Washington Office

ILWU WASHINGTON REPORT

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ENERGY CRISIS.

The most seasoned observer in Washington will admit that there has never been such an awesome display of economic and political power by large multi-national oil corporations as we are seeing here today. These companies have been consolidating their control of crude oil and manufactured petroleum products over a long period of time. Their bold move to maximize their profits was aided and abetted politically by President Nixon and his Energy Commission. Their answer is: Raise the price of gasoline and crude oil as the best method of dealing with the so-called shortage.

The Congress, also strongly influenced by the oil monopolies, has passed the hot potato back to President Nixon. Any attempt at establishing the taxation of excess profits or a rollback of gasoline prices or heating oil prices has met with failure in both the Senate and the House. Senator Henry M. Jackson, D-Wash., who after the Christmas recess threatened retaliation against the oil companies, has not produced. His excess profits tax which allowed re-negotiations by the oil companies was unworkable. The AFL-CIO supported a direct excess profits tax similar to the one established during the Korean War. The Senate again recessed without completing action on an energy bill which, should it pass, would not bring any relief to the consumer, the small-business gas station owner, the truck driver or those working people who have lost their jobs because of the energy crisis.

It is interesting to note that when action was recommended by President Nixon against our dock strike legislation whipped through both the House and Senate in the record time of three days.

The AFL-CIO lobbyists and yours truly made an effort to at least establish additional unemployment insurance benefits for displaced workers. We will know more about this when the bill is finally passed.

Unfortunately, the labor movement has not yet learned how to handle this kind of difficult situation. Truck drivers, particularly here in

the East, made an effort to correct a wrong, but unfortunately Frank Fitzsimmons, President of the Teamsters' Union, condemned their actions and publicly supported Nixon and is against impeachment.

International President Harry Bridges has correctly suggested that the labor movement has got to develop new tactics in its fight against international monopoly corporations. The energy crisis will abate and disappear only after the oil companies achieve their objectives - higher prices and maximum profits.

HEALTH SECURITY LEGISLATION

Congress passed and the President signed, December 29, 1973, Public LAW 93222 - Health Maintenance Organization Act of 1973. This legislation essentially encouraages the building and extension of prepaid medical plans by extending loans for planning and initial development costs backed by a Treasury loan guarantee fund. The additional attraction of this legislation to existing Health Maintenance Organizations, such as our Kaiser Plan, should it qualify under the Act, would be that an employer would be compelled to offer this plan to his employees - as well as Blue Cross, Blue Shield, etc.

HMO's - such as our Kaiser Plan - have been supported by AFL-CIO and ILWU because prepaid medicine available to all is still the best health security plan. Unfortunately this legislation covers a very small section of the population.

The major battle in Congress will be between President Nixon's recent health plan proposals and Senator Kennedy's health security measure. Nixon's plan is a warmed over version, with certain compromises, of a compulsory health insurance plan offered through employers, with employees and employers sharing the cost. Collective bargaining could decide this, with the floor set by legislation. No premium would be charged only for those very low income persons, and Medicare would continue to ever-increasing medical costs and high premiums, as is the case now, the premiums being paid from workers' earnings whether by the employer or by them, with the Federal government picking up the premiums paid to insurance companies for the poor.

Nixon claims there will be no tax increase needed, but once again we are not getting the truth. The first tax is on the worker - as described above - with rising medical costs and insurance premiums paid for the poor coming from the general fund. With doctors having unlimited right to charge exorbitant fees and with the insurance companies taking their piece, a rise in taxes is inevitable. The beneficiaries of this health plan are doctors, hospitals and insurance companies.

The Kennedy health security bill would give unlimited hospital care to all. The taxes to support it would be collected on the basis of income - half from general revenue and half from employer-employee taxes (3½% of payroll paid by the employer, 1% of the first $1,500 in income paid by the employee.) The plan would be run by the Social Security Administration.

Under Nixon's plan a family making less than $2,500 a year (which is below the poverty level) would have to pay as much as 6% of its income on medical care before the government takes over the cost. A family making $30,000 a year would only pay 5% of its income on medical bills before it reaches its $1,500 maximum liability and catastrophic coverage takes over. Actually a middle class family earning $10,000 a year gets hit hardest. It has to pay 15% of its income before it reaches the $1,500 limit. Without going into details this also will create additional costs for the aged.

The Kennedy health security plan in its present form controls doctors' fees and hospital costs and eliminates insurance companies who took seven billion dollars in windfall profits from the medical industry last year.

We again urge support for the Kennedy-Griffith Bill.

RHODESIAN SANCTIONS

The ILWU, the Steelworkers' Union and the AFL-CIO joined the Washington Committee on Africa in lobbying in the Senate to defeat the Byrd Amendment of 1972 which permitted the U.S. to bypass mandatory United Nations sanctions against Rhodesian chrome.

In December the Senate did away with the Byrd Amendment, This upholds the United Nations sanction against Rhodesia. We are now lobbying on the House side to pass HR 8005 to complete the appeal of the Byrd Amendment. Two House subcommittees unanimously recommended the bill to the full House Foreign Affairs Committee. Committee Chairman Thomas Morgan has not yet set a date for Committee vote. We are urging that the District Councils and Locals contact Chairman Morgan and their own Representatives urging support of HR 8005.

The major opposition to our activities are the large steel corporations. This metal is available in adequate supply from other nations, i.e., the Soviet Union, Turkey, the Philippines and many others. Senator Byrd's original premise was that we would be forced to buy this vital metal from the Soviet Union and would become dependent upon them. Not so.

John for Movement

The ILA Local in Baltimore refused in December to discharge chrome from Rhodesia and the shipments were returned to Africa. One of the newly elected black ILA officers in Baltimore headed up this action, and was supported by Teddy Gleason, ILA International President. Our Longshore Locals might contemplate similar action.

WAGE AND PRICE CONTROLS

Wage and price controls were removed from stevedoring and marine terminal services by the Cost of Living Council. The ILA whose contract expires in September, will start negotiations next month with their employers. The indications are that among their demands will be early retirement, pension increases, and other methods of cutting the size of the workforce. At present 3300 longshoremen in the NY area are permanently on the wage guarantee plan. We will report developments in this regard from time to time.

LOG EXPORT SUBSTITUTION REGULATIONS

Your Washington Representative and other concerned parties attended a meeting of the Pacific Rim Trade Association in Portland, Oregon in December which protested substitution regulations re logs promulgated by the U.S. Forestry Service here in Washington.

Without going into the technical details, these regulations will result in a 50% cut in log exports from the Northwest. This is an effort to achieve by administrative action what Congress refused to do by legislation. Innumerable meetings have been held here with Senators and Representatives from Oregon and Washington.

Northwest Regional Director Johnny Parks was singularly helpful in this matter as were the Locals in the Northwest. We should have word next week as to the final outcome.

Japanese shipping has been affected by the energy crisis and their bottoms are not available to the extent they were last year. Japanese shipping interests indicate that this situation should be corrected, hopefully after meetings in progress in Washington, D.C.