In connection with the 40-hour week now before the Board for decision, I wish to submit the following:

(1) The Navigation District is operating a vital property, unloading cars which are delivered over a 7-day week. One of the most serious conditions ever confronting the whole Port of Houston exists because there are now outstanding more than $50,000.00 demurrage bills against shippers of flour and other commodities. These bills are really serious, and this organization assisted in the conditions which developed by unloading a large number of cars of flour at Manchester and other docks in order to assist in releasing the cars. On one shipment of something like 13 cars, we released the cars, on which approximately $940.00 worth of demurrage had accrued, and some of these cars were unloaded on Saturday.

(2) The 40-hour week has made a terrific impression on the general port conditions, and private terminals have refused to work Saturdays and Sundays unless the shipper, the steamship operators, or the railroads pay the overtime, and this is a basic condition which has contributed largely to the demurrage situation within the port. As I write this letter I know of no port in the United States which is so severely under fire as the over-all Port of Houston, and I do not like to have anything to do with shortening the week in view of the facts before me.

(3) As I write this letter I have no knowledge of any employee on the Navigation District payroll who is dissatisfied with the working week, and under separate cover I have forwarded the Board a letter which was voluntarily written by the organization approving the 44-hour week. If we go on the 40-hour week, a decision must be made by the Board as to whether they will unload cars Saturdays at the railroad rates, or whether the Board will demand from the shipper, from the steamship operator, or from the railroad overtime payment. If we decide not to pass these charges on
to some other party, then this Board will enter into a condition where every car unloaded Saturday, and perhaps Sunday, will cost this Board real money.

It is my opinion that under the conditions that we are now confronted with and follow exactly the plan of operation that we are following the Navigation District payroll must be increased not less than 10 percent, if the Board goes on the 40-hour week.

(4) As a matter of fact, we are on the 40-hour week with certain operations, which include the carloaders and the crane men, and to my mind these are the two operations which are highly unsatisfactory within the port, and I have been concentrating on these operations with a view of passing the cost of these operations to the shipper. Both of these operations began 40-hour operation for reasons beyond the control of the writer, and in my judgment they can be corrected when the next agreement is reached in October, because there is a realization that while the 40-hour week may be a Utopia for which all labor and all individuals aspire, yet there are some practical considerations to be met, and I have proceeded in passing these costs to the shippers, to the railroads, and to the steamships to the best of my ability, but looking at the over-all picture I do think it is only fair for me to state to you that we have narrowed within the past two years the spread between our income and our expenses by a considerable amount, somewhere in the neighborhood of $200,000.00, and the 40-hour week will still further narrow this difference, and I know of no way safely to pass these rising costs to those using the port.

As I have for many years endeavored to inform all interested parties, a railroad condition within the port exists which is not equal in its effect on the competition. By this I mean, several other ports with which we compete have a handsome railroad earning which is denied all the terminals of Houston, and as I write this letter it is perfectly evident that a lot of business is hanging in the balance as to these extra costs, and a certain amount has leaked off from Houston because of increased costs. I do not know of any one who has been forced out of the port by this organization, but I do know that as I write this letter the International-Great Northern Railroad is refusing to place cars at Long Reach until Long Reach guarantees to unload the cars, and this will precipitate a crisis, and if it were left to my judgment I would continue the 44-hour week for the vital purposes of being in a position to relieve railroad cars on Saturday morning, as we have been doing, in order that the Navigation District does not contribute to the critical difficulty now before the port operators.

If we go on the 40-hour week, and if we work Saturday, we definitely increase our costs, and we definitely pay more money to hourly employees now working 44-hours, and this is bound to have its effect on the salaried employees who must work Saturday if the hourly employees work on that day and on Sunday, thereby making far more money than the salaried employees who must do the accompanying clerical work.
June 25, 1947

(5) The Board finds it necessary to meet Fridays because of payroll conditions, and as Secretary of the Board I have guaranteed to place the minutes of the Board meetings in the hands of the Auditor and the Board within 24 hours, and thus far have not failed to do so, and if we do not work Saturdays I cannot place the minutes in the hands of interested parties before Monday.

(6) There seems to be a basic matter of policy before the Board. We are in the County Court House, but if I understand conditions correctly the law set up the Navigation District Board of Commissioners to operate outside of the usual political operations of the County, such as road work, bridge, and other activities of a governmental nature which can be laid aside, as they are laid aside on holidays, Saturdays and Sundays, and I have never been able, and cannot now bring myself to think that the Port of Houston, as operated by the Navigation District, is anything but a high class business operation, and I have tried hard to conduct it in a businesslike manner and to meet competition and to satisfy customers and to avoid loose practices, and to satisfactorily take care of the general port's business in a manner that will promote it. If this was not the case, then an entirely different type of operation might be developed paralleling in all respects a County operation and perhaps, as has been suggested from time to time, the operations of the Navigation District be made an adjunct of County affairs. This would be an entirely different set up than I have been lead to believe is proper for the heavy investment of the public in public port facilities.

You well know, as do all past Chairmen of the Board of Navigation and Canal Commissioners, that I have long advocated a business administration of the Navigation District affairs, going so far as to advocate a consolidated office arrangement which would promote efficiency and unified control and a service institution that would never bring discredit on anybody, and I cannot conceive now how I can be held responsible for Saturday and Sunday operations with no organization of any kind at my beck and call.

If Saturday and Sunday operations are to be discontinued, it will affect in a serious manner the volume of business which will use the Navigation District terminal facilities, and if the General Manager is bound by a demand that the volume of business on the public properties heretofore handled in 44 hours must be handled in 40 hours, I must confess in advance that I am unable to administer this property in this manner.

(7) The operations now being carried on have thus far been successful, and I believe that the employees of the Navigation District are entirely satisfied, except for wage adjustments which have been under negotiation for several weeks, and in my judgment the Board will not have to adjust wages under existing 44-hour week work until October.
Mr. Wilson G. Saville
June 25, 1947

It is manifestly impossible to operate this office in the County Court House without the services which go with a Saturday operation, and it is a matter for the Board to decide in the light of the facts which are before the Board at this time.

Respectfully submitted

General Manager

JRW:EH

cc - Navigation and Canal Commissioners
Simmons, Smyth and Much
Mr. H. L. Washburn