "either singly or collectively a Board appointed by the President under Executive Order 11621, or a board empowered or authorized to exercise any of the powers or duties provided for in Section 206." Further, the ILWU asserts that the terms of the Act require that a board be composed of at least three members and that, in any event, two members are not a quorum entitled to act on behalf of the board pursuant to the Executive Order or the statute.

2. The PMA Position

The PMA takes no position with respect to the question of the impact of the stoppage on the national health or safety, viewing that determination to be the proper province of the Executive Branch of the Federal Government.

B. SUBSTANTIVE ISSUES IN DISPUTE

The ILWU, apparently in view of its jurisdictional and procedural objections, and because it deems the use of the statute an unwarranted interference with the collective bargaining process, declined the Board's invitation to make any

submission or comment on the substantive issues in dispute.

At the request of the Board of Inquiry, the PMA submitted a statement of its position. The Board also has inquired into the issues involved in the dispute from representatives of the Federal Mediation and Conciliation Service familiar with the background of this dispute. The scope of the latter inquiry has, of course, been conducted in strict observance of the canons of confidentiality traditionally observed by the Service and essential to the effective discharge of its important public functions.

While there are many unresolved issues still in dispute between the parties, the Board will outline herein only those principal issues which it believes to be substantially contributing to the present impasse.

1. Container Handling

The parties have reached a tentative understanding in connection with the stuffing and unstuffing of containers by container Freight Station Utility men and Container Freight Station Clerks within certain defined port zones. There is also a tentative understanding that under certain circumstances a so-called container tax will be assessed on containers which are not loaded or unloaded by International Longshoremen's and Warehousemen's Union personnel but the amount of this tax per revenue ton remains in dispute.

There is a major disagreement involving representation rights for employees involved in the container operations of one member of Pacific Maritime Association, the Sea-Land Service Incorporated. There are existing collective bargaining agreements between Sea-Land and the International Brotherhood of Teamsters covering employees now engaged in the stuffing and unstuffing of containers at certain of Sea-Land's container freight station facilities. The International Longshoremen's and Warehousemen's Union is willing to accept the status quo insofar as it involves representation of Sea-Land employees by the Teamsters at existing facilities, but it demands International Longshoremen's and Warehousemen's Union representation of any employees employed by Sea-Land in any new or expanded container freight station facilities. It is the contention of the Pacific Maritime Association that the pre-existing collective bargaining agreements between Sea-Land and the

Teamsters make it impossible to accede to the International Longshoremen's and Warehousemen's Union demand. In this connection the Pacific Maritime Association's position as submitted to the Board states that "the ILWU's continued insistence upon its demand as a precondition to settlement creates an insoluble impasse."

2. Work Guarantee

There is a tentative agreement between the parties to a work guarantee of thirty-six hours per week for A-men and eighteen hours per week for B-men, and as to rules and a formula for determination of eligibility to receive the guarantee.

There is a major disagreement arising out of the Pacific Maritime Association demand for an annual ceiling on its maximum annual liability of \$6,000,000, but the International Longshoremen's and Warehousemen's Union has refused to accept the concept of any ceiling whatsoever.

3. Employment of Steady Skilled Men

The previous contract between the parties granted to the employers some rights to utilize some categories of skilled employees on a steady basis rather than following the normal procedure of having different men dispatched from day to day from the hiring hall. It is the position of the Pacific Maritime Association that the right to steady assignment of skilled men to the handling of expensive and complicated cargo handling equipment is an absolute essential to the adequate and safe

performance of their operations and that the previous contract language does not adequately insure that right.

The International Longshoremen's and Warehousemen's Union contends that the previous contract provisions adequately deal with this situation and that any problems arising in the implementation of the agreement should be settled through negotiations at the local level.

4. Wages

Although substantial progress has been made in negotiations narrowing the gap between the initial demand and offer in connection with straight time hourly wages, the parties are still ten cents apart in connection with the second year of the contract.

While the foregoing provides a brief outline of the major areas of disagreement still serving as stumbling blocks in the path of the negotiations, the existence of numerous other unresolved issues should not be overlooked. These issues include certain welfare items, demand for paid holidays, and some miscellaneous problems involving contract language. Supplemental coastwide agreements must also be negotiated to cover shipclerks and walking bosses. Local negotiations in connection with various issues of local significance are now in progress but have not been concluded, and it is possible that impasses could result at that level which could delay a resumption of work even after agreement is reached in the coastwide negotiations.

C. DISCUSSION

Function of the Board

This Board does not believe that the statutory authority given it by the Congress contemplates in terms, structure, or spirit that it make any finding on the requisite statutory criteria for intervention. Title II defines the duties and powers of the President, of boards of inquiry, and of the courts. When the Board was appointed, the President of the United States was of the "opinion" that these disputes have resulted in strikes which will, if permitted to continue, imperil the national health or safety. The President has found, in more common terms, that a national emergency exists. See Section 206; Executive Order 11621. Invoking the Act does not end the matter. If the President directs the Attorney General to seek to enjoin the strike, before an order may issue, a District Court of the United States must make a finding of fact as to the impact of the disruption of commerce on the national health or safety. (Section 208.) Challenge to the exercise of executive responsibility has been left to judicial review and is available to affected parties. On these grounds, then, the Board concludes that

the IHWU has erroneously urged that the Board lacks the authority to inquire into the dispute.

As to the procedural objection, the Board considers it inappropriate in effect to go behind the Executive Order. The Board has concluded to leave challenges as to the sub-committee method by which it has performed its work to the judicial determination available under the statute in the event such proceedings eventuate and affected parties choose to raise the matters in that forum.

D. THE NATURE OF THE IMPASSE

This is an uncommonly difficult dispute. The Board is informed that the parties began bargaining in November 1970 in the hope of reaching agreement in advance of the June 30, 1971, termination date of their contract. They failed and the strike ensued. Negotiations began anew on August 25, 1971, and continued until September 25. On September 26, the parties met with the President and expressed their hope and intention to settle by the weekend of October 1 - 2. From September 27 to October 4, the negotiations have been most intensive. The parties are experienced and determined. They have been negotiating earnestly and in good faith to attempt to resolve their differences. They have had the benefit of effective professional assistance by the Federal Mediation and Conciliation Service. Progress has been made. The parties are closer to settlement than they have been before. Fear has been expressed that while negotiations will hopefully continue, heightened Government actions at this point will inhibit the parties in resolving their differences.

This Board has sought to weigh the extent of the parties' differences, the tactical considerations involved, the

disquieting and diverting possibilities inherent in this proceeding. The hard fact, of course, is that there is no conclusive way of determining how close this dispute is to settlement. Judgment rests to a critical degree on the peculiarities of the dispute and the dynamics of the situation, a calculation of the probabilities.

It is the best judgment of the Board that more time, indeterminate but considerable, probably measured in weeks rather than days, will be required for complex negotiations and consultations and perhaps assisted by mediation efforts. Under the present circumstances resumption of normal operations on the docks is not soon to be anticipated nor, more to the point, reliably predictable.

IV.

THE ATLANTIC AND GULF COAST DISPUTE

A. Background

At midnight September 30, 1971, the contractual arrangements expired between the International Longshoremen's Association and employers doing business in ports on the Atlantic and Gulf Coasts of the United States. A work stoppage began October 1, when the employers in the Port of New York informed the union that there would no longer be any Guaranteed Annual Income payments for longshore employees. The union refused to work under such conditions and the work stoppage has continued to date. All ports organized by the IIA are closed with the exception of the major ports of Houston and Galveston and some other smaller ports on the Gulf Coast.

Prior to the work stoppage there was sporadic, intermittent negotiation by the parties. Although there were a few discussions relating to specific issues and local questions, the only discussion of all national issues was on

August 18, 1971, when the IIA formally presented its demands to the employer organization representing the Atlantic Coast ports from Seasideport, Maine, to Hampton Roads, Virginia, generally referred to as CONASA--the Council of North Atlantic Shipping Associations. Federal officials (including Assistant Secretary of Labor W. J. Usery, Jr., on October 4, 1971) have met with the parties to assist them in resolving the dispute.

The major issues, according to the parties, are Guaranteed Annual Income, containerization and Lighter Aboard Ship (LASH) operations, and wages and working conditions during the period of the wage-price freeze.

The parties to the dispute raised questions about the legality of the creation and procedures of the Board. The position of the Board on these questions is the same as its position regarding similar issues raised on the West Coast.

B. The Position of the International Longshoremen's Association

The position of the International Longshoremen's Association, as reflected in the testimony, statements, and documents of ILA representatives, is as follows:

1) The contractual arrangements which expired at midnight, September 30, 1971, should be continued to November 13, 1971, the date when the stabilization "freeze" of wages and prices proclaimed by the President comes to an end. In testimony before the Board of Inquiry and in documents introduced into the record by the ILA, the Union took the position that ILA members ought to work during the period of the freeze, despite the expiration of the contract. Mr. Gleason testified that he believed it "was the best thing for the country" for the men to do this, but that this proposal was rejected by the employers.

2) A new contract, complying with the post-freeze, Phase II element of the President's New Economic Plan, should be negotiated when the requirements of Phase II are publicly released. Mr. Gleason testified that the Union told the employers that it would meet with them during the freeze and that:

"we would get a contract out of the way as soon as we knew the guideline that was coming down around October 15, because we felt that when this thing does break, there would be so much confusion with contracts all over the country, that we did not want to be tied in with anybody else; that if the Freeze was over, and if we did negotiate a contract, we would be bound by the guidelines anyhow."

3) Irrespective of any requirements in Phase II

and absent any extended National negotiations as of this date, the ILA considers there to be seven primary national issues:

- (a) Wages
- (b) Hours
- (c) Pensions (not benefits)
- (d) Welfare (not benefits)
plans
- (e) The term of the contract
- (f) Containerization
- (g) LASH

Of these issues, containerization and LASH were held by Union representatives to be of greatest importance. In both cases, the basic issue is the role of longshoremen in the operation of new and innovative methods of handling cargo. The Union wants national agreements on containerization and LASH providing for exclusive ILA handling of these operations. Currently, there are no agreements on LASH and only local agreements on containerization.

4) In addition to these national issues, the Union demands that the Guaranteed Annual Income arrangements in effect under contracts expiring on September 30, 1971, not be altered, at least during the freeze period. The Union position as to the treatment of GAI in any new contract, is that GAI should be extended to all ports, paid to workers weekly, and geared to "the highest number of hours worked in each port in any contract year since the contract year beginning October 1, 1964."

C. The Position of the Employers

While the present dispute has resulted in the closing of all the West Coast and a substantial part of the Gulf Coast ports, the testimony and statements of the several employer groups avowed that they have engaged in a minimal amount of bargaining in their localities, primarily as a result of a core dispute existing between the ILA and the New York Shipping Association over the Guaranteed Annual Income (GAI) provision. This GAI contractual arrangement does not appear in all ILA agreements for the various ports, and even in the localities where it is present, it is not identical in all respects with the New York port provision. This GAI provision in the 1968 New York agreement guaranteed all eligible longshoremen an annual income of 2,080 hours multiplied by the regular hourly rate.

The several employer groups informed the Board of Inquiry that they had been informed by the ILA that the union was willing to extend the provisions of the several contracts expiring on or about September 30, 1971, without

change, until November 13, 1971, the expiration date of the emergency wage freeze. The employer groups stated that since the New York Shipping Association had refused to continue and extend the present GAI provision in its contract, the several IIA locals in their areas had declined to bargain with them on local and other issues.

The several local employer groups, such as the Steamship Trade Association of Baltimore, the New Orleans Steamship Association, the Philadelphia Maritime Association, and the Mobile Steamship Association, stated that they were willing to continue, without change, the currently expired agreements until new agreements were negotiated. However, the local unions of the IIA informed them that they would not accept this offer because the New York employer group had declined to continue unchanged the GAI provision of its agreement. The local employer associations stated that consequently they were struck and closed down despite the fact there had been little or no adequate bargaining between them and their respective unions.

The New York Shipping Association testified that while it was also willing to continue, without change, all other terms and conditions of its agreement which expired at midnight, September 30, 1971, it was unable for several reasons to continue the GAI provision in its present form. The Association testified that it had offered to continue GAI in an amended form which it believed would correct its existing deficiencies. The NYSA proposed to place every eligible employee on the payroll of a direct employer. While this employee would be annually guaranteed 2,080 hours of pay, as he is now, he would work, within his particular craft, wherever he was needed in the port, as distinguished from the present pier seniority system. The Association further stated that it does not have the financial resources to continue to meet the present \$30 million annual cost of this program. The Association added that to meet the cost of this program, it would probably have to raise the tonnage assessment for each carrier. Thus far, the assessment per ton has risen successively since 1969 from \$1.23 to \$1.73 to \$2.23 to the present \$3.23 per ton.

The Association stressed that at present there is no tonnage assessment formula to permit the collection of tonnage assessments for the period after September 30, 1971. The only legal formula has been terminated pursuant to the terms of the agreement approved by the Federal Maritime Commission. To effect a new formula, the employers contend, would take extended and protracted negotiations with its members as well as the Federal Maritime Commission.

The several employer associations also testified or introduced statements setting forth their reasons why no national emergency has been created by the present work stoppage and they contended that the invocation of the injunctive provisions of the Labor Management Relations Act of 1947 would only serve to aggravate rather than solve the current bargaining impasse.

D. Discussion

The Board concludes that the parties have not engaged in any productive bargaining on the pending issues because of their inability to effect any arrangements concerning the GAI program.

V.

THE GREAT LAKES PORT OF CHICAGO DISPUTE

This dispute is of distinct dimensions, as compared to both the West Coast dispute and the Atlantic and Gulf Coast dispute, in all three of these respects: expiration date of the Agreement, bargaining history, and the nature of the affected commerce.

In thrust and essence, the employers in this dispute submit that there is an urgent need for an immediate settlement. They assert that corn and soybeans are currently arriving in Chicago in peak volumes; that the months of October and November constitute the year's shipping season; that the St. Lawrence Seaway freezes over in December; and that it is therefore an inescapable fact that the 1971 crop coming through Chicago will never find its overseas markets if the strike continues through the shipping season.

Involved in the dispute is an employer association comprised of six companies and Local 418 of the International Longshoremen's Association. The Continental Grain Company is the largest of the six companies. Shut down by the strike are nine of ten Chicago grain elevators.

The strike commenced on September 1, 1971. Some 20 bargaining sessions took place over an approximately 90-day period. A federal mediator participated from the outset. The Mediation Service's National Maritime Coordinator joined him in the latter stages of the negotiations. The parties have not met since September 29, and no meetings are scheduled.

On September 22, the employer association submitted what it terms to be its final offer to the Local's negotiating committee. The offer is being summarized below. It is to be noted that the offer was not submitted to the Local's membership. The Board has been informed that the International Union has sought to persuade the Local to hold a ratification meeting and that this effort proved unsuccessful.

The following is a summary of the September 22 offer by the employer association:

- ..A general wage increase of 68¢ per hour in the first year, 31¢ per hour in the second year, and 38¢ per hour in the third year.
- ..An increase in pension contributions in the amount of 3¢ per hour in each of the first two years and 4¢ per hour in the third year.

- ..Medical and dental plan improvements.
- ..Additional funeral leave.
- ..An increase in vacation benefits to 5 weeks after 18 years of service in the third year of the agreement.
- ..An increase in severance pay.
- ..An increase in allowable jury-duty leave and benefits.
- ..Reduced waiting period for eligibility under Life Insurance and Accidental Death and Dismemberment policies with annual increases in insurance coverage over the three-year term.
- ..Improvements in sick-pay benefits.
- ..An additional paid holiday.
- ..A 25¢ per hour premium for hours worked under certain hazardous conditions.

The offer represents a total package increase of about \$1.80, or about 45 percent, over the proposed 3-year duration of the new Agreement. As the Board heard only from officers of the International, representing all of its Locals, there was no testimony or written communication from Local 418. The Board is informed by one of the Association's member companies, however, that the Local's demands add up to an approximately \$3.00, or approximately 75 percent, increase over the three years. It seems clear, in any event, that there has been no want of negotiations, that the dispute is deadlocked, and that there is little chance of a prompt settlement.

SUPPLEMENTAL REPORT TO THE PRESIDENT

Submitted by

THE PRESIDENT'S BOARD OF INQUIRY

Created by

Executive Order No. 11621, as Amended

PAUL HANLON

ROLF VALTIN

JACOB SEIDENBERG
Vice Chairman

J. KEITH MANN
Chairman

November 25, 1971

November 25, 1971

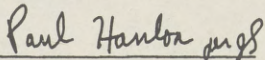
The President
The White House
Washington, D.C.

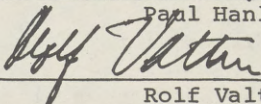
Dear Mr. President:

On November 24, 1971, you requested this Board of Inquiry, established by Executive Order 11261, to issue a supplemental report on the status of the labor disputes affecting the Longshore Industry of the United States.

The Board has the honor of submitting its report herewith.

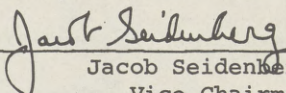
Respectfully submitted,



Paul Hanlon


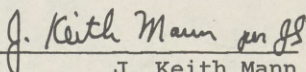
Rolf Valtin

Kenneth E. Moffett
Executive Secretary



Jacob Seidenberg
Vice Chairman

John C. Zancanaro
Assistant Executive
Secretary



J. Keith Mann
Chairman

SUPPLEMENTAL REPORT TO THE PRESIDENT

Background

The Board of Inquiry was appointed by President Nixon on October 4, 1971, pursuant to Section 206 of the Labor-Management Relations Act of 1947, as amended. Its function was to inquire into the longshore disputes affecting ports on the Atlantic, Gulf, and Pacific coasts, and in the Great Lakes Port of Chicago. The Board's report was submitted to the President on October 6, 1971.

On November 24, 1971, the President asked the Board to prepare a report regarding the current status of these disputes. The Board met on that day, held a hearing, and also obtained information by other means.*

The supplemental report which the Board is here submitting is divided into three parts. The first presents a summary of the Board's original report. The second concerns the legal developments respecting the disputes on the Pacific coast and in the Great Lakes Port of Chicago. The third gives the up-to-date information concerning the Atlantic and Gulf coast disputes.

* As in the original proceeding, the Board's eastern subcommittee (consisting of Vice Chairman Seidenberg and Member Valtin) held the hearing in Washington and did the initial

I.

Summary of Original ReportA. The Pacific Coast Dispute

The Board identified four issues as the main ones separating the parties:

1. Container Handling. This issue was substantially jurisdictional in character.

2. Work Guarantee. This issue concerned the question of whether a dollar limit per annual period should be placed on the guarantee of employment.

3. Employment of Steady Skilled Men. This issue related to the adequacy of the arrangements under the expired contract for assuring the steady assignment of skilled men to the operation of complex and expensive cargo-handling equipment.

4. Wages. The parties were 10¢ apart on this issue.

The Board concluded that "an uncommonly difficult dispute" was presented and that "more time, indeterminate but considerable, probably measured in weeks rather than days, will be required for complex negotiations."

(footnote continued) drafting of this report. However, the Board's western members (Chairman Mann and Member Hanlon) joined in reviewing and analyzing the evidence and in putting the document into its final form.

B. The Great Lakes Port of Chicago Dispute

The Board described the last offer by the employer association, stated that the offer represented a package increase of 45 percent over a three-year period, and added that the ILA local involved in the dispute had summarily rejected the offer and was seeking twice-as-large a package. The Board concluded "that there has been no want of negotiations, that the dispute is deadlocked, and that there is little chance of a prompt settlement."

C. The East and Gulf Coast Dispute

The Board identified the seven so-called Master Contract issues:

- wages
- hours
- pensions
- welfare
- length of contract
- containerization
- LASH

The evidence before the Board showed that there had been very limited negotiations on these issues. The principal reason for this was that the parties had been unable to effect a mutually agreeable modification of the guaranteed-

annual-income (GAI) program in New York City. The New York Shipping Association insisted that it would not consent to the maintenance of the status quo during Phase I while keeping the GAI program in effect; the ILA's response was that, absent the continuation of the GAI program, it would resort to a strike. Thus, negotiations had broken down before they had ever been conducted in any meaningful fashion. Additionally, the Board noted that there were many unresolved "local" issues in various East and Gulf Coast ports.

In summary, the Board reported that the GAI issue in New York City was both the principal stumbling block and the precipitating factor in the strike and that productive bargaining either on this issue or on the seven Master Contract items had simply not taken place.

II.

Development of Legal Situation After
Issuance of Board Report

Shortly after the submission of the report of October 6, 1971, the government sought injunctive relief under the Taft-Hartley Act in the West Coast strike and the strike in the Port of Chicago. Relief was granted on the West Coast through the issuance of a temporary restraining order on October 6, 1971, and a preliminary injunction on October 20, 1971.* A preliminary injunction was denied in Chicago, and that decision is now on appeal in the United States Court of Appeals for the Seventh Circuit.

To date, no injunctive proceedings under the National Emergency Provisions of the Taft-Hartley Act have been initiated by the government with respect to the East and Gulf Coast dispute. The National Labor Relations Board, however, obtained injunctions in several East and Gulf Coast ports on the theory that the strikes in those ports were illegal "secondary boycotts." A State Court injunction was obtained in Philadelphia by the local employers' association on the grounds that the union had entered into a contract to work through the Phase I period.

* Pursuant to its statutory mandate under Sec. 209, the Board will submit its sixty-day report early in December.

Most of the injunctions obtained by the National Labor Relations Board are no longer effective. The injunction in Philadelphia expired at the end of Phase I.

Considering these legal developments and being mindful of the continuing jurisdiction of the federal courts in the West Coast and Chicago cases, the Board believes it appropriate to confine its discussion of recent negotiating developments to the East and Gulf Coast dispute.

III.

Current Status of the East and Gulf
Coast Dispute

Though some of the employer associations in certain southern ports insist that they bargain with the ILA quite independently--and though the continued existence of a series of "local" disputes is not to be minimized--it can safely be stated that negotiations between the Council of North Atlantic Shipping Associations (CONASA) and the ILA are pattern-setting. It is more than likely that the entire East and Gulf Coast dispute will soon come to an end once there is a settlement between CONASA and the ILA.

The issues between CONASA and the ILA are the seven Master Contract issues and the GAI issue in New York City, as identified above. The evidence before the Board as to the progress of negotiations on these issues is highly conflicting. The employers earnestly insist that very great progress has been made, that the parties are but inches from a full settlement, and that the gap would be closed in due course if the government refrained from invoking

injunctive procedures at this time. The employers explain that, though a formal agreement is admittedly lacking, a meeting of the minds has been reached on: a) all but one of nine sub-issues involved in the heretofore thorny GAI issue; b) all but two items--pension and welfare contributions--on the seven Master Contract items. The ILA asserts, on the contrary, that there simply is no agreement on either the GAI issue or the seven Master Contract issues, and that the picture is bleak in all the East and Gulf Coast ports. The ILA grants that there are some issues which would readily wash out, but it insists that a long and hard road lies ahead as to most of the issues and that this is largely true because the industry is beset by a major underlying problem--automation and the declining workforce which attends it.

Given these conflicting assertions by the parties, the Board must read between the lines and seek to make a realistic assessment of its own. There can be no question that the parties have engaged in intensive negotiations since the issuance of the Board's original report. They

have been in almost constant negotiations for the past three weeks; and, since November 8, their negotiations were very actively assisted by J. Curtis Counts, the Director of the Federal Mediation and Conciliation Service. Nor can there be any real question that very substantial progress has been made. If nothing else, both parties' high praise for Mr. Counts' skill and tenacity attests to this.

Nevertheless, the fact is that negotiations were indefinitely recessed in the late evening of November 23. The Board cannot read this to mean anything other than that a breakdown in negotiations has occurred. Manifestly, Mr. Counts would not have called an indefinite recess had he entertained the hope of "going over the top" in another day or two. And the conclusion that this supports, and which we reach, is that the two issues on which even the employers agree that the parties are hung up--the minimum guarantees on pension and welfare contributions--are indeed very sticky issues and have created an impasse. A gap need not be a large one; a small gap which stubbornly refuses to close is of quite the same consequence.

Our best judgment is that there is such a gap. We therefore conclude that a settlement is not readily attainable.

SIXTY-DAY REPORT TO THE PRESIDENT

ON THE LABOR DISPUTE INVOLVING

THE LONGSHORE INDUSTRY

ON THE PACIFIC COAST

BY

THE BOARD OF INQUIRY

CREATED BY

EXECUTIVE ORDER NO. 11621, AS AMENDED

PAUL D. HANLON
ROLF VALTIN
JACOB SEIDENBERG, Vice-Chairman
J. KEITH MANN, Chairman

DECEMBER 5, 1971

San Francisco, California
December 5, 1971

The President
The White House

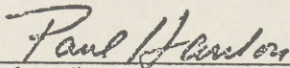
Dear Mr. President:

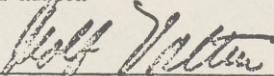
On October 4, 1971, under Executive Order No. 11621, as amended, you appointed this Board of Inquiry to report to you on labor disputes affecting the Longshore Industry of the United States.

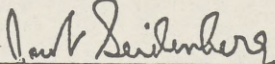
The Board transmitted its initial report to you on October 6, 1971. Pursuant to your further request, the Board filed a supplemental report dated November 25 on the status of such labor disputes.

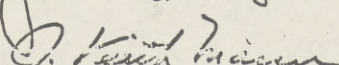
At this time, the Board has the obligation of rendering a so-called sixty-day report as required by Section 209 (b) of the Labor Management Relations Act, 1947, with respect to the Pacific Coast dispute. The Board has the honor of submitting that report herewith.

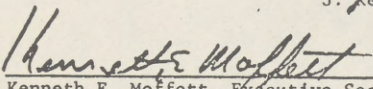
Respectfully submitted,

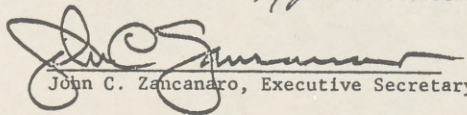

Paul Hanlon


Rolf Valtin


Jacob Seidenberg, Vice-Chairman


J. Keith Mann, Chairman


Kenneth E. Moffett, Executive Secretary, East Coast


John C. Zancanaro, Executive Secretary, West Coast

THE WHITE HOUSE

EXECUTIVE ORDER
 NO. 11621 AS AMENDED
 BY NO. 11622

CREATING A BOARD OF INQUIRY TO REPORT ON
 CERTAIN LABOR DISPUTES AFFECTING THE
 MARITIME INDUSTRY OF THE UNITED STATES

WHEREAS, there exist certain labor disputes between employers (or associations by which such employers are represented in collective bargaining conferences) who are (1) steamship companies operating ships or employed as agents for ships engaged in service from or to Atlantic, Pacific, Great Lakes and Gulf Coast ports of the United States, or from or to other ports of the United States or its territories or possessions, (2) contracting stevedores, (3) contracting marine carpenters, (4) lighterage operators, or (5) other employers engaged in related or associated pier activities, and certain of their employees represented by the International Longshoremen's Association, AFL-CIO; the International Association of Machinists and Aerospace Workers, AFL-CIO and District Lodge 94 and Local Lodge 1484 thereof; and the International Longshoremen's and Warehousemen's Union; and

WHEREAS, such disputes have resulted in strikes on Pacific, Atlantic, Great Lakes and Gulf Coast ports of the United States which if permitted to continue will, in my opinion, affect a substantial part of the maritime industry, an industry engaged in trade, commerce, transportation, transmission, or communication among the several States and with foreign nations, and will imperil the national health and safety:

NOW, THEREFORE, by virtue of the authority vested in me by Section 206 of the Labor-Management Relations Act, 1947 (61 Stat. 155; 29 U.S.C. 176), I hereby create a Board of Inquiry, consisting of:

J. Keith Mann, Chairman
 Paul Hanlon
 Jacob Seidenberg
 Rolf Valtin

as Members, whom I hereby appoint to inquire into the issues involved in such disputes.

The Board shall have powers and duties as set forth in Title II of such Act. The Board shall report to the President in accordance with the provisions of Section 206 of such Act on or before October 6, 1971.

Upon the submission of its report, the Board shall continue in existence to perform such other functions as may be required under such Act.

RICHARD NIXON

THE WHITE HOUSE
 October 4 and 5, 1971

REPORT TO THE PRESIDENTIntroduction

The Board of Inquiry was appointed by the President on October 4, 1971, pursuant to Section 206 of the Labor-Management Relations Act of 1947, as amended. Its function was to inquire into the Longshore disputes affecting ports on the Pacific, Atlantic and Gulf Coasts and in the Great Lakes Port of Chicago. The Board's first report was submitted to the President on October 6, 1971; the Board continued in existence to perform such other functions as may be required under the Act or requested by the President.

Shortly after the submission of the report, the Government obtained injunctive relief in the Pacific Coast strike through the issuance of a temporary restraining order on October 6 and a preliminary injunction on October 20.^{1/} With respect to the Atlantic and Gulf Coast dispute, the Government did not initially seek court orders but encouraged active bargaining assisted by intensive mediation efforts. Thereafter, on November 24, the President asked the Board to prepare a supplemental report on the status of these labor disputes and, particularly, to provide up-to-date information concerning the Atlantic and Gulf Coast dispute. This supplemental report was submitted on November 25 and, commencing on November 26, the Government sought and obtained temporary restraining orders concerning the various struck ports along the Atlantic and Gulf Coasts.^{2/}

^{1/} With respect to the Great Lakes Port of Chicago dispute, though a temporary restraining order was issued, the preliminary injunction was denied.

^{2/} Pursuant to its statutory mandate, the Board will submit its sixty-day report in the latter part of January 1972 on the East and Gulf Coast disputes unless a complete settlement is previously achieved.

Section 209 of the Act addresses itself to the situation in which the so-called eighty-day injunction under the Act's national emergency provisions has been issued. It requires a report by the Board of Inquiry sixty days following the granting of injunctive relief. Specifically, Section 209(b) requires that the Board report to the President concerning the current positions of the parties, the efforts which have been made for settlement, and a statement by each party of its position. Such report also is to include "a statement of the employer's last offer of settlement" (which offer is to be submitted to a vote by the affected employees in a secret-ballot election conducted by the National Labor Relations Board).

Section 209 is currently operative only with respect to the Pacific Coast dispute. This is the sixty-day report covering that dispute.

The Board conducted a hearing in San Francisco on December 1. Representatives of the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union appeared and made oral as well as written presentations. Additionally, Employers from various ports filed statements in the form of letters or telegrams. These statements as well as the written material submitted by the two principal parties are attached.

The Board's report of October 6, 1971, noted that the Pacific Coast dispute involved not only the International Longshoremen's and Warehousemen's Union, but also the International Association of Machinists and Aerospace Workers in connection with certain operations involving several Employers in the Los Angeles area. The dispute involving the latter parties was settled on October 8; consequently, it is not dealt with in the present report.

Current Positions Of The Parties

On December 1, 1971 both parties submitted a statement of current positions to the Board. These statements confirm that the positions of the parties on the principal disputed issues as discussed in the Board's initial report remain basically unchanged.

Both parties confirm that substantial agreement has been reached on a zone and tax concept in connection with the work of stuffing and unstuffing containers. The amount of the tax to be assessed on containers which are not stuffed or unstuffed by ILWU labor is still in dispute. The major unresolved container issue continues to be the problem of employee representation rights at any new or expanded container freight station facility of Sea-Land Service, Inc. The ILWU continues to demand jurisdiction over such facilities, and PMA adheres to its contention that any such agreement would violate the existing representation rights certified to the Teamsters and could constitute a violation of the Taft-Hartley Act.

Weekly work guarantees have been agreed upon, but there continues to be an impasse arising out of the Employers' proposal for a ceiling on the maximum annual liability. The current position of PMA is that liability under the guarantee should be limited to \$5,200,000 during the first year and not more than \$10,400,000 for both years. The Union disagrees with the proposed "cap" or ceiling on the guarantee payments.

The statement of current position of the PMA reiterates and re-emphasizes the Employers' insistence upon some resolution of the issue of assured availability of steady employees to operate mechanical equipment requiring more than basic skills. PMA has offered to negotiate

an equalization of hours formula to correct any inequity arising out of the assignment of steady skilled men, but the Union position continues to be that the previous contract provisions adequately deal with this situation and that implementation of those provisions should be worked out locally.

The parties have agreed upon a \$5.00 per hour wage rate for the first year of the proposed contract. The Employer offer for the second year is \$5.40 per hour and the Union demand is \$5.50 per hour.

As in the prior reports of the Board, it should be carefully noted that the above summary provides merely a brief outline of the major unresolved problems. As shown in the ILWU' statement of current position, attached hereto, other issues remain.

Settlement Efforts

At the hearing of December 1, the Board was informed that the parties had not met to negotiate since the time of the issuance of the temporary restraining order. Moreover, it was stipulated that PMA made several unsuccessful efforts to arrange for meetings between the parties. It would be misleading, however, merely to report these bare facts.

Familiarity with the parties' differences, with the considerations involved, and with the manifold difficulties which attend such a protracted dispute indicates that, as is usually the case, joint meetings are not the sole measure of settlement efforts. The Board can take notice that during portions of this period each party has been studying its own position, engaging in consultations for which there was a felt need, and examining the particular circumstances at hand. The Board thus records

the belief that, contrary to what the appearances would indicate, in reality the principals to this dispute have not been idly standing by since October 6.

In any event, the Board was advised that the ILWU Coast Negotiating Committee was convened on November 29 to consider what steps should be taken to end the dispute. At the December 1 hearing, the Board was officially informed by the ILWU that as a result of these internal deliberations a "decision has been made to resume discussions with PMA for the purpose of exploring the possibilities of reaching a settlement of the dispute prior to the expiration of the injunction." This step by the ILWU was matched in terms by PMA's position that it "stands available to reconvene negotiations at the earliest date to consummate the much needed agreement." And, at the time of the submission of this report, it is a fact that face-to-face negotiations have been resumed.

All would prefer that the parties achieve their own solutions by the most desirable method of mutual agreement. With due regard for the parties' decision-making processes, the Board has expressed its concern that no effort should be spared to accomplish this result. It is only in the context of a settlement acceptable to the Employers and one that the Union would feel free to recommend to its members that the statutory formality of the "last offer" vote is apt to be meaningful. Consensus is possible before or after that occasion.

Manifestly, the alternatives would be unsatisfactory to both parties and would have adverse effects on the Pacific Coast Longshore

Industry and its employees and threaten further damaging impact upon the community. The parties are aware of the public's expectation that they will earnestly strive to come to a fair and balanced agreement giving recognition to all the interests involved. We do not attempt to say when this is likely. The Board expresses the hope that this expectation can yet be realized.

ATTACHMENTS:

- A. TELEGRAM SETTING BOARD HEARING
- B. RECIPIENTS OF TELEGRAM IN ATTACHMENT "A"
- C. ATTENDEES AT BOARD HEARING
- D. STATEMENT - PACIFIC MARITIME ASSOCIATION
- E. STATEMENT - INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION
- F. OFFER - PACIFIC MARITIME ASSOCIATION
- G. LIST OF COMMUNICATIONS RECEIVED
- H. STATEMENT - ALASKA STATE FERRIES
- I. STATEMENT - THE PORT OF GRAY'S HARBOR - A PUBLIC BODY
- J. STATEMENT - PORT OF SEATTLE
- K. STATEMENT - CANADIAN PACIFIC RAILWAY
- L. STATEMENT - PACIFIC NORTHWEST GRAIN ELEVATOR OPERATORS ASSOCIATION
- M. STATEMENT - KERR GRAIN CORPORATION
- N. STATEMENT - OLIVER J. OLSON & COMPANY
- O. STATEMENT AND OFFER - PORT OF SAN FRANCISCO GRAIN TERMINAL

NOTICE OF HEARING

SENT BY WESTERN UNION, NOVEMBER 24, 1971

THE PRESIDENTIAL BOARD OF INQUIRY CREATED BY EXECUTIVE ORDER 11621 AS AMENDED, MUST PREPARE A REPORT TO BE MADE TO THE PRESIDENT AT THE END OF A SIXTY-DAY PERIOD WHICH COMMENCED ON OCTOBER 6, 1971.

THE BOARD WILL CONDUCT A HEARING, STARTING AT 1:30 P.M., ON DECEMBER 1, 1971, IN ROOM 13473 OF THE FEDERAL BUILDING LOCATED AT 450 GOLDEN GATE AVENUE, SAN FRANCISCO.

THE BOARD REQUESTS EACH OF THE AFFECTED PARTIES TO APPEAR TO PRESENT TESTIMONY REGARDING ITS CURRENT POSITION ON THE DISPUTED ISSUES AND THE EFFORTS WHICH HAVE BEEN MADE FOR SETTLEMENT OF THE DISPUTE.

EACH PARTY IS ALSO REQUESTED TO SUBMIT A WRITTEN STATEMENT AS TO ITS CURRENT POSITION AND THE EMPLOYER IS REQUESTED TO FURNISH A STATEMENT OF ITS LAST OFFER FOR SETTLEMENT.

AS TO THOSE WHO CAN NOT APPEAR, THE BOARD WILL ACCEPT STATEMENTS BY TELEGRAM. SUCH COMMUNICATIONS SHOULD BE ADDRESSED TO:

Mr. John C. Zancanaro, Executive Secretary-West Coast
Room 13467 Federal Building
450 Golden Gate Avenue
San Francisco, California
Telephone - 556-4670

J. KEITH MANN,
CHAIRMAN

November 24, 1971

NOTICES SENT TO

International Longshoremen's and Warehousemen Union
150 Golden Gate Avenue
San Francisco, California

Pacific Maritime Association
635 Sacramento Street
San Francisco, California

The Port of Gray's Harbor - a public body
Aberdeen, Washington

Port of Seattle
P.O. Box 1209
Seattle, Washington
Mr. Richard D. Ford, Legal Officer

Port of Stockton
2201 W. Washington
Stockton, California

Alaska Steamship Company
1326 5th Avenue
Seattle, Washington

Rotschild International Stevedoring Company
2247 E. Marginal Way South
Seattle, Washington

Seattle Stevedore Company
3415 11th Avenue SW
Seattle, Washington

Matson Terminals, Inc.
219 S. Horton Street
Seattle, Washington

American Mail Line
1010 Washington Building
Seattle, Washington

Olympic Steamship Co., Inc.
1000 2nd Avenue
Seattle, Washington

Canadian Pacific Railway
1315 4th Avenue
Seattle, Washington

Fisher Flouring Mills
3235 16th Avenue SW
Seattle, Washington

Distributors Warehouse Co.
98 Folsom Street
San Francisco, California

Reliable Lines Service
1522 Washington Building
Seattle, Washington

Burton-Portland & Co., Inc.
223 Front Street
San Francisco, California

Harris & Bissel
379 Brannan
San Francisco, California

MacNichol & Co.
Pier 5 Embarcadero
San Francisco, California

Oliver J. Olson & Co.
121 N. San Mateo Drive
San Mateo, California

Sause Brothers Ocean Towing Co., Inc.
809 Terminal Sales Building
Portland, Oregon

Sea Train Terminal
1395 Middle Harbor Road
Oakland, California (Since Sept. 1971 member of PMA)

Pac/Pacific Inland Navigation Co., Inc.
400 Norton Building
Seattle, Washington

Pacific-Hawaiian Line, Inc.
2300 SW 1st Avenue
Portland, Oregon

Foss-Launch & Tug Co.,
Div. of Dillingham Corp.
660 E. Ewing
Seattle, Washington

Alaska State Ferries
Juneau, Alaska

Los Angeles Container Terminal
P.O. Box 271
Terminal Island, California

Pacific Northwest Grain Elevator Operators
0112 SW Penoyer
Portland, Oregon
(Dennis Linsey, Esq., Loyalty Bldg., Portland, Oregon)

Kerr Grain Corporation
World Trade Building
Portland, Oregon

Port of San Francisco Grain Terminal
Pier 90 Embarcadero
San Francisco, California

Members of Pacific N.W. Grain Elevators Operators Association

Continental Grain Company
World Board of Trade Building
Portland, Oregon

Louis Dreyfus Corp.
Lewis Building
Portland, Oregon

Cargill, Inc.
World Board of Trade Building
Portland, Oregon

United Grain Corporation
Board of Trade Building
Portland, Oregon 97204

President's Board of Inquiry

Hearing Conducted, December 1, 1971

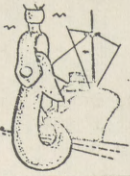
ATTENDEES

For the Union

William T. Ward, Chairman, Coast Labor Relations Committee
Fred Huntsinger, Member, Coast Labor Relations Committee
Charles Velson, Administrative Assistant to the International President
James A. Herman, San Francisco Clerks #34
M. Tony Garcia, Port Hueneme Longshore #46
Al Perisho, Los Angeles Clerks #63
Don R. Ronne, Portland Longshore #8
John W. Davidson, Portland Clerks #40
E. W. Anderson, Seattle Longshore #19
Donald Gilchrist, Everett Longshore #32
Evelyn Wakefield, Secretary to President

For the Management

Ed J. Flynn, President, Pacific Maritime Association
Ben W. Goodenough, Vice-President, Pacific Maritime Association
R. R. Holtgrave, Executive Assistant to Vice-President, Pacific Maritime Assn.
Pres Lancaster, Research Director, Pacific Maritime Association
James J. Hayes, Sea-Land Service
R. M. Richardson, Matson Navigation Company



PACIFIC
MARITIME
ASSOCIATION

635 SACRAMENTO STREET • SAN FRANCISCO, CALIFORNIA 94119 • TELEPHONE (415) 362-7973

December 1, 1971

TO: J. Keith Mann
Chairman, Board of Inquiry

FROM: Pacific Maritime Association

SUBJECT: Statement of Current Position

In compliance with your telegram of November 24, 1971, Pacific Maritime Association herewith submits to the Board its "statement as to its current position".

Though the Employers have endeavored on several occasions during the Taft-Hartley injunction period beginning October 6, 1971 to arrange for continued negotiations, the ILWU has refused to meet. Therefore, the Association's "last offer" statement is basically the same as the offer for settlement at the last meeting on October 4 between the parties prior to issuance of the Taft-Hartley injunction.

It is the opinion of the Employers that this last offer for settlement, which would represent a two-year 32.2% increase in the labor burden generated by the collective bargaining agreement, is fair and equitable in relation to other agreements reached during the past year in labor/management negotiations and particularly so in light of the economic controls now imposed by the Administration.

In the Employers' view the parties were not far apart when negotiations were broken off on October 4. The principal items on which agreement had not been reached were as follows:

- (1) The difference between a 40¢ offer from the Employers and a 50¢ demand by the Union for the second year wage increase.

The Employers consider the 40¢ offer for the second year added to the 72¢ for the first year (a combined total base hourly wage increase of \$1.12 over two years) adequately meets the economic needs of the

J. Keith Mann

page two

December 1, 1971

longshoremen. With these proposed adjustments, the longshoremen would be receiving a straight time basic hourly rate of \$5.40 beginning the second year of the agreement. It should be noted that this figure does not reflect the actual earnings because on the day shift, Monday through Friday, the longshoremen receive 6 hours straight time and 2 hours at time and one-half.

- (2) The Employers' insistence that there be a ceiling on the cost of the guarantee as opposed to the Union's insistence that it be open-ended.

The Employers believe the ceiling on their contingent liability for two years, of \$10,400,000, provides an adequate cushion to assure all qualifying longshoremen of any guarantee payments for which they may become eligible. The Employers also contend that their insistence on a fixed ceiling is essential to sound business practice in an industry where it is necessary to forecast costs. There was nothing in negotiating history over the past year to indicate the Union had any supportive data to establish that the proposed \$10,400,000 ceiling for two years would not be more than adequate to provide the proposed guarantees.

- (3) An unresolved issue on the Container Freight Station Supplement as it would apply to possible expansion of Sea-Land container stuffing operations.

Acquiescence to the Union on this issue would be in violation of the Taft-Hartley Act as representation rights for Sea-Land's employees have been certified to the Teamsters by the NLRB.

- (4) The Employers' insistence on a satisfactory resolution on the issue of assured availability of steady employees to operate mechanical equipment requiring more than basic skills.

It should be noted that over the past ten years there has been a dramatic change in the shoreside maritime industry which has moved from primarily hand handled bulk operations to far more mechanized and technologically changed operational methods. This has come about by the introduction of costly and sophisticated cargo

J. Keith Mann

page three

December 1, 1971

handling equipment requiring increased training and resultant greater skill. Where, under the old methods rotation hiring, though not entirely satisfactory, was not inimical to the best interests of the industry, such a practice is no longer sound or practical for either the work force or the Employers for the following reasons:

- (a) Men improperly or inadequately trained in operations of the new equipment create health and safety hazards for their fellow employees and themselves.
- (a) Unfamiliarity with the equipment often results in costly damage to equipment, vessel and cargo, and contributes to vessel delays.
- (c) Efficient operations cannot be maintained with inefficient operators.

Pacific Maritime Association reiterates: Its last offer for settlement stands as one that is fair and reasonable. Acceptance by the Union would be a practical solution for both parties. Pacific Maritime Association stands available to reconvene negotiations at the earliest date possible to consummate the much needed agreement.

INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION

150 GOLDEN GATE AVENUE, SAN FRANCISCO, CALIFORNIA 94102 • 775-0533

HARRY BRIDGES
President

WILLIAM H. CHESTER
Vice President

GEORGE MARTIN
Vice President

LOUIS GOLDBLATT
Secretary-Treasurer

November 30, 1971

J. Keith Mann, Chairman
Presidential Board of Inquiry
on Labor Disputes Affecting the
Maritime Industry in the U.S.
450 Golden Gate Avenue
San Francisco, California 94102

Dear Mr. Mann:

In accordance with your telegraphic request of November 24, 1971 we are presenting herewith the union's position as to its current position in the dispute with the Pacific Maritime Association.

The most exhaustive and detailed analysis of the union's position is contained in the document entitled, "Status of Negotiations as of October 4, 1971". This document basically defines the issues in dispute and the differences between the parties, and is enclosed herewith. For your information I am also enclosing the ILWU Settlement Position of August 26, 1971, referred to above.

At the present moment the ILWU Coast Negotiating Committee is in session in San Francisco to consider what further steps shall be taken to end the dispute. A decision has been made to resume discussions with PMA for the purpose of exploring the possibilities of reaching a settlement of the dispute prior to the expiration of the injunction.

Since there has been a considerable lapse of time since this last statement of the union position the ILWU Coast Negotiating Committee reserves the right to make such changes in its position as it deems necessary and proper.

Very truly yours,

Harry Bridges
HARRY BRIDGES, Chairman
Coast Negotiating Committee
and President, ILWU

HB/jg
Opeiu 29
Enc. - 2

10/8/71

STATUS OF NEGOTIATIONS AS OF OCTOBER 4, 1971

When negotiations resumed August 26, 1971 the Coast Negotiating Committee presented PMA with a set of demands to end the strike. The demands covered the wage/price freeze, containers and scope of work, the guarantee, wages, pensions, welfare, manning, grievance machinery, paid holidays, clerks' demands and contract term. Agreements reached in negotiations as of 10/4/71 on the following items were contingent upon the settlement of the whole package.

THE FREEZE. The union proposed that when there was a settlement, ILWU and PMA would jointly seek an exception to the wage/price freeze on the economic items in the settlement so as to terminate the strike. PMA agreed to join with ILWU to seek such an exception, but after the resumption of work.

CONTAINERS. The parties agreed to a zone and tax concept to cover the work of stuffing and unstuffing of containers by the longshore work force. In each port there will be two zones. One will be the Waterfront Zone, which is an area covering all dock facilities, and an area adjacent to the docks in which PMA members will operate their container freight station facilities. Waterfront Zones have been agreed to for each port.

Status

2.

The second zone - called the Port Area CFS Zone - is a 50-mile area in each port.

All containers under the control of PMA member companies within the 50-mile zone will be stuffed and unstuffed by the longshore work force in the Waterfront Zone except manufacturers' and shippers' loads, store door and door-to-door containers in the domestic trade, household goods in containers stuffed or unstuffed by a moving company, and coastwise or intercoastal containers.

Containers originating in or destined for delivery within the 50-mile zone which are not among the exceptions listed in the preceding paragraph, and which are to be loaded on or discharged from non-PMA member steamship company vessels, shall not move from the dock unless such containers are stuffed or unstuffed by a PMA member company under the terms of the Pacific Coast Longshore Agreement or the Container Freight Station Supplement.

Containers stuffed or unstuffed within the 50-mile zone by ILWU labor employed by a non-member of PMA will not be loaded on or discharged from vessels unless such containers are subsequently unstuffed and restuffed by a PMA member under the terms of the Pacific Coast Longshore Agreement or the Container Freight Station Supplement.

All other containers stuffed or unstuffed within the 50-mile

Status

3.

zone by other than the longshore work force will be taxed. Containers originating outside or destined outside the 50-mile zone will not be taxed. The union has not agreed to a PMA proposed tax of \$.576 per ton.

The major container issue that remains unresolved is a status quo arrangement for PMA companies who have collective bargaining agreements with other unions covering this work, which would confine operations to their present facilities.

SCOPE OF WORK. There is agreement to handle industrial dock problems on a case by case basis, and the union has submitted a list of industrial docks to PMA for this purpose.

WORK OPPORTUNITY GUARANTEE. There is agreement on a 36-hour

(next page)

Status

4.

guarantee for A men, and an 18-hour guarantee for B men. Major disagreement exists between the union and PMA on provisions for a cap on the employers' liability for the guarantee and provisions for reduction of that liability in the event of economic decline. There are also differences between the parties on rules for eligibility for guarantee payments.

WAGES. The parties agreed that the basic straight time hourly wage rate effective on resumption of work would be \$5 with comparable adjustments for clerks.

The union demand for the 2nd year wage increase is \$5.50 per hour, effective 7/1/72. PMA has offered \$5.40 effective 12 months after resumption of work.

In response to the union demand for increased skill rates, subsistence and lodging PMA proposed a 1/3 increase in skill pay, 50¢ increase in meal allowance, and a \$2 increase in lodging.

PENSIONS. The parties agreed on a pension plan which provides for a \$500 benefit from age 62 to 65 with 25 years of service. The basic monthly pension is \$350 per month with a bridge of \$150 per month from age 62 to 65. The \$350 benefit continues after age 65; normal retirement age is reduced from 63 to 62. Compulsory retirement is reduced from age 68 to 65.

Status

5.

New disability and pro rata retirements will be based on the basic monthly benefit of \$350.

There are 2 provisions for early retirement. At age 60 with 25 years of service the benefit until age 65 is the actuarially reduced value of the basic monthly benefit and the bridge otherwise payable at age 62. Benefits would be as follows:

<u>AGE</u>	<u>BASIC BENEFIT</u>	<u>BRIDGE</u>	<u>TOTAL</u>
62	\$350	\$150	\$500
61	317.59	108.52	426.11
60	289.00	83.78	372.78

The actuarially reduced basic benefit continues after age 65.

At age 55 with 25 years of service men may retire with the basic \$350 benefit with payment deferred until age 62, or with an immediate pension having an actuarially reduced value equal to the amount of the basic monthly pension payable at age 62. Benefits under this provision are as follows:

<u>AGE</u>	<u>ACTUARIALLY REDUCED BENEFIT</u>
59	\$263.70
58	241.23
57	221.20
56	203.29
55	187.23

There is also a provision that permits men to leave the industry at age 55 with 13 to 24 years of service with pension benefits accrued to date, and payments deferred until age 65. For the deferred pensions and the actuarially reduced pension under age 60 there will be no

Status .

6.

welfare coverage provided.

Present pensions who retired prior to 7/1/66 will receive a basic monthly benefit of \$300 and those retired between 6/30/66 and 7/1/71 will receive the \$300 benefit 5 years after date of retirement.

WELFARE. The parties agreed that in order to take care of the depletion of the Welfare Fund reserves during the strike PMA would increase the Welfare Fund contribution rate from the current level by 50¢ an hour, and continue such increased amount until adequate reserves were created or until 1/1/72 - whichever was earlier.

Current benefits under both the Welfare and the Pension Plan would continue but all new benefits under both Plans would be deferred until 1/1/72. PMA agreed to continue the present level of benefits under the Group Service Plans, and eliminate inequities in the Small Port Plan.

PMA proposed a dental plan which pays 70% of the California Dental Service table of allowances for adults and dependent children over age 15. The present 100% coverage for children up to age 15 continues. The union proposed the table of allowances used in ILWU Local 6 Dental Plan.

PMA offered an increase in life insurance to \$4000 in response to the union demand for \$20,000 for active men only whose survivors were not eligible for benefits under the Pension Plan.

PMA did not agree to a prescription drug plan.

Status .

7.

MANNING. The parties agreed that basic manning now covered in Section 10.2 is a subject reserved to Coast Negotiations. The union's position is that there will be no reduction in the basic manning. PMA is seeking to eliminate gang bosses. Robot manning also is a subject for coast negotiations.

T-mannings now in existence remain in effect subject to change through the contract grievance machinery, but confined to the local level and Area Arbitration, with no appeal to the coast.

Manning for new operations now in existence - such as LASH, Roll-on Roll-off, and SocBee will be reserved for coast negotiations.

The T-letter procedure has been eliminated and manning for new operations which develop subsequent to the effective date of the agreement shall be determined at the local level, subject to arbitration and appeal to the coast.

GRIEVANCE MACHINERY. PMA has not agreed to on-the-job settlement of discharge cases, or to put a limit on period of time a man can be on the non-dispatch list, but has proposed that either party may request that a grievance in any step of the grievance machinery be processed within 24 hours.

In response to the union demand to define assault, PMA has proposed the following language: "In determining the appropriate penalty for first offense assault, the parties shall consider the

Status

8.

degree of assault involved, such as threat of assault, attempted assault, actual assault, or battery. All facts involved in each case shall be considered, such as the manner in which the assault occurred; intent to do harm; provocation, if any; nature of any violence, etc."

PMA has not agreed to revisions of Section 17.81 to exclude union officials.

CLERKS' DEMAND. The clerks' demands have been referred to a sub-committee, and little work has been done on the settlement of these items.

HOLIDAYS. PMA withdrew a proposal for 5 paid holidays, effective 7/1/73 when they moved to the 24 month contract term proposal.

CONTRACT TERM. PMA has responded to the union demand for a 2-year contract with a proposal for a 24 month agreement from the date of settlement.

STEADY SKILLED MEN. This is a major issue with PMA, and their settlement proposals on wages, guarantee, pensions, welfare and containers are contingent upon acceptance by the union of PMA's position on steady men. The union's position is that the coast agreement has provisions for the employment of steady men, and implementation of those provisions must be worked out locally.

PMA has responded to all the other union demands on extended shifts, vacation improvements, crane supplement, distressed ports,

Status

9.

training, non-member fringe benefit contributions, law suits, health and safety, and penalty cargoes. Very little time has been spent on these items, because the committee decided they were not key issues which would stand in the way of a strike settlement, and could be negotiated out, subject to arbitration, if necessary.

UNION'S POSITION FOR RESUMPTION OF WORKAugust 26, 1971

The economic items proposed by the Union, and which are or may be covered by the wage-price freeze shall be subject to government approval.

The ILWU-PMA shall agree that when joint agreement has been reached, the appropriate federal government agency administering the wage-price freeze shall be asked to approve the agreement as exceptions to the wage-price freeze order so as to terminate the current West Coast longshore strike.

1) JURISDICTION - Containers.

Extend for two years the present CFS subject to review after one year with elimination of transition period provision and addition of union's definition of shippers' loads. PCLA wages for CFS work.

EXCEPTIONS: Manufacturers' loads
Door-to-door delivery or
pickup (domestic trade)
Other exceptions by mutual
agreement

2) CONTRACT PROVISIONS ON SCOPE OF WORK AND CONTRACT COVERAGE, i.e. Industrial Docks, teamsters loading and unloading trucks at designated areas, log assembly - still to be negotiated.

3) WORK OPPORTUNITY GUARANTEE

- a. Registered "A" men - 40 straight time hours;
- b. "B" men - 32 hours plus guarantee of being moved to "A" registration in stipulated numbers and over stipulated periods of time during 2-year term of contract, or a longer time as mutually agreed upon;
- c. Hours worked or paid for under the guarantee to be counted for all fringe benefits.

4) WAGES. First year: \$1.00, payable upon return to work.
Second year: \$.75.

ILWU POSITION FOR
RESUMPTION OF WORK
8/26/71

2.

5) WELFARE.

New welfare benefits limited to active men only, except prescription drugs.

- a. Continue present level of benefits under Kaiser Plan;
- b. Eliminate inequities in small ports where no group plan is available;
- c. Add dental care and prescription drugs for all who qualify under the contract;
- d. Life insurance of \$20,000, double indemnity, and AD&D for men whose survivors are not entitled to benefits under the Pension Plan.

6) MANNING SCALES

- a. For new operations: Before being started, to be decided by JLRC or Local Arbitrator's Interim Decision;
- b. Basic minimum manning for hand-handling, as now in Section 10.2;
- c. Present T-letter manning scales to be carried over to new agreement, subject to challenge and change by the parties;
- d. Present T-letter manning procedure to be abolished. All manning other than basic hand-handling (10.2) and manning in present negotiations established for all ports to be determined locally by parties and by Area Arbitrator if necessary.

7) GRIEVANCE MACHINERY

- a. Revised to provide for speedy settlement of on-job discharge, with on-job Interim arbitration;
- b. Define assault;
- c. Amend Section 17.72 on non-dispatch to put limit on period of time man can be on the list;
- d. Revise Section 17.81 regarding penalty on union officials.

ILWU POSITION FOR
RESUMPTION OF WORK
August 26, 1971

3.

8) LENGTH OF CONTRACT

Two years, with openings on any item each six months, with right to strike.

9) CLERKS ' DEMANDS

To Sub-Committee.

10) FIVE PAID HOLIDAYS the first year; five more the second contract year.

December 1, 1971

To: J. Keith Mann, Chairman, Board of Inquiry
 From: Pacific Maritime Association
 Subject: FINAL OFFER OF SETTLEMENT FOR 2 YEAR CONTRACT
(LONGSHOREMEN AND CLERKS)

I. WAGESA. Effective First Year

Longshore Hourly Rate	- increase	72¢	- from \$4.28 to \$5.00 per hr.
Overtime Rate	- increase	\$1.08	- from \$6.42 to \$7.50 per hr.
8 Hour Daily Rate	- increase	\$6.48	- from \$38.52 to \$45.00 per day
Clerk Hourly Rate	- increase	81¢	- from \$4.815 to \$5.625 per hr.
Overtime Rate	- increase	\$1.22	- from \$7.22 to \$8.44 per hr.
8 Hour Daily Rate	- increase	\$6.48	- from \$38.52 to \$45.00 per day

B. Effective Second Year

Longshore Hourly Rate	- increase	40¢	- from \$5.00 to \$5.40 per hr.
Overtime Rate	- increase	60¢	- from \$7.50 to \$8.10 per hr.
8 Hour Daily Rate	- increase	\$3.60	- from \$45.00 to \$48.60 per day
Clerk Hourly Rate	- increase	45¢	- from \$5.625 to \$6.075 per hr.
Overtime Rate	- increase	67¢	- from \$8.44 to \$9.11 per hr.
8 Hour Daily Rate	- increase	\$3.60	- from \$45.00 to \$48.60 per day

II. WAGE GUARANTEEA. Effective Date

The first four week period beginning sixty days after the effective date of the contract.

B. Amount (Longshoremen and Clerks)

A Men: In the first year of the contract, \$180.00 per week (36 hours at \$5.00 per hour).

In the second year of the contract, \$194.40 per week (36 hours at \$5.40 per hour).

B Men: In the first year of the contract, \$90.00 per week (18 hours at \$5.00 per hour).

In the second year of the contract, \$97.20 per week (18 hours at \$5.40 per hour).

Final Offer of Settlement for 2 Year Contract

2.

C. Eligibility

A man will be paid the difference between his earnings and the guarantee amount every four weeks if his hours for the current four week guarantee period are at least 80% of the average hours of the men in his local. (80% of the A average if he is an A man; 80% of the B average if he is a B man.)

In addition to the foregoing 80% rule, those eligibility and other rules which were part of the 1961 PMA-ILWU Supplemental Wage Benefits Plan shall be part of this Wage Guarantee Plan unless the parties agree to different rules. PMA proposes that discussions on this subject take place during the sixty days before the Wage Guarantee Plan becomes effective.

D. Earnings

During the first year of the contract a man will be paid the difference between his earnings and the guarantee amount calculated cumulatively from the effective date of the contract to the current date. During the second year of the contract, the difference will be calculated cumulatively for the most recent 52 week period. Earnings include all compensation received under the contract, plus Unemployment Benefits if any.

E. Employers' Liability

The Employers will have a contingent liability limited to \$5,200,000 the first year and not more than \$10,400,000 for both years. The tax of 57.6¢ per revenue ton as freighted as described in the CFS Supplement shall be used to offset toward the cost of the guarantee payment.

III. SKILL RATES (LONGSHOREMEN ONLY)

15¢ per hour increased to 20¢
 20¢ per hour increased to 27¢
 30¢ per hour increased to 40¢
 40¢ per hour increased to 53¢

IV. MEAL ALLOWANCE

\$2.00 per meal increased to \$2.50 per meal.

V. LODGING

\$5.00 per night increased to \$7.00 per night. (Comparable adjustment for clerks.)

Final Offer of Settlement for 2 Year Contract

3.

VI. PENSIONSFor Men who Retire on or After July 1, 1971:A. Normal Retirement

Lower the normal retirement age from 63 to 62.

For men with 25 years of service, increase the basic benefit from \$235 per month to \$350 per month. For those who retire at ages 62, 63, or 64, an additional \$150 per month to age 65, producing \$500 per month.

B. Early Retirement1. Ages 60 and 61

Provide retirement with 25 years service as follows:

<u>Age</u>	<u>Basic Benefit</u>	<u>Additional Benefit to Age 65</u>	<u>Total</u>
61	\$317.59	\$108.52	\$426.11
60	\$289.00	\$ 83.78	\$372.78

2. Ages 55 to 59

Provide retirement with 25 years of service as follows:

<u>Age at Retirement</u>	<u>Monthly Benefit</u>	
59	\$263.70	(Or defer receipt of pension payment until age 62, at which time monthly benefit will be \$350.)
58	\$241.23	
57	\$221.20	
56	\$203.29	
55	\$187.23	

C. Vested Benefit

Provide that men with 13 to 24 years of service may leave the industry at age 55 or older and receive pension benefits at age 65 based on their service prior to leaving the industry.

D. Disability Pension

Increase disability pension benefits, pro-rata pensions, and widows' benefits so that they are proportionate to the new basic monthly benefit of \$350.

E. Compulsory Retirement

Lower the compulsory retirement age from 68 to 65.

Final Offer of Settlement for 2 Year Contract

4.

For Men who Retired Prior to July 1, 1971:

Increase the basic benefit from \$235 per month to \$300 per month effective with the 61st monthly payment after date of retirement. (Disability pension benefits, pro-rata pensions, and widows' benefits will be increased proportionately.)

VII. WELFAREA. Present Benefits

Continue present benefits under the Welfare Plan and pay any increase in the cost of such benefits during the life of the contract.

B. Small Ports Plans

Raise small port plans up to level of large port plans wherever possible.

C. Dental Benefits

In addition to the present plan for children up to age 15, a new 70% coverage dental plan for adults and dependent children over age 15.

D. Life Insurance and Accident Benefits

Double the present \$2,000 life insurance benefit to \$4,000, and from \$4,000 to \$8,000 in the case of accidental death.

VIII. CONTAINERS

Prior to the issuance of the Taft-Hartley injunction, the parties had reached substantial agreement on the handling of containerized cargo. The following explanation appeared in "THE DISPATCHER" of October 22, 1971:

"The parties agree to a zone and tax concept to cover the work of stuffing and unstuffing of containers by the longshore work force. In each port there will be two zones. One will be the Waterfront Zone, which is in an area covering all dock facilities, and an area adjacent to the docks in which PMA members will operate their container freight station facilities. Waterfront Zones have been agreed to for each port.

"The second zone - called the Port Area CFS Zone - is a 50-mile area in each port.

Final Offer of Settlement for 2 Year Contract

5.

"All containers under the control of PMA member companies within the 50-mile zone will be stuffed and unstuffed by the long-shore work force in the Waterfront Zone except manufacturers' and shippers' loads, store door and door-to-door containers in the domestic trade, household goods in containers stuffed or unstuffed by a moving company, and coastwise or intercoastal containers.

"Containers originating in or destined for delivery within the 50-mile zone which are not among the exceptions listed in the preceding paragraph and which are to be loaded on or discharged from non-member steamship company vessels, shall not move from the dock unless such containers are stuffed or unstuffed by a PMA member company under the terms of the Pacific Coast Longshore Agreement or the Container Freight Station Supplement.

"Containers stuffed or unstuffed within the 50-mile zone by ILWU labor employed by a non-member of PMA will not be loaded on or discharged from vessels unless such containers are subsequently unstuffed and restuffed by a PMA member under the terms of the Pacific Coast Longshore Agreement or the Container Freight Station Supplement.

"All other containers stuffed or unstuffed within the 50-mile zone by other than the longshore work force will be taxed. Containers originating outside or destined outside the 50-mile zone will not be taxed.

A copy of the complete PMA proposal on containers is attached.

IX. TERM AND EFFECTIVE DATE OF CONTRACT

Two years from date of ratification. (The agreement shall include satisfactory resolutions of so-called non-economic and local issues, including the steady man issue. Where there is a steady man issue in a port, PMA has offered to resolve the issue through an equalization of hours formula.)

X. GOVERNMENT APPROVAL

If the terms of this Offer of Settlement must be approved by the Pay Board, PMA agrees to join with ILWU in seeking Pay Board approval.

Attachment

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PMA PROPOSAL
12/1/71

CFS SUPPLEMENT

ATTACHMENT F - PAGE 6

A. SECTION 1 - SCOPE OF WORK

1. Amend Section 1.1 as follows:

"1.1 The stuffing and unstuffing of containers by Container Freight Station Utilitymen and Container Freight Station Clerks in a Container Freight Station (hereinafter referred to as a CFS) is work covered by this Supplement."

2. Delete subsection 1.13, and renumber subsection 1.14 to 1.13.

3. Delete subsections 1.5, 1.51, 1.52, 1.53, 1.531, 1.532, 1.533, 1.534, 1.54, 1.541, 1.542 and 1.543 and substitute the following:

"1.5 Containers, Zones, and Container Tax. The provisions of this section are intended to protect and preserve the established work of employees covered by the PMA/ILWU Pacific Coast Longshore & Clerks Agreement and this CFS Supplement at docks or areas adjacent thereto.

"1.51 Containers defined. For the purposes of this section, the term 'container' means a single rigid, non-disposable dry cargo, insulated, refrigerated, flatrack, vehicle rack, portable liquid tank, or open-top container. All types of containers will have constructions, fittings, and fastenings able to withstand, without permanent distortion, all the stresses that may be applied in normal service use of continuous transportation, and shall have minimum total outside dimensions of 8' x 8' x 8' and have an opening or permanently hinged door(s) that allow ready access to the cargo space.

"1.52 Zones defined. There shall be two defined zones as follows:

"1.521 First, there shall be a zone in each port to

CFS - 2 -

Area and the Los Angeles/Long Beach Harbor, the 'Waterfront Zone' in all ports shall include any area which is within one (1) mile of any present or future waterfront 'dock' as defined in Pacific Coast Longshore and Clerks Agreement. The 'Waterfront Zone' in the San Francisco Bay Area and the Los Angeles/Long Beach Harbor shall be as follows:

San Francisco Bay Area:

Beginning at a point at the southern end of the Golden Gate Bridge; proceeding on Highway 101 to Marina Blvd.; then to Cervantes, then to Bay St.; then to Columbus; then to Broadway; then to Sansome; following Market St. to Third Street southward to the old Bayshore Highway back to Highway 101; from Highway 101 southward to Randolph Ave.; then to Chestnut Ave.; then to El Camino Real continuing southward to Santa Clara; at this point continuing eastward to Alum Rock Ave.; then turning northward on Capitol Ave. to Highway 680; northward on Highway 680 to Highway 238 into Hayward; then to Mission Blvd. to East 14th Street in San Leandro; along East 14th St. northward into Oakland turning on to San Pablo Avenue; following San Pablo Avenue through Albany, the city of San Pablo and through Pinole to Highway 80; eastward along Highway 80 to Highway 4 continuing on to the Antioch Bridge; then northward along Highway 160 to Highway 12 into Fairfield; on to Highway 80, then continuing westward on Highway 80 to American Canyon Road to Highway 29; southward to Highway 37; westward to Highway 101; then southward to the Golden Gate Bridge and the completion of the circle."

CFS - 3 -

Los Angeles/Long Beach Harbor:

Beginning at the point where Western Avenue meets the sea; then north on Western Avenue to Pacific Coast Highway; east on Pacific Coast Highway to Atlantic Avenue; south on Atlantic Avenue to the sea. (Further, it is agreed: (1), that any area within the Port Area CFS Zone which is now or in the future under the control of a Harbor Department shall be treated as being within the Waterfront Zone and (2), that should Anaheim Bay/Seal Beach be expanded into a commercial dock facility, the Waterfront Zone shall at such time be re-defined by the parties.)

"1.5211 It is recognized that in some ports and areas it may be impossible or impractical for a PMA member to operate a CFS within the confines of the Waterfront Zone. In such cases a PMA member shall be permitted to locate a CFS outside of the Waterfront Zone but within the Port Area CFS Zone and such CFS shall be treated as being within the Waterfront Zone for purposes of this CFS Supplement.

"1.522 Second, there shall be a zone known as the Port Area CFS Zone. This shall include an area of 50 miles radius from each dispatch hall in each port covered by the PMA-ILWU Agreement.

"1.53 Container Tax. Except as provided below, all cargo in containers, as defined in Section 1.51, which is loaded aboard or discharged from vessels will be assessed a tax of \$.576¢ per revenue ton as freighted. Such tax shall be collected and be used as an offset toward the cost of the Pay Guarantee Plan.

"1.531 The tax described in section 1.53 shall not apply to: —

CFS - 4 -

"(a) Cargo in containers stuffed or unstuffed by ILWU labor employed by PMA members under terms of the PCL & CA or this CFS Supplement.

"(b) Cargo in outbound containers originating outside of any Port Area CFS Zone or cargo in inbound containers destined for delivery outside of any Port Area CFS Zone.

"(c) Cargo in containers originating within or destined for delivery within any Port Area CFS Zone to or from retail or wholesale warehouses, factories, or processing plants.

"(d) Household goods in containers which are stuffed or unstuffed by a moving company.

"(e) Cargo in containers moving coastwise or intercoastal. 'Coastwise' means the West Coast of the North American Continent.

"(f) Cargo in containers stuffed or unstuffed in the 'store door' method of pick-up or delivery in the 'domestic trade.' 'Store door' method is defined to mean the stuffing or unstuffing of cargo into or out of containers at one or more wholesale or retail warehouses, factories, or processing plants when pick-up or delivery service is the responsibility of the Ocean Carrier. 'Domestic trade' includes intercoastal, West Coast of the continental United States including Alaska, Hawaii, Guam, Puerto Rico, and any other U.S. insular possession.

"(g) Cargo in containers which are trans-shipped and where the tax has been paid once.

CFS - 5 -

"1.54 Containers originating in or destined for delivery within a Port Area CFS Zone, which are to be loaded on or have been discharged from a non-PMA member steamship company vessel, shall be stuffed or unstuffed by ILWU labor employed by an employer signatory to the PCL & CA or this CFS Supplement, unless cargo in such containers has tax-free status under Section 1.531 (c) through (g).

"1.55 Containers originating at or destined for delivery to a non-PMA member facility employing ILWU labor within the Port Area CFS Zone shall be stuffed or unstuffed by ILWU labor employed by an employer signatory to the PCL & CA or this CFS Supplement, unless cargo in such containers has tax-free status under Section 1.531 (c) through (g).

"1.56 Where there is a jurisdictional problem between two segments of the ILWU having to do with stuffing and unstuffing of containers, containers will be discharged or loaded without a tax and as directed by the employer without interference by the ILWU, and the ILWU will be responsible for solving its own jurisdictional problems.

"1.57 Effective on the date of ratification of the new PCL & CA Agreement, of which this is a Supplement, PMA members shall discontinue their past practice of subcontracting of stuffing or unstuffing of containers in the Waterfront Zone or the Port Area CFS Zone by employers not parties to this Agreement. Such subcontracting practices may continue during the period legally required by the subcontract

CFS - 6 -

plus any additional time required to build, expand, lease, equip or provide facilities to be operated within the Waterfront Zone under the Agreement. During such period containers may be received from or delivered to such subcontractors without tax, but such tax-free period shall not extend beyond 90 days from date of this Agreement. Each company having subcontractors will promptly notify PMA of the date it will be operating under this Agreement, and such information will be furnished to the Union. Facilities built, leased, or expanded or provided under this subsection will be within the designated Waterfront Zone.

"1.58 If the ILWU (Longshore/Clerks Division -- the International or local) has negotiated or negotiates a CFS contract with a PMA member or nonmember with terms and conditions dealing with the handling of containerized cargo that are more favorable to said member or nonmember than the terms and conditions of this CFS Supplement or the PCL & CA, such contract shall be available to PMA members operating under this CFS Supplement or the PCL & CA.

B. SECTION 4 - WAGES

Amend subsections 4.11 and 4.12 as follows:

"4.11 CFS utilitymen and CFS clerks: Effective 8:00 a.m.

_____ 1971 the rate shall be \$_____, effective 8:00 a.m.

July 1, 1972 the rate shall be \$_____, and effective 8:00 a.m.

June 30, 1973 the rate shall be \$_____.

CFS - 7 -

"4.12 Working supervisory CFS clerk: Effective 8:00 a.m.

_____ 1971 the rate shall be \$_____, effective 8:00 a.m.

July 1, 1972 the rate shall be \$_____, and effective 8:00 a.m.

June 30, 1973 the rate shall be \$_____.

C. SECTION 9 - GRIEVANCE PROCEDURE

Delete subsections 9.12 and 9.13.

D. SECTION 12 - HEALTH AND WELFARE AND PENSIONS AND M&M

1. Change the heading of this section to read, "SECTION 12 - HEALTH, WELFARE AND PENSIONS."

2. Delete subsections 12.5 and 12.6.

E. NEW SECTION

Add a new Section 10 as follows, and renumber Sections 10, 11, and 12 to Sections 11, 12 and 13:

"SECTION 10 - SPECIAL REVIEW

"It is recognized by the parties that Section 1.5 may require clarification. Therefore, at the end of one year from the date of ratification of the new Agreement, the CFS Supplement may be reopened at the request of either party in regard to the provisions of Section 1.5 in order to,

CFS- 8 -

"10.1 Amend Section 1.5 of the Supplement in accord with any decisions reached through the normal grievance procedure.

"10.2 Review Section 1.5 for other interpretations or applications desired by either party. If agreement cannot be reached on issues raised during the review, the parties agree to submit such dispute or disputes to the Coast Arbitrator for binding arbitration, provided the Coast Arbitrator shall not alter or change Section 1.5 as written."

LIST OF COMMUNICATIONS RECIEVED

Alaska State Ferries
Juneau, Alaska
(Attachment H)

The Port of Gray's Harbor - a public body
Aberdeen, Washington
(Attachment I)

Port of Seattle
P. O. Box 1209
Seattle, Washington
(Attachment J)

Canadian Pacific Railway
1315 4th Avenue
Seattle, Washington
(Attachment K)

Pacific Northwest Grain Elevator Operators Association
0112 SW Penoyer
Portland, Oregon
(Attachment L)

Kerr Grain Corporation
World Trade Building
Portland, Oregon
(Attachment M)

Oliver J. Olson & Company
121 N. San Mateo Drive
San Mateo, California
(Attachment N)

Port of San Francisco Grain Terminal
Pier 90 Embarcadero
San Francisco, California
(Attachment O)

SFC143 (59) LA315

AJ098

L

CKAO23 PDF JUNEAU ALASKA 26 202P PST

JOHN C. ZANCANARO 3/3,758,33,435-46 WEST COAST ROOM

13467 FEDERAL BLDG 450 GOLDEN GATE AVE SFRAN

FONE 556-4670

PLEASE CLEAR THE RECORD ALASKA STATE FERRYS HAVE NO
CONNECTION WITH I.L.W.U., EITHER AS AN EMPLOYER OR
AS CO-DEFENDENT, UNDER CURRENT INJUNCTION WE HAVE NO
POSITION IN LABOR DISPUTE, NEITHER PRO OR CON

CAPTAIN H J LOCKERT DIRECTOR, DIVISION OF MARINE
TRANSPORTATION, POUCH "R" JUNEAU

(13).

ATTACHMENT I - PAGE 1

SFA341 (31)LA639

L TKA157 RI NL PDB 15 EX ABERDEEN WASH 29

MR. JOHN C ZANCANARO EXECUTIVE SECRETARY WEST COAST

13467 FEDERAL BLDG 450 GOLDEN GATE AVE SFRAN

DEAR SIR:

THE FOLLOWING IS OUR "STATEMENT FOR THE DECEMBER 1ST HEARING BEFORE THE PRESIDENTIAL BOARD OF INQUIRY."

THE PORT OF GRAYS HARBOR IS NOT, NOR EVER HAS BEEN A MEMBER OF THE PACIFIC MARITIME ASSOCIATION. THE PART HAS HAD A COLLECTIVE BARGAINING AGREEMENT WITH LOCAL NO 24, I L W U, STARTING ON JULY 1 1964. THE ORIGINAL AND SUBSEQUENT AGREEMENTS HAVE BEEN NEGOTIATED LOCALLY BETWEEN REPRESENTATIVES OF THE PORT OF IL Y IL WU LOCAL NOW 24. THE LAST LONG TERM AGREEMENT COMMENCED JULY 1966 AND EXPIRED ON JULY 1 1971 ON JUNE 30 1971 THE PORT AND LOCAL NO 24 ENTERED INTO AN AGREEMENT WHICH RECITES THE FOLLOWING:

THE ABOVE REFERRED TO COLLECTIVE BARGAINING AGREEMENT OF JULY 1 1966 IS HEREBY AGREED TO BE THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE PARTIES HERETO ON A DAY TO DAY BASIS, COMMENCING AT 800 AM ON JULY 1 1971 AND CONTINUING UNTIL EITHER PARTY HERETO MAY UPON NOTICE TO THE OTHER SUSPEND OR TERMINATE THIS AGREEMENT OR UNTIL SUCH TIME AS A NEW FORMAL AGREEMENT CAN BE NEGOTIATED, RATIFIED AND EXECUTED BY AND BETWEEN THE PARTIES HERETO."

TO DATE, NEITHER PARTY HAS TERMINATED THIS AGREEMENT.

REPRESENTATIVES OF THE PORT AND LOCAL NO 24 HAVE BEEN MEETING IN NEGOTIATIONS LOOKING OWARD A NEW FORMAL COLLECTIVE BARGAINING AGREEMENT AT THIS DATE WE HAVE AGREED IN PRINCIPAL TO ALL ISSUES EXCEPT WAGES, WHICH HAVE NOT AS YET BEEN DISCUSSED. WAGES WILL BE DISCUSSED AT SUCH TIME AS THE PENDING PMA I L W U COAST AGREEMENT BECOMES KNOWN AND AT SUCH TIME AS THE PHASE II WAGE CONTROL PROVISIONS ARE CLARIFIED WORK ACTIVITY AT THE PORT HAS BEEN UNINTERRUPTED EXCEPT FOR ACTUAL SHIP LOADING WHICH WAS NOT DONE DURING THE STROKE PERIOD AS THAT WORK IS DONE UNDER SUPERVISION OF PMA MEMBERS

SIGNED PORT OF GRAYS HARBOR BY E W CLOCKSIN MANAGER

POT OF GRAYS HARBOR P O BOX 660 ABERDEEN WASHINGTON 98520
TELEPHONE 533-3620.

1ST WR I L W U 1 1964 IL Y I L W U 24 1 1966 1 1971 30 1971
24 800 AM 1 1971 660 98520 533-3620.

ATTACHMENT J - PAGE 1

SFB143 (48)LA140

L SEA127 IK NL PDB SEATTLE WASH 29

JOHN C ZANCANARO- EXECUTIVE SECRETARY

556-4670 WEST 13467 FEDERAL BLDG GOLDENGATE AVE SANFRANCISCO
CALIF

PORT OF SEATTLE ACKNOWLEDGES RECEIPT OF MR J KEITH MANN'S WIRE
OF 11-24-71. SINCE ALL NEGOTIATIONS ARE BEING CONDUCTED
BETWEEN PMA-ILWU. THE PORT HAS NO SPECIFIC COMMENTS OR CONTRIBUTIONS
TO MAKE TO THE BOARD OF INQUIRY. THE PORT IS PREPARED AND CONTINUES
TO MEET WITH LOCAL UNION REPRESENTATIVES TO DEAL WITH MATTERS
OF ENTIRELY LOCAL NATURE. NONE OF THESE MATTERS HOWEVER SHOULD
EFFECT COAST WISE NEGOTIATIONS IN ANY RESPECT

RICHARD D FORD LEGAL OFFICER

ATTACHMENT K - PAGE 1

SFD188 (31)MA118 ZCZC

RAAO 17 CPRZCVRG115ZC 28/27 1 EXA CP FD VANCOUVER BC 30 440P
PST

JOHN C ZANCANARO FONE 556-4610 EXECUTIVE SECRETARY
WESTCOAST 13467 FEDERAL BLDG 450 GOLDEN GATE AVE
SAN FRANCISCO CALIF

RE TELEGRAM NOVEMBER 29 FROM J KEITH MANN CHAIRMAN PRESIDENTIAL
BOARD OF INQUIRY MR. EDWIN J FLYNN REPRESENTATIVE PACIFIC MARITIME
ASSOCIATION WILL REPRESENT CANADIAN PACIFIC LIMITED

HARRY TYSON MANAGER MARINE PERATIONS CP RAIL

COL VRG115 22 J

ATTACHMENT L - PAGE 1

SFB006 (54)LB019

SF L PRA545 JL NL PD PORTLAND ORG 30

JOHN ZANCANARO, EXECUTIVE SECRETARY

PRESIDENTIAL BOARD OF INQUIRY FEDERAL MEDIATION SERVICE

ROOM 13467 FEDERAL BLDG 450 GOLDEN GATE AVE SFRAN

REURTEL: CARGILL, INC, CONTINENTAL GRAIN COMPANY, LOUISE DREYFUS CORPORATION, UNITED GRAIN CORPORATION ARE NOT IN A POSITION TO FURNISH REQUESTED STATEMENT OF LAST OFFER OF ILWU, AS HISTORICALLY IN PRIOR COLLECTIVE BARGAINING CONTRACTS PARTIES HAVE ADOPTED THE BASIC LONGSHORE WAGE RATES AND FRINGE BENEFITS OF PMA-ILWU PACIFIC COAST LONGSHORE DOCUMENT AND PROPOSE TO FOLLOW SAME PROCEDURE IN NEW COLLECTIVE BARGAINING AGREEMENT BETWEEN THEM TO REPLACE AGREEMENT WHICH EXPIRED JUNE 30, 1971. THEREFORE, UNTIL NEW PMA-ILWU CONTRACT IS SETTLED, WE ARE UNABLE TO NEGOTIATE FOR APPLICABLE NEW WAGE RATES AND FRINGE BENEFITS. AS TO OTHER PROVISIONS OF NEW AGREEMENT, THE PARTIES HAVE HELD NUMEROUS BARGAINING SESSIONS AND APPEAR TO BE NOT TOO FAR APART

DENNIS LINDSAY, COUNSEL FOR PACIFIC NW. GRAIN ELEVATOR OPERATORS, NINTH FLOOR, LOYALTY BUILDING, PORTLAND, OREGON 97204 503-226-1191

CABLE ADDRESS: HELIX, PORTLAND, OREGON

KERR GRAIN CORPORATION

600 WORLD TRADE BUILDING

PORTLAND, OREGON 97204

26 November, 1971

Mr. J. Keith Mann, Chairman
 The Presidential Board of Inquiry
 % John C. Zancanaro, Executive Secretary-West Coast 13467
 Federal Building, 450 Golden Gate Avenue
 San Francisco, California

Dear Mr. Mann:

This confirms my telephone conversation with you this afternoon which was in response to wire received from you this morning, a xerox copy of which is attached hereto.

Our company owns and operates a public grain terminal in Portland, Oregon and also has a lease and operating agreement with the Port of Astoria on the operation of a public grain terminal at Astoria, Oregon. We operate both of these facilities strictly as public grain terminals and we solicit and handle grain for all and sundry parties who are interested in utilizing grain terminals on a public tariff basis. We have been successful in soliciting substantial additional business through this medium and which movement has been beneficial not only for the farmers who produce the wheat and other grains and market them through Pacific Coast Ports but also for the development of substantial dollar sales which are particularly desirable for the national public interest at this time.

It is essential that long-term programming be assured to purchasers of grain so that they can fix their ocean freights and make arrangements for the necessary supplies of wheat and other grains to take care of their particular needs in their consuming markets.

The summer strike of 1971 was disastrous as far as assuring foreign buyers of supplies of wheat and other grains which they normally would procure from U.S. Pacific Coast Ports and particularly from Ports here in the Pacific Northwest.

We have had discussions with representatives of our ILWU Local No. 8 in Portland and with our ILWU Local No. 50 in Astoria relative to our

ATTACHMENT M - PAGE 2

KERR GRAIN CORPORATION

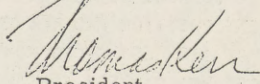
Mr. J. Keith Mann. 26 November, 1971. Page 2

desire to arrange a mutually satisfactory settlement on the strike issues that relate to the operations of our public grain elevators in these two ports. Our most recent meeting was in the office of Mr. Johnny Parks, ILWU Regional Director, at which meeting Dick Wise, President of ILWU Union No. 8, was present.

We have requested a commitment or some assurances from them that a continuity of shipments can be assured, particularly those that relate to Hawaii, subsequent to the termination of the Taft-Hartley legislation on 26 December, 1971.

It is our sincere hope that all parties will bend their full efforts towards an agreement that will result in a continuity of exporting of grain from the U.S. Pacific Coast Ports, and we will bend our full efforts towards cooperating to gain this end.

Sincerely yours,


President

ThomasKerr/t

ATTACHMENT M - PAGE 3

Telegram

847P PST NOV 24 71 PRD346 LB544

L FFH395 (SF 328FF429395)PD WU MAIN SFO

1023P EST11/24/71

ZCZC 096 XST1533 KJ PDB SAN FRANCISCO CALIF 24 NFT

KERR GRAIN CORP DLY 1.50

WORLD TRADE BLDG PORTLAND ORG

DLY 2 MSGR

BT

THE PRESIDENTIAL BOARD OF INQUIRY CREATED BY EXECUTIVE ORDER 11621 AS AMENDED, MUST PREPARE A REPORT TO BE MADE TO THE PRESIDENT AT THE END OF A SIXTY DAY PERIOD WHICH COMMENCED ON OCTOBER 6 1971.

THE BOARD WILL CONDUCT A HEARING STARTING AT 1:30 PM ON DECEMBER 1 1971, IN ROOM 13473 OF THE FEDERAL BUILDING LOCATED AT 450 GOLDEN GATE AVENUE IN SAN FRANCISCO.

THE BOARD REQUESTS EACH OF THE AFFECTED PARTIES TO APPEAR TO PRESENT TESTIMONY REGARDING ITS CURRENT POSITION ON THE DISPUTED ISSUES AND THE EFFORTS WHICH HAVE BEEN MADE FOR SETTLEMENT OF THE DISPUTE.

END ONE

F-1201 (R5-59)

L FFH395/2

EACH PARTY IS ALSO REQUESTED TO SUBMIT A WRITTEN STATEMENT AS TO ITS CURRENT POSITION AND THE EMPLOYER IS REQUESTED TO FURNISH A STATEMENT OF ITS LAST OFFER FOR SETTLEMENT.

AS TO THOSE WHO CAN NOT APPEAR, THE BOARD WILL ACCEPT STATEMENTS BY TELEGRAM. SUCH COMMUNICATIONS SHOULD BE ADDRESSED TO:

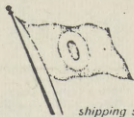
JOHN C ZANCANARO EXECUTIVE SECRETARY-WEST COAST 13467 FEDERAL BUILDING 450 GOLDEN GATE AVENUE SAN FRANCISCO CALIFORNIA TELEPHONE 556-4670

J KEITH MANN CHAIRMAN

11621 6 1971 1:30 1 1971 13473 450 13467 450 556-4670
NNNN(1034P EST)

F-1201 (R5-69)

ATTACHMENT N - PAGE 1

**OLIVER J. OLSON & CO.**

P. O. BOX 549 • SAN MATEO, CALIFORNIA 94401 • TELEPHONE (415) 343-5667

768 PITTOCK BLOCK
PORTLAND, OREGON 97205
PHONE (503) 228-1391621 N. FRIES AVENUE
WILMINGTON, CALIF. 90744
PHONE (213) 830-5389506 NORTH BROADWAY
COOS BAY, OREGON 97420
PHONE (503) 267-4166

November 29, 1971

Mr. John C. Zancanaro,
Executive Secretary-West
Coast 13467 Federal Building
450 Golden Gate Avenue
San Francisco, California

Dear Sir:

Replying to wire of November 24, 1971, it has been our practice to follow the settlement made between the International Longshoremen's & Warehousemen's Union and the Pacific Maritime Association.

Consequently, we have had no meetings with the International Longshoremen's & Warehousemen's Union, no proposals have been made by them, and in accordance with the practice, nothing has been submitted by us.

Very truly yours,

OLIVER J. OLSON & CO.

John Pettebone,
Vice President

JP:mf

LITTLER, MENDELSON & FASTIFF

ROBERT LITTLER
ARTHUR MENDELSON
WESLEY J. FASTIFF
JAMES A. CARTER
GEORGE J. TICHY II
J. RICHARD THESING
ALLEN W. TEAGLE
ROBERT M. LIEBER
JORDAN L. BLOOM
A. ROGER JEANSON
NANCY L. OBER

ATTORNEYS AT LAW
593 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94105
(415) 433-1940

PALO ALTO OFFICE:
SUITE 2205
701 WELCH ROAD
PALO ALTO, CALIFORNIA 94304
(415) 323-4145

November 30, 1971

Mr. John C. Zancanaro
Executive Secretary-West Coast
Room 13467 Federal Building
450 Golden Gate Avenue
San Francisco, California 94102

Re: Port of San Francisco Grain Terminal
and International Longshoremen's and
Warehousemen's Union Local 10

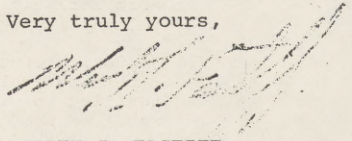
Dear Mr. Zancanaro:

In accordance with the telegram dated November 25, 1971,
from J. Keith Mann, Chairman, enclosed you will find the
Company's latest contract offer to Local 10.

Would you please include the Employer's last offer
in the record taken at the hearing involving this matter.

If you have any questions regarding this matter, please
contact me.

Very truly yours,



WESLEY J. FASTIFF

WJF:ss
Encl.

ATTACHMENT O - PAGE 2

LITTLER, MENDELSON & FASTIFF

ROBERT LITTLER
ARTHUR MENDELSON
WESLEY J. FASTIFF
JAMES A. CARTER
GEORGE J. TICHY II
J. RICHARD THESING
ALLEN W. TEAGLE
ROBERT M. LIEBER
JORDAN L. BLOOM
A. ROGER JEANSON
NANCY L. OBER

ATTORNEYS AT LAW
593 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94105
(415) 433-1940

PALO ALTO OFFICE:
SUITE 2218
701 WELCH ROAD
PALO ALTO, CALIFORNIA 94304
(415) 323-4145

November 30, 1971

Mr. Jack Hogan
International Longshoremen's and
Warehousemen's Union Local 10
400 North Point
San Francisco, Ca. 94133

Re: Port of San Francisco Grain
Terminal

Dear Mr. Hogan:

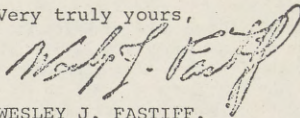
In accordance with our recent discussions, I am authorized to state, on behalf of the Port of San Francisco Grain Terminal, that it is willing to amend its last contract offer to include a work guarantee as follows:

The employees shall be divided into two seniority groups, namely, Seniority Group 1, and Seniority Group 2.

- (a) Seniority Group 1 employees shall consist of the top three employees on the seniority list and the maintenance man, for a total of four employees. Such employees shall be guaranteed 1400 hours of work per year. Those hours shall include vacations, holidays, sick leave, etc.
- (b) Seniority Group 2 employees shall include all the remaining employees. Such employees shall be entitled to preferential hiring privileges and shall be used whenever possible.

I hope the above offer meets with the employees' approval. Would you please contact me if you have any questions. Similarly, if the contract proposal meets with the employees' approval, I will put it in final form for signature.

Very truly yours,



WESLEY J. FASTIFF.

WJF:ss

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 1971, by and between WAREHOUSE UNION LOCAL 10, ILWU, hereinafter referred to as the "Union," and PORT OF SAN FRANCISCO GRAIN TERMINAL, located at Pier 90, San Francisco, California, hereinafter referred to as the "Employer."

WITNESSETHSection 1. Recognition.

The Union is recognized as the sole collective bargaining agency for all employees covered by this Agreement. Such employees shall be those employed in the classifications described in the wage schedule set forth in Section 14 of this Agreement.

It is recognized by the Parties that the processing or repair of cargo, incidental to its storage upon or prior to its shipment from the Terminal, sometimes requires special skill or equipment that will not come under the services customarily rendered by the Terminal. In such situations it is agreed that such services may be performed by the shipper or his contractor.

Section 2. Union Security.

(a) Union Membership: Membership in the Union on or after the thirtieth (30th) day following the beginning of employment of employees covered by this Agreement, or the effective date of this Agreement, whichever is the later, shall be required as a condition of employment. Tender of the Union's periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining such membership, shall, for the purposes of this Section, be considered membership in the Union.

(b) Hiring: The Employer and the Union recognize the desirability of providing continued employment in the warehouse industry, and the necessity of having available at all times a supply of competent employees with experience in the various types of work covered by this Agreement. To provide such continued employment, the Employer agrees to give preference of employment to applicants who have previous experience in the industry.

The Employer recognizes that it has been the practice for such men to offer themselves for employment through the Union's offices and consequently, for the purpose of assuring maximum harmonious relations and in order to obtain the best qualified employees covered by this Agreement, the Employer agrees that in hiring to fill all vacancies or new positions in any classifications carrying the basic minimum rate it will hire through the offices of the Union, provided the Union shall be able to furnish competent and experienced men for the work required. The Employer retains the right to reject any job applicant referred by the Union, provided that in the exercise of such right there shall be no discrimination against any applicant because of race, creed, color, national origin, Union activities or lack of Union activities. In the event the offices of the Union are unable within twenty-four (24) hours to furnish competent and experienced men satisfactory to the Employer, the Employer may hire from outside sources. For all other classifications the Employer may apply to the Union for referral of applicants subject to the rules and regulations set forth in this Section 2 or may hire elsewhere; provided, however, that the Union shall be advised of openings for such other classifications and that the Employer will give consideration to any applicant whom the Union may refer equal to consideration given to applicants from any other source.

ATTACHMENT O - PAGE 4

The Union will maintain proper registration facilities for applicants for employment to make themselves available for job opportunities and will conduct such registration facilities without discrimination either in favor of or against prospective employees by reason of membership in or non-membership in the Union. Selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on or in any way affected by, Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies, or requirements. From such registration facilities the Union shall first dispatch to the Employer upon his request any unemployed person who has worked previously for the Employer or who has previous experience in the industry in the San Francisco Bay Area, by reason of having been previously employed by any company with whom Warehouse Union Local 10, ILWU has entered into collective bargaining agreements. It is understood that such applicants to obtain preference must have worked for one or more of the companies covered by the aforementioned Agreements, within the past two (2) years in a classification covered by the aforementioned Agreements or men who are presently employed in plants covered by the aforementioned Agreements who may become unemployed during the life of this Agreement. If no such person is specified by the Employer in requesting referrals from the Union then the Union shall dispatch persons for referral in accordance with the preference requirements set forth above.

The Union agrees that any employee secured through its offices or otherwise employed in accordance with the terms of this Section 2, and who is acceptable to the Employer, will not be withdrawn from his job because he is not a book member of the Union, or for the purpose of replacing him by someone else, and that no employee will be threatened, intimidated, or otherwise encouraged to terminate his employment.

Subject to the above, the Union undertakes to fill all orders for the same classification of work in order of their receipt and agrees that neither the Union offices nor the procedure therein will be used or devised to discriminate against, intimidate, or coerce the Employer. The Employer may visit such Union offices at any time to observe and examine their operation, and Employer complaints concerning the operation of such Union offices and concerning violations of the above undertaking shall be adjudicated in accordance with Sections 22 and 24 hereof.

The parties to this Agreement will post in places where notices to employees and applicants for employment are customarily posted a copy of this Section 2 and any and all other provisions relating to the functioning of the hiring arrangement provided in this Agreement.

Section 3. Seniority.

In reduction of forces due to slackness of work, the last man hired shall be the first man laid off, and in rehiring the last man laid off shall be the first man rehired until the list of former employees is exhausted.

Seniority shall not apply to any employee until he shall have been employed for a period of three (3) months accumulated within a period of twelve (12) consecutive months.

No employee may claim seniority in more than one firm at the same time. Once acquired seniority shall be effective from the date of first employment within the twelve (12) consecutive months' accrual period.

Seniority shall be terminated by:

- (a) Discharge for cause;
- (b) Resignation;
- (c) Twelve (12) consecutive months of unemployment;
- (d) Failure to report for work upon recall from layoff.

Section 4. Discharges.

The Employer shall have the right to discharge any employee for dishonesty, insubordination, drunkenness, incompetence, willful negligence, failure to perform work as required or to observe Employer's safety and house rules and regulations which must be conspicuously posted, or for engaging in strikes, individual or group slowdowns or work stoppages, or refusal to accept overtime without justifiable personal reasons, or

for violating, or ordering the violation of this Agreement.

The Employer shall not discriminate against any employee because of Union membership or activities. If an employee feels he has been unjustly discharged, he shall have the right to appeal his case to the Adjustment Board. Such appeal must be filed in writing by the Union within five (5) calendar days from date of discharge and unless so filed the right of appeal is lost. In case the discharge is found to be unjustifiable by the Board, the Board may order payment for lost time or reinstatement with or without payment for lost time; but, in the event that the dispute is carried to arbitration and that such employee is found to have been properly discharged under the provisions of Paragraph 1' of this Section, such employee may not be ordered reinstated and no penalty may be assessed upon the Employer. There shall be no cessation of work pending decision.

Any discharged employee shall, upon request, be furnished the reason for his discharge in writing.

All complaints regarding discharges shall be given preference over any other matters pending between the parties, and a written decision shall be given within ten (10) days.

A probationary period of three (3) months shall be established for new employees. During such probationary period, an employee may be discharged for any reason which in the opinion of the Employer, is just and sufficient, provided, however, that there shall be no discrimination against any employee because of Union membership or activities. Should any employee discharged during his probationary period believe himself to have been subjected to such discrimination, he shall have the right to appeal his case to the Adjustment Board on this issue.

Section 5. Stewards.

A steward shall be provided for the warehouse, such steward to be selected by the employees on the job. Grievances which may arise and which cannot be adjusted on the job shall be reported to the Union by the steward, provided, however, in no event shall the steward or the Union order any changes and no changes shall be made except with the consent of the Employer.

Section 6. Business Agents.

The business agent or qualified representative of the Union shall be allowed to visit the Employer's warehouse for the purpose of ascertaining whether or not this Agreement is being observed. This right shall be exercised reasonably. The business agent or qualified representative of the Union shall report to the management at the office before proceeding to the plant. In the event he wishes to interview an employee, he shall be permitted to interview him privately in the office. In the event the business agent wishes to go through the plant, the Employer may send a representative to accompany him. He shall not interfere with the normal conduct of the work in the warehouse.

Section 7. Overtime.

The overtime rate shall be one and one-half (1-1/2) times the straight time rate and shall be paid according to the following schedule:

The regular work day and work week consists of the first six (6) hours worked between 8:00 A.M. and 5:00 P.M. Monday through Friday. Work outside regular work day and work week is overtime work. All work on holidays as defined in Section Eight (8) is overtime work.

Section 8. Holidays.

- (a) Same as P.M.A. - I.L.W.U.

Section 9. Minimum.

Employees ordered to report to work and who do so at the specified time but who are not put to work shall receive a minimum of four (4) hours pay at the straight time rate. If an employee is put to work he shall receive a minimum of eight (8) hours' work, or if eight (8) hours' work is not furnished, a minimum of eight (8) hours' pay at the straight or overtime rate, as the case may be.

No employee shall be guaranteed more than eight (8) hours' work in any one day.

The above minimum guarantee shall not apply if such employees quit, voluntarily lay off, refrain from performing work as assigned by the Company, or are discharged for cause.

If an extra employee is called by the Employer to report for work, and, upon reporting, the Employer determines that the man is unacceptable, he shall not receive any pay.

Section 10. Meal Period.

If employees are worked over five (5) consecutive hours without a meal, all time in excess of five (5) hours shall be paid at one and one-half (1-1/2) times the straight or overtime rate, as the case may be. At the end of a shift, if an employee is sent to dinner, when returning to work he shall receive at least two hours' pay at the overtime rate of pay and he shall be allowed Two Dollars (\$2.00) for said dinner.

Section 11. Handicapped Persons.

A person whose earning capacity is or shall become limited because of age, physical or mental handicap, or other infirmities may be employed or placed on light work at a wage below the minimum established by this Agreement, subject to the approval in each instance of the Employer and the Union.

Section 12. No Discrimination.

There shall be no discrimination of any kind because of race, creed, color, national origin, or Union activities against any member of the Union by the Employer or anyone employed by the Employer.

Section 13. Employer and Union Responsibility.

The Union and the employees agree not to engage in any strikes or stoppages of work during the term of this Agreement, and the Employer agrees not to engage in any lockout during the term of this Agreement.

Any action of the employees leaving jobs for their own protection in cases of a legally declared strike by some other union directly working on the job, if such strike is sanctioned and approved by the labor body or council having jurisdiction, shall not constitute a violation of this Agreement.

The Union agrees that it will not support strikes or picket lines by unions not parties to this Agreement unless such union's right to organize peacefully has been interfered with by the Employer, or unless it has been denied the means of a peaceful settlement of its dispute.

The Union and its representatives agree that they will enforce full compliance with all terms and provisions of this Agreement on the part of members of the Union.

The Union, its members and representatives, agree that it and they will not engage in, authorize, sanction, or support any strike, slowdown, stoppage of work, curtailment of production, refusal to operate designated equipment (provided such equipment is safe and sound) or to perform customary duties or to reject promotions without justifiable personal reasons.

Neither the Union nor any representatives thereof shall engage in job action for the purpose of effecting changes in the existing practices of the Employer nor to effect a change of personnel or operations of management or of employees not covered by this Agreement.

ATTACHMENT O - PAGE 7

The Union will immediately investigate any report of such violations as are set forth above and in the event that it finds such action taking place, the Union and its representatives will take immediate steps to halt all such activity.

Failing agreement on any alleged violation of the above understanding, it is recognized that the question may, at the option of either party, be referred for adjudication under Sections 22 and 24 of this Agreement.

Section 14. Wages, Hours and Vacations.

(a)

ClassificationHourly Wage Rates.

Minimum Basic Wage:

1. Sweeper -

Basic Rate - P.M.A. - I.L.W.U.

2. All other employees except
Maintenance Man -

Journeyman rate - 25¢ over basic.

3. Maintenance Man -

50¢ over basic.

The rates agreed to above shall be paid only for such time as the employee actually works in a given classification.

(b) The regular workday and workweek shall consist of the first six (6) hours worked between 8:00 A.M. and 5:00 P.M., Monday through Friday. Work outside such regular workday or workweek is overtime work.

The Employer may schedule one, two or three eight (8) hour shifts or two nine (9) hour shifts on a workday. The day shift shall not start before 7:00 A.M. The second shift may start at any hour between 4:00 P.M. and 8:00 P.M. The third shift may start at any hour between 10:00 P.M. and 2:00 A.M. The work day shall be considered as beginning at 7:01 A.M. and ending at 7:00 A.M. The work week shall be considered as beginning at 7:01 A.M., Monday, and ending at 7:00 A.M., Monday.

Meal periods shall be the same as P.M.A. - I.L.W.U.

Rest periods shall be the same as P.M.A. - I.L.W.U.

The Employer may schedule staggered rest periods for a portion of the work crew at a time. The intent of this provision is to permit the Employer to operate the terminal on a continuous basis without shutting down for rest periods. Employees may be transferred from one job to another to relieve employees taking their rest period so that operations may continue without interruption.

Vacations - Same as P.M.A. - I.L.W.U.

Employment Guarantee - The Employer agrees to guarantee ten (10) employees on its seniority list (dated July 1, 1971) eight hundred (800) hours of work per year from the date that this contract is signed. Provided that such employees are actually available for work when called and report to work as requested. Hours worked by such employees for other Employers in the San Francisco Bay area shall be considered as hours worked under this 800-hour guarantee.

Fringe Benefit Qualifications.

No employee shall be eligible for any fringe benefits or fringe benefit contributions unless and until he shall have worked a minimum of one thousand (1,000) hours for the Employer under this contract in the preceding calendar year.

Section 15. - Efficient Operations.

The Union agrees to investigate with the Employer, and on the merits, all cases of alleged failure of employees to carry on efficient operations and give "a day's work for a day's pay" and will give its full support to insure to the Employer a fair and efficient standard of work from its employees.

Section 16. Existing Agreements.

(a) This Agreement shall supersede all existing agreements between the Union and the Employer.

(b) No changes in this Agreement or interpretations thereof (except interpretations resulting from adjustment board or arbitration proceedings hereunder) will be recognized unless agreed to by the Employer and the Union.

Section 17. Union Officials' Seniority.

Any employee who now holds office or who shall hereafter be elected or officially appointed to office in the Union, which office requires his absence from the Employer's service, shall be granted a leave of absence therefor without loss of seniority, entitling him upon retirement from such office to reinstatement consistent with his seniority; provided, however, that such leave of absence shall not extend beyond the term of this Agreement, unless extended by mutual consent.

Section 18. Bulletin Boards.

The Employer shall provide a reasonable number of bulletin boards in places reasonably accessible to the employees covered by this Agreement for the purpose of posting notices of official Union business, such as times and places of meetings.

Section 19.

(a) Sick leave - Same as P.M.A. - I.L.W.U.

(b) Life Insurance - Every employee who has qualified for a vacation in accordance with Section 14(c) of this Agreement shall be entitled to be covered by a \$2,000.00 term life insurance policy with a non-occupational accidental death and dismemberment rider so long as this Agreement is in effect and he remains on his company's active payroll with unbroken seniority; provided, however, that in any instance in which an employee is both disabled and not working on the day he would have become insured, the effective date of such employee's insurance shall be deferred until he returns to active work. The cost of such life insurance shall be borne entirely by the Employer. Any dividends or other reduction in the cost of such insurance shall be returned to the Employer and the employee shall have no interest therein. Upon retirement, the face amount of such life insurance policy shall be reduced to \$1000.00.

(c) Hospital-Medical-Dental Care for Employees and their Dependents - Same as P.M.A. - I.L.W.U.

Section 20. Registered List.

(a) The Employer and the Union shall compile and maintain a list of Registered Warehousemen, which shall be recognized as the regular and casual working force employed by the Employer. The number of men to be included in, added to, or deleted from this list shall be determined by the Employer and the Union. It is further agreed that the parties recognize that the benefits accruing to the employees through inclusion on the list of Registered Warehousemen also carries an equal responsibility on the employee's part to produce a reasonable and satisfactory day's work and adherence to starting and quitting times, contract provisions, safety rules and regulations. Should any employee whose name appears on the list of Registered Warehousemen not carry out the intent of this Section, then the parties may remove his name

from the list of Registered Warehousemen.

(b) Registered Warehousemen are responsible for replacing themselves when they are unable to report to work and when the Superintendent advises the employee that a replacement is required. The employee shall be responsible for advising the Superintendent as to each such day that he will be unable to report to work and shall ask the Superintendent if a replacement is required by the Employer. Replacement employees must be qualified to perform the duties of the Registered Warehousemen they are replacing.

(c) Any employee whose name appears on the list of Registered Warehousemen shall be suspended from such list if for a period of three (3) consecutive months (a) he fails to perform or make himself available for work for the Employer, or (b) he fails to be credited for any hours of such work. The effective date of such suspension shall be the last day of such three-month period. The Employer shall notify said employee by mail at his last known place of residence of his suspension from the list of Registered Warehousemen.

If within three (3) months after the effective date of such suspension, (a) said employee permanently returns to or makes himself available for work for the Employer, or (b) the parties determine that the cause of his absence from or his non-availability for work is justifiable, then the Employer shall revoke his suspension and reinstate him to the list of Registered Warehousemen.

If an employee has been suspended from the list of Registered Warehousemen and if he is not reinstated within three (3) months as above provided, the Employer shall automatically remove his name from the list of Registered Warehousemen at the end of the second three (3) month period without regard to whether or not such employee replied to the notice of suspension in writing or by personal appearance.

New applicants for the list of Registered Warehousemen must conform to the following regulations:

1. Complete an application blank approved by the Employer for registration.
2. Serve a ninety (90) calendar day probationary period.
3. Take a physical examination arranged for by the Employer prior to completion of said ninety (90) day probationary period. Said physical examination to be paid for by the Employer and applicants to take said physical examination on their own time.
4. Agree to take a mechanical aptitude test if requested to do so by the Employer. Said aptitude test to be arranged for by the Employer and all costs connected therewith to be paid for by the Employer. Employees requested to take said test shall be compensated for actual time spent taking tests.

Section 21. Pension Agreement - Same as P.M.A. - I.L.W.U.

Section 22. Adjustment Board.

Immediately upon the execution of this Agreement, an adjustment board, consisting of three (3) members shall be set up for the purpose of hearing and deciding grievances of members of the Union and of the Employer which arise and are presented during the term of this Agreement and which concern the interpretation or application of any of the terms or provisions of this Agreement. In case of a deadlock on any matter, the issue in dispute shall be submitted to arbitration in accordance with the provisions of Section 24 hereof. Pending final disposition of any matter, work shall be continued in an orderly manner.

Section 23. - Grievance Committee.

ATTACHMENT O - PAGE 10

A Committee shall be appointed by the Employer to consist of not more than three (3) representatives designated by the Employer and not more than three (3) employees of the Employer designated by the employees. This committee shall take up all grievances and disputes concerning employment under the terms and provisions of this Agreement. In the event they are unable to agree on any matter submitted to them, the question or questions in dispute shall be referred to the adjustment board to be disposed of in accordance with the provisions of Section 22 hereof.

All complaints involving or concerning payment of compensation shall be filed in writing and no adjustments shall be retroactive for more than sixty (60) days in such cases, but only complaints involving or concerning payment or compensation under the terms of this Agreement and written agreements and addenda supplementary hereto may be considered by the grievance committee. New or reclassified employees shall receive a classification slip.

Section 24. Arbitration.

In the event that the parties hereto are unable to reach a mutually satisfactory accord on any question which arises and is presented during the term of this Agreement concerning the interpretation or application of any of the terms or provisions of this Agreement and discharge cases, or the terms or provisions of written agreements and addenda supplementary to this Agreement by the manner and methods elsewhere in this Agreement provided, such questions shall be submitted to a board of arbitration as follows:

Upon the signing of this Agreement there shall be established a board of arbitration consisting of two (2) representatives of the Union and two (2) representatives of the Employer. There shall then be set up a permanent panel of five (5) impartial chairmen, one (1) of whom shall be selected by lot for such matters as may be referred to arbitration and such person to act as chairman of the board.

Within a period of fifteen (15) days following the signing of this Agreement, the parties hereto shall mutually agree to the persons to constitute the panel of five (5). If such agreement cannot be reached within said period, then

. shall be asked to submit a list of nine (9) names from which each of the parties shall have the right to delete two (2) names and the remaining five (5) names shall constitute the panel of impartial chairmen.

It is understood and agreed, however, that proposals to add to or change this Agreement shall not be arbitrable and that no proposal to modify, amend or terminate this Agreement, nor any matter or subject arising out of or in connection with such proposal, may be referred for arbitration under this Section; and that the board of arbitration shall have no power to amend or modify this agreement or any written agreements or addenda supplementary hereto or to establish any new terms or conditions of the same.

Section 25. Mechanization Fund.

Any money in the Mechanization Fund shall be distributed in an equal manner among employees on the seniority list (dated July 1, 1971).

Section 26. Efficient Operation of Terminal.

The Union and employees agree that there shall be no interference with the Employer's right to operate efficiently and to change methods of work and to utilize labor saving devices and to direct the work through management representatives while observing the provisions and conditions of the Agreement protecting the safety and welfare of the employees. The Employer shall have the right to increase production through more efficient utilization and organization of the work force, introduction of labor saving devices, and/or removal of restrictive work practices.

In order to avoid disputes, the Employer shall make every effort to discuss with the Union in advance the introduction of any major change in operations.

The Employer shall not be required to employ unnecessary men. The Employer shall determine the number of men necessary to perform an operation.

Section 27.

(a) Duration of Agreement: This Agreement shall be effective except for those provisions of the Agreement which have been assigned other effective dates as hereinabove set forth and shall remain in full force and effect to and including the _____, and shall continue thereafter from year to year unless at least sixty (60) days prior to the _____ or to the _____, of any subsequent year either party shall file written notice with the other of its desire to amend, modify, or terminate this Agreement. There shall be no opening of any kind or for any purpose during the term of this Agreement.

(b) Scope of Agreement: Except as otherwise specifically provided herein, this Agreement fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to collective bargaining. Neither party shall, during the term of this Agreement, demand any change therein nor shall either party be required to bargain with respect to any matter. Without limiting the generality of the above, both parties in their own behalf and on behalf of their respective members bound hereby, waive any right to demand of the other any negotiating, bargaining, or change during the life of this Agreement with respect to pensions, retirement, health and welfare, annuity or insurance plans, or respecting any question of wages, hours, or any other terms or conditions of employment, provided that nothing herein shall prohibit the parties from changing the terms of this Agreement by mutual agreement.

(c) Separability of Provisions: Should any section, clause or provision of this Agreement be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Agreement.

(d) Unlawful Action Not Required. The parties agree that neither will willfully require the other or their respective members bound hereby to do or perform any act prohibited by law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 1971.

PORT OF SAN FRANCISCO GRAIN TERMINAL

WAREHOUSE UNION LOCAL 10, I.L.W.U.

By: _____

By: _____

