

A LABOR STRATEGY

I. Introduction

Organized labor consists of the AFL-CIO, Teamsters (IBT) and United Mine Workers (UMW).¹ The AFL-CIO has approximately 14 million members through the affiliation of approximately 99 national and international unions. The IBT and UMW are the major "blue collar" independent unions, i.e., they are not affiliated with the AFL-CIO, each with an approximate membership of 1.8 million and 250,000 respectively.

The AFL-CIO endorsed Mondale as its Democratic primary favorite at its convention in Hollywood, Florida on October 1, 1983. At the General President's meeting on that date, Mondale received 90.7 percent of the 14,286,795 votes cast by the leaders of the affiliated unions; Glenn received 3.3 percent of the votes; but of interest is that 3.7 percent of the votes, primarily from the maritime unions, were cast as a "no endorsement" for any democratic candidate.

The IBT through its General President, Jackie Presser, has indicated it will endorse President Reagan. Other than the NEA's announcement on or about September 30, 1983 of its endorsement of Mondale, the other independent unions or federations have not made any endorsements.

¹There are other independent unions or federations with relatively large memberships including the National Education Association (NEA) with an approximate membership of 1.7 million; National Federation of Independent Unions (NFIUS) with an approximate membership of 90,000; United Electrical Radio and Machine Workers of America (UE) with an approximate membership of 162,000; Congress of Independent Unions (CIU) with an approximate membership of 50,000; Brotherhood of Locomotive Engineers (BLE) with an approximate membership of 39,000; International Longshoremen's and Warehousemen's Union (ILWU) with an approximate membership of 64,000; American Nurses' Association (ANA) with an approximate membership of 180,000; Fraternal Order of Police (FOP) with an approximate membership of 150,000; and Assembly of Government Employees (AGE) with an approximate membership of 300,000.

II. Strategy for 1980

A. Players

To the extent it can be ascertained, the "labor strategy" in 1980² was effectuated through the offices of Ed Meese and Bill Casey, who utilized the assistance, among others, of Max Hugel, Don Rogers and Mike Balzano. It appears these persons undertook the task of developing political support among the leadership of the national and international unions. Though leadership support was secured, it is not clear, at this time, the priority or emphasis placed on securing that support.³ It also appears that Hugel, Rogers, Balzano and others were active in developing local level support.

The balance of the labor effort was fragmented among a number of state or local persons who worked the issue within their own areas of influence. For example, Secretary Donovan was active in New Jersey and New York among the building and construction trades; Perry Joseph, a local union leader in St. Louis, was active in that city among the building and construction trades; Bill Brogan, Vice President, Operating Engineers, was active in Chicago and Illinois; Betty Murphy was active in some of the industrial states; and Jackie Presser was very active in Ohio and elsewhere. There were probably an additional 6 to 12 local labor leaders throughout the country who undertook active roles in galvanizing support for the President among their fellow trade unionists. It is not known to what extent these local labor people received directions from the central campaign. It would seem reasonable to believe that those individuals from the more populous states, who were active and successful in developing support, probably had greater access to the key players in the campaign.

B. Commitments

It is not clear, at this time, commitments made to specific unions in 1980. However, based on the statements made by unions since 1981 and other documentary evidence, the following observations can be made:

²It is not known whether there was a devised and coherent strategy for labor.

³If there was a labor strategy, it is not known to what extent it focused on securing national and international union leaders' support in contrast to securing the support of the local and state leaders or on simply attacking Carter and relying on the antithesis labor had for him.

1. The Maritime unions assert the President promised that the Merchant Marine would be revitalized, and the promise has not been kept. (See the document entitled "Reaganomics: Promise Versus Reality", attached hereto as Appendix A, which was distributed by the Maritime Trades Department at its convention on September 29, 1983. See also Resolution No. 1 entitled "Maritime Policy"; Resolution No. 4 entitled "The Competitive Shipping and Shipbuilding Act of 1983"; and Resolution No. 63 entitled "Shipbuilding", attached hereto as Appendices B, C, and D respectively, which were adopted by the Maritime Trades Department at its convention on September 29, 1983. See also a document entitled "Reagan-Bush: A New Beginning for America's Maritime Industry" which was distributed by the Shipbuilders Council of America when it complained to the Administration that the 1980 promises had not been kept, attached hereto as Appendix E.)
2. The President promised the building and construction trades that he would not seek the repeal of the Davis-Bacon Act. The Davis-Bacon Act has not been repealed (nor has the President supported any repeal efforts), but DOL has issued new regulations the Building and Construction Trades Department bitterly challenged in court (and lost). (See Resolution No. 30 entitled "Davis-Bacon Act", attached as Appendix F which was adopted by the Maritime Trades Department on September 29, 1983 and similar to a resolution adopted by the Building and Construction Trades Department in September.)
3. According to the IBT, the President made a commitment that "...trucking deregulation should be phased in over a long period in consultation with the affected parties as each step is taken. I would proceed no further without such consultation." (See document entitled "Ronald Reagan on Deregulation of the Truck Industry" attached here as Appendix G.) The IBT believes the promise has not been kept -- particularly in light of the recent congressional testimony given by the ICC Commissioner and Secretary of DOT in favor of additional deregulation legislation.
4. The commitments, if any, made to the railroad unions have not been ascertained; but the Administration supported and the President signed legislation that bailed-out the railroad retirement fund. This legislation was strongly favored by the railroad unions.

5. It is not known if any commitments were made to organize labor as to NLRB appointments; but, the unions are very bitter over what they consider a blatant and unprecedented politicization of the NLRB. This bitterness on appointments extends to some appointments at DOL.
6. It is not known if any commitments were made as to funding levels at DOL; but, the unions are screaming over what they consider "the gutting" of the agency.

C. Union Support in 1980

To the extent it can be ascertained,⁴ the President received the support in 1980, either overtly or tacitly, of the following unions or union leaders:

1. Marine Engineers' Beneficial Association (MEBA I)
Jesse Calhoon, President
2. Marine Engineers' Beneficial Association (MEBA II)
Ray McKay, President
3. Teamsters (IBT)
Ray Williams/Jackie Presser, President
4. International Longshoremen Association (ILA)
Teddy Gleason, President
5. Masters, Mates and Pilots (MM&P)
Captain Robert Lowen, President
6. National Maritime Union (NMU)
Shannon Wall, President
7. Fraternal Order of Police (FOP)
John Dineen/Leo Marchetti, President
8. National Federation of Independent Unions (NFIUS)
Frank Chiappardi, President
9. Brotherhood of Locomotive Engineers (BLE)
John F. Systma, President
10. Airline Pilots Association (ALPA)
J. J. O'Donnell/Henry A. Duffy, President

⁴The recollection of some of the players in 1980 on endorsements is not now clear and documents are not readily available. The list may not be completely accurate.

11. Association of Flight Attendants (AFA)
Linda Puchala, President
12. Air Line Employees Association (ALEA)
Victor J. Herbert, President
13. International Association of Fire Fighters (IAFF)
John A. Gannon, President
14. International Union of Police Associations (IUPA)
Edward J. Kiernan/Robert B. Kliesmet, President
15. United Association of Plumbers et. al. (UA)
Marvin J. Boede, President
16. International Brotherhood of Electrical Workers (IBEW)
Charles Pillard, President
17. Congress of Independent Unions (CIU)
Truman Davis, President

III. Unions vis-a-vis Reagan in 1983

A. Support Among Union Leaders in 1983 for President Reagan

To the extent it can be ascertained, the President has, at this time, public/political support from the following union leaders:

- | | |
|---------------------------------------|---|
| 1. MEBA I
Jesse Calhoon, President | 5. NFIUS
Frank Chiappardi, President |
| 2. MEBA II
Ray McKay, President | 6. IBE
John F. Sysmsma, President |
| 3. IBT
Jackie Presser, President | 7. FOP
Leo Marchetti, President |
| 4. ILA
Teddy Gleason, President | 8. MM&P (Maybe?)
Captain Robert Lowen, President |
| | 9. CIU (Maybe?)
Truman Davis, President |

B. What do the Unions Want?

1. The Maritime Unions want immediate help for the Maritime industry. Bluntly put, they want more American flagged ships carrying more American cargo. (See page 3 above and the referenced Appendices as to the Maritime Unions demands.) The maritime position was dramatically outlined by Frank Drozak, President of the Seafarers International Union (SIU) and President of the Maritime Trades Department at the AFL-CIO convention on October 1, 1983

when he publicly refused to endorse any Democratic candidate until the candidate made a commitment to revitalize the maritime industry. Drozak's lead was followed by Calhoun, Wall and Gleason. (Gleason and the ILA obviously want the Federal Maritime Commission (FMC) to stop interfering with the "50 mile rule.")

2. The major concern of the Building and Construction Trade unions center on the fact that interest rates are still too high. As a consequence, approximately one million building and construction trades people are not fully employed. Ed Carlough, President, International Association of Sheet Metal Workers, articulated these concerns on the floor of the AFL-CIO convention when he stated that he was not prepared to endorse a Democratic candidate until he felt an endorsement would be translated into firm action in bringing the interest rates down and his people employment.

The building and construction trade unions are also concerned about any proposal to amend the Hobbs Act that would strengthen the conspiracy provisions which they believe would have a detrimental impact on their ability to engage in concerted action. (See Resolution No. 55 entitled "Hobbs Act" attached hereto as Appendix H.) Finally, they are concerned over any action that would weaken or limit the application of the Davis-Bacon Act. (See Appendix F.) There is also substantial bitterness over appointments, such as Dotson to the NLRB.

3. United Mine Workers are concerned about the lack of mine inspectors and what they consider to be a lack of interest in maintaining mine safety. They also want a policy that favors more use of coal.
4. The Teamsters do not want any further deregulation of the trucking industry. The Teamsters do not realistically expect a roll-back in the deregulation process; but, they do not want any further deregulation or the implementation of any additional regulations that would further deregulate. Jackie Presser also wants DOL and Justice to get off his back.
5. The unions associated with the air transportation industry, as is evident from the front page stories in the newspapers involving Continental and Eastern airlines, want relief from further deregulation of the industry. (Also see Resolution 99, entitled "Protection of Airline Workers," attached hereto as Appendix J). In addition, they are also very concerned

about air carriers using the Chapter 11 provisions of the Bankruptcy Act as a means of shedding collective bargaining contracts. A corollary concern is the growth of new companies, prompted by deregulation, that are operating non-union.

6. The public service unions such as the police and firefighters are concerned about local government budgets. They believe local governments budgets have been adversely impacted by the economic downturn and the Administration policies which have reduced the flow of monies into the local treasuries.
7. The rail unions are very concerned about the coal slurry proposal which they saw as having a very substantial adverse impact on the industry. (It is interesting to note that whereas the rail unions vigorously opposed the coal slurry, the building and construction trade unions aggressively favored coal slurry.) The rail unions obviously favor any policy that would increase or expand utilization of trains.

Aside from the parochial and sometimes conflicting positions of the individual unions, there are universal concerns, even among those with a predilection to support the President. Organized labor feels it is under substantial attack. It perceives the present economy and political forces in the United States as adverse to their expectations. They feel threatened by imports. They feel threatened by technological changes. They feel threatened by deregulation. All of these events, though ongoing for several years, have coalesced during this Administration which they perceive as being very insensitive, if not calloused to their plight. They look at appointments to DOL and the NLRB as indicative of this callousness. More importantly, they look at the fact that they have not had any access to the White House. In fact, they see the White House as staffed with individuals who are ideological enemies of unions, or at least, lack any sensitivity to their fears and aspirations.

IV. Value of Union Support

The political value in cultivating and securing organized labor support is to show that the President's support is broadly based, and to rebut the argument that he is anti-labor.

The political value in cultivating and securing national and international union leadership support centers on the fact that even though the leadership cannot "deliver the membership" the leadership can set a "political tone" that influences the perception of the rank and file, and of equal importance, the perception of the media, political pundits, etc. An endorsement, or at least the lack of support for the Democratic candidate, would probably be over-interpreted by these third parties

and produce a perception of the President's position, vis-a-vis the working person, as much more favorable than that portrayed by the AFL-CIO leadership and the Democrats. Thus within the dynamics of the political posturing of a campaign, there is value for the President to point to the fact that he has been embraced by national leaders within organized labor.

V. Strategy Options for 1984

Several options exist for a political strategy for organized labor. These options are not mutually exclusive and permutations or variations can be developed and implemented.

A. Option 1 "Individual Voters" Approach

This option does not recognize labor as a political constituency. Rather it views union members as individual voters. (Bottom up theory.) This option centers on emphasizing the positive aspects of the Administration such as a recovering economy, lowering interest rates, low inflation and expanding job opportunities, and communicating those achievements to the entire American political constituency, including union members.

This approach does not obligate President Reagan to make promises to unions. This option relies on an appeal directly to the rank and file on the basis of an expanding economy, strong defense posture and other positive personal aspects of President Reagan.

This option is based on the belief that a percentage of the rank and file will be more swayed by the President than by the union leaders. Hence this option assumes that notwithstanding the negative aspects of this Administration toward unionism, sufficient numbers of the rank and file will admire the President for his strength, forthrightness and toughness. To put it differently, the rank and file, in the privacy of the voting booth, will place a higher priority on a strong defense, expanding economy without inflation and a tough President than maintaining solidarity with all the precepts of trade unionism and their union leaders.

This option, if carried to its logical extreme and if successful, would result in a Reagan constituency among the rank and file and may force the union leadership to move from their anti-Reagan posture in order to maintain their leadership positions with the rank and file.

B. Option 2 "Individuals plus Selected Unions"

This option is a variation of Option 1 in that the President places a strong emphasis on economic recovery and defense in his communications to union members, as individual voters and members of the American voting constituency; but, recognizes those national and local union leaders who have

an interest in supporting him, e.g., Presser (IBT), Calhoon (MEBA I). The thrust of this option centers on the fact that a majority of the national union leaders will not support the President. Consequently, it is not politically effective to court leaders who will not support the President nor make general policy commitments that are inconsistent with the President's philosophy in the hopes of persuading recalcitrant national union leaders and their membership.

C. Option 3

This option places a higher value on securing the support of the rank and file through national union leaders. (The top-down theory.) This option would involve an aggressive effort in pursuing national leaders with the understanding that either substantive or emotional benefits will be bestowed in exchange for support of the President. Obviously, this option would only be applicable to those union leaders who are at least neutral or have some predilection toward the President.

VI. Recommendation of a Strategy for 1984

A. Two-Pronged Concept

A strategy option for 1984 that can be implemented, without substantial wrenching to the President's political philosophy, is a two-pronged concept involving (1) reaching out to the national union leaders who have a predilection to support the President and (2) reaching past the other national leaders directly to the local leaders. The union leaders can be accommodated by specific substantive commitments consistent with the President's philosophy or ego massaging. The local leaders and the rank and file can be appealed to on the basis of a strong pro-defense, anti-Soviet policy coupled with reassurances that interest, unemployment and inflation rates are down and the trend will continue in the future to provide economic and employment security.

The key to the 1984 strategy is the fact that a substantial majority of organized labor leadership will not endorse nor provide any assistance to the President's campaign. In fact, the strategy should recognize that most of the leadership of organized labor will be actively engaged in supporting the President's Democratic challenger. Neither the public nor the political pundits expect it to be otherwise. Consequently, there is no expectation for the President to be endorsed by a long list of labor leaders. Thus, the campaign should not expend time and resources attempting to secure commitments from leaders who are (1) not in a political position to give a commitment or (2) ideologically opposed to the President. Thus the campaign should focus on developing and cultivating those leaders whose prior actions indicate some predisposition to the President or predisposition to stand apart from the AFL-CIO and its endorsement of a Democratic candidate. The campaign goal, in securing union leadership support where it

can be obtained, is to avoid being tagged as anti-union or anti-labor. To the extent, the President can show visible union leadership support, even if the actual numbers constitute a substantial minority within organized labor, the political goal is achieved. To the extent the union leadership's support comes from a spectrum of unions, the goal is further enhanced and the anti-labor label becomes more difficult to affix to the President.

The other problem, and possibly the most critical, is developing support among the local leaders. It is the rank and file and their families and friends who pull the lever in the ballot box. The strategy in getting the message to the rank and file centers on (1) identifying, cultivating and supporting local union leaders who are predisposed to the President and (2) the President hammering the message, in very plain language, about the economic benefits provided by his policies, including the fact that interest and inflation rates are lower than when he took office. Moreover, the President should stress the importance of his defense posture both in terms of the economic benefits, and in deterring the Russians and other world mischief makers.

The rank and file, who will support the President, will do so because they want a strong President who is not afraid to speak-up for America. For those predisposed among the rank and file, a President who is a "stand-up guy" is more important to them than keeping faith with all the precepts of trade union ideology.

To summarize, though there is value in cultivating the presidents of the national unions who are neutral or predisposed toward the President, the strategy would be seriously deficient if it simply relied on the general presidents to produce a successful result at the ballot box. Emphasis should be placed on identifying local labor leaders or activists who are predisposed to support the President. The support of the national union presidents provides the campaign with labor visibility in the national press; whereas, support on the local level provides the mechanism for getting Reagan votes in the ballot box.

B. Approaching the Unions

The unions where the President probably has a natural political constituency are those in the building and construction trades, IBT, the maritime trades and a few in the public sector trades, such as firemen and police.

Though the building and construction union leadership, with the major exception of Ed Carlough, Sheet Metal Workers Union, went along with Kirland and supported Mondale, there is reason to believe there is some nervousness among those presidents over the pre-primary endorsement of Mondale. It is not unreasonable to

believe that a sizeable contingency within those unions simply do not identify with Mondale's liberal philosophy on domestic and foreign matters.

In contrast, the Maritime leadership refused to go along with Kirkland. It is reasonable to believe that these presidents would not have taken this action if their rank and file strongly supported Mondale or Glenn. Moreover, the Maritime unions have smaller memberships which permit the presidents to maintain a closer relationship with the rank and file.

In terms of a strategy in approaching these two groups of unions, the campaign and the White House should place a greater focus on working with the presidents in the Maritime unions and with local leaders in the construction and building trades unions. This is not to suggest the presidents of selected construction and building trades union should not be cultivated. (In fact, the President, Vice President or Counselor Meese should host a lunch for selected presidents of the building and construction trades and start the process of neutralizing them. One lunch, by itself, will not produce converts; but, the process must start somewhere. It is critical the White House start to send some very visible and high level signals to the presidents that the White House has an interest in them. This type of overture will at least allow the air to clear with the hope that a continuing dialogue can be established to neutralize the built-up antagonism the presidents have toward the White House. The IBT can be very useful with this group.)

Local leaders in the building and construction trades should be identified as soon as possible. These people should be invited into the White House for lunch with the President or Vice President for the specific purposes of (1) dispelling the belief that the Administration is anti-working person and (2) seeking their support for 1984. This process cannot be haphazardly pursued. It will require the cooperation of the senior staffs of both the President and Vice President.

The lunches for both the local, as well as national leaders, should occur before Christmas of 1983. If these overtures are delayed beyond January 1984, the President's effort to reach-out to these people will be substantially hampered.

In addition to the lunches, there must be consistent follow-up by the campaign. A series of lunches in the fall of 1983 will not maintain a momentum through November of 1984. The campaign and the White House must make a firm commitment to include the labor effort in the campaign decision making loop to insure timely, informed and coherent decisions. Finally, before November, 1983, the campaign must identify the individual who will be responsible for implementing the labor strategy.

C. A Further Note on Labor Strategy

A decision must be made on whether an effort should be undertaken to reach an accommodation with Frank Drozak. Drozak, President of

the SIU and Maritime Trades Department, does not support the President, but he has indicated an interest in attempting to reach an accommodation as to maritime matters that would preserve jobs for his sailors. Drozak's posture was illustrated on October 1, 1983 when he stood before his fellow executive council members, Kirkland and one-thousand delegates at the AFL-CIO convention and said the SIU would not follow Kirkland and endorse a candidate (Mondale). Drozak made it clear that his and his union's support would only be committed to that Presidential candidate who is prepared to re-build the maritime industry.

Jesse Calhoun, President, MEBA I, will have strong objections to the White House opening any door to Drozak; but, there is an argument that Drozak, at the least, deserves a chance to be heard and his arguments considered. To the extent a merchant marine policy could be worked out that would generally please all elements of the maritime trade unions, the President enhances his position with those unions, including those who have been friendly, and possibly garner additional support.

Again, Drozak is not a Republican. He is simply a tough pragmatist who will cut a deal with anyone as long as the deal produces jobs for his membership. He wants the merchant marine to be revitalized. He thought Reagan had promised to do that in 1980.

VII. Support Among Organized Labor for 1984

The President could make inroads into the following unions for 1984 and, under certain conditions, secure the support of the national presidents. (The unions are grouped according to likelihood of success in securing support. Those in Group 1 reflect those who will provide an endorsement without requiring an extraordinary amount of effort. Those in Group 2 will require substantial cultivation, but are not ideologically opposed to the President. Those in Group 3 are unions whose membership is generally conservative and would support the President on defense and foreign affairs, but the leadership and many members are angry at the President for policies which they believe are either anti-labor or have adversely impacted their jobs. It must be kept in mind in reviewing the list that it is extremely relative and involves imprecise judgement.⁵ In many instances there is probably little, if any, hope in actually securing a public endorsement from some of the national presidents; but, they may become more neutralized about publicly expressing antagonism toward the President. Given the public pronouncements to date, the display of solidarity at the AFL-CIO convention

⁵Some unions, where there is undoubtedly some support, particularly on the local level, have not been included. Some of the included unions may not, in 1984, provide the projected support. Given the possibility of leaks, it is best to leave this matter ambiguous.

and the public endorsement of Mondale, even the achievement of a neutral position should be considered by the Reagan campaign as a success.)

Group 1:

1. ILA
Teddy Gleason, President
2. MEBA I (*marine engineers*)
Jesse Calhoon, President
3. MEBA II
Ray McKay, President
4. IBT
Jackie Presser, President = *bring him in; recognition*
5. NMU
Shannon Wall, President
6. Locomotive Engineers
John Systma, President
7. NFIUS
Frank Chiappardi, President *construction / Georgine
go around, to locals*
8. MM&P
Captain Robert Lowen, President *Drozak / maritime*
9. FOP
Leo Marchetti, President

Group 2:

11. Police Associations (AFL-CIO)
Robert B. Kliesmet, President
12. ALPA
Captain Henry Duffy, President
13. Flight Attendants
Linda Puchala, President
14. Flight Engineers
William Gill, President
15. Professional & Technical Engineers
Rodney Bower, President
16. UMW
Richard Trumka, President
17. Brotherhood of Railroad Signalmen
R. T. Bates, President

18. Maintenance of Way Employees
Ole M. Berge, President

Group 3:

19. International Association of Fire Fighters
John Gannon, President
20. Seafarers International Union
Frank Drozak, President
21. Sheet Metal Workers
Ed Carlough, President
22. Plumbers
Marvin Boede, President
23. Operating Engineers
Frank Hanley, Secretary-Treasurer
24. IBEW
Charles Pillard, President

To secure the endorsements of national presidents will require a willingness on the part of the Administration to assist those leaders that are interested in talking to the Administration. It should be kept in mind that unions are not beating-down the White House door for access at this time. For most, they believe the White House gate has been slammed shut to unions and unionism. Thus, the unions are staying within their movement and awaiting the demise of the Reagan White House.

The relationship between the leadership of organized labor and the White House is so strained that the only meaningful communication the national presidents would be interested in pursuing is at the most senior level of the White House staff. Not only is this true of national presidents whose personal ideology shares common ground with many of the policies of the President, but also those presidents who have shown a friendliness towards the Administration. Because of the strained relationship between the Administration and organized labor and the intense politicalization of the AFL-CIO in the 1984 Democratic primary, many of the presidents, whose own ideology and that of their members would find common ground with the President, are simply going along with Kirkland. They feel nothing is to be gained in reaching-out to the Administration unless the contact is from a senior policy level.

Summary

For the President to not be endorsed by national presidents would not be fatal to the 1984 campaign. However, the greater and more substantial concern is the attitude of the local leaders and the rank and file. There are those who suggest

that the anti-Reagan drum beat of the AFL-CIO leadership has started to soak into the rank and file. To the extent the economy falters or the impact of deregulation or trade policies affect job security, the rank and file will begin to evaluate the screams of outrage from the union hierarchy over appointments to the NLRB and DOL and the budget gutting of DOL in terms of a pattern that reflects an Administration insensitive to organized labor and to the working person.⁶

Though polling data allegedly shows the President still retaining support among approximately 40 percent of the blue collar population, most observers who are supportive of the Administration and have a knowledge and contact within organized labor either do not believe the support is that substantial or believe the support is fragile and will erode unless immediate action is taken to counter the massive political campaign being mounted by the AFL-CIO. Time is of the essence. Short of the President being prepared to concede substantial benefits to the hierarchy of organized labor in the hopes of neutralizing their opposition in a quick fix fashion with the hope that his action will stabilize the rank and file support at the 1980 level, the effort on a grassroots level will take time and resources. Though the campaign may have resources, time cannot be created. It is limited and quickly dwindling.

⁶The source for the story in the Washington Post on October 3, 1983 obviously does not understand the psychology of trade unionists or the trade union movement when it suggested that Reagan votes can be secured from trade unionists by attacking their unions. Reagan votes can be secured from the rank and file by allowing them to identify with aspects of the President that appeal to them, not by suggesting that they be rats against their own unions and fellow brothers and sisters. The comments in the Post story smack exactly of the psychology that the trade union movement asserts characterize this Administration and White House, i.e., anyone who is a union member is either irrational or has been coerced by the "goonish" unions. If the 1984 strategy for union members is based on a theory that voting for the President is a means of breaking the bondage of unionism, it ain't gonna work!

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its downward spiral. While the ripple of Reaganomics has touched nearly every work sector, the impacts experienced by labor and industry have been particularly devastating.

In his campaign speeches Ronald Reagan outlined the theoretical framework to achieve a strong U.S. merchant marine, naval and shipbuilding capability. Those promises included the following:

- *"A major goal of the United States must be to insure that American-flag ships carry an equitable portion of our trade consistent with the legitimate operations and policies of our trading partners."*
- *"The principle that a nation's own ships should carry its coastal trade, presently embodied in the Jones Act, has been part of this country's maritime policy since the early days of the nation. I can assure you that a Reagan administration will not support legislation that would jeopardize this long standing policy or the jobs dependent upon it."*
- *"We must encourage and support our maritime industry by negotiating bilateral agreements to assure equal access to cargoes."*
- *"Insure that our vital shipbuilding mobilization base is preserved."*
- *"Improve utilization of our military resources by increasing commercial participation in support functions."*
- *"Provide a unified direction for all government programs affecting maritime interests of the United States."*
- *"Revitalize our domestic water transportation system."*
- *"Reduce the severe regulatory environment that inhibits American competitiveness."*

President Reagan's maritime program has proven to be little more than rhetoric. Actions taken by the Administration to date have struck serious blows to the U.S. maritime industry. President Reagan has:

- Offered no support for cargo promotion programs.
- Begun the phaseout of operating subsidies.
- Cut and eliminated all shipbuilding subsidies without presenting a viable replacement program.

- Placed an unnecessary cap on Title XI loan guarantees.
- Cancelled the U.S. Public Health Service Hospitals, ending centuries of medical care for merchant seamen and placing a massive financial burden on an already hard-pressed industry.

In comparing the state of the maritime industry from the time President Reagan began his term to the present, the effects of these policies have been dramatic.

	Jan. 1981	June 1983
• U.S. Merchant Ships in active fleet	531	459
• U.S. commercial shipyards	16	11
• U.S. shipboard jobs	22,620	15,506
• Number of commercial vessels on order or under construction in U.S. yards	46	13

In addition, seafaring employment has dropped 22 percent since President Reagan took office. The current active number of 15,421 seamen is the smallest maritime workforce in memory. The total is 72 percent lower than the 54,380 seamen actively employed in 1933, during the depths of the Depression.

"MILLIONS OF ADDITIONAL NEW JOBS"

The maritime industry has suffered the shocks of the Reagan Administration's policies, but the American workforce as a whole has suffered too. Recall the statements made in 1980:

"Republican programs and initiatives detailed in this platform will create millions of additional new jobs in the American workplace."

(1980 Republican Party Platform)

"There are eight million Americans out of work. I want to put millions of them back to work."

(Lima, Ohio 10/15/80)

In January 1981, the unemployment rate was 7.4 percent, with 8 million Americans out of work. For the first quarter of 1983, unadjusted figures showed unemployment at 11.2 percent, or approximately 12,260,000 Americans out of work. Broken down

Resolution #1 ✓

MARITIME POLICY

The United States is a leading world power and the major force behind the promotion of democracy throughout the world. This country is also the world's largest trading nation. Bordered on the east by the Atlantic Ocean and on the west by the Pacific Ocean, shipping traffic to and from the United States has flourished to accommodate growing trade with Europe and the Far East. As a consequence of America's economic and political stature in the world, as well as her geographical location, it has long been recognized that a strong and viable merchant fleet is fundamental to this nation's security and economic well-being.

Unfortunately, at the moment, the existence of a strong and well-balanced merchant fleet befitting of America's world position is far from reality. In fact, over the past decade our merchant fleet has greatly deteriorated.

When this body last met for the biennial convention, we had great hope that the even-then declining position of the U.S.—flag fleet would be reversed by the newly elected President's pledge to revitalize America's maritime and shipbuilding industries.

Instead we have seen an increasingly incoherent and piecemeal approach to maritime policy due in part to the movement of the Maritime Administration from the Department of Commerce to the Department of Transportation. This transfer of functions to the Transportation Department has precipitated a dramatic change in attitude by the Maritime Administration, which was once the prime protector and outspoken advocate of the maritime industry. As part of the Transportation Department, the Maritime Administration no longer plays the role it once did since maritime concerns are increasingly eclipsed by other transportation issues.

Never before has America's merchant fleet been so important. Yet while our fleet is shrinking, and our shipyards close for lack of work, the fleets and shipbuilding industries of the nondemocratic world are expanding at an alarming pace. The Soviet Union, for example, has made remarkable advances into international shipping. Its fleet has increased more than five fold since the early 1960's, placing it well ahead of the United States.

This set of circumstances creates an urgent need for a new, comprehensive and positive U.S. maritime policy, shaped to the needs of this country's economic and political position in the world.

What then, should a comprehensive maritime policy consist of?

- A maritime program which will ensure: a) the maintenance and retention of an adequate, efficient and modern fleet equal to the country's national security needs; b) a pool of well-trained men and women that can be called upon to man commercial ships or assist

the armed services, in time of war or national emergency; and c) a viable commercial shipbuilding industry.

- Recognition that this nation cannot maintain a fleet without a minimum of subsidy in a world where many nations heavily subsidize their merchant-fleet operations and shipbuilding industries. Although we recognize that current subsidy programs may not be the final answer to the preservation of a U.S. fleet, until new mechanisms are put in place current support programs should not be eliminated. The truth of the matter is that nearly 50 percent of the U.S. fleet constructed in this country since 1957 was done with subsidy. The premature liquidation of subsidies since 1981 has meant that not one commercial order has been placed in U.S. shipyards this year, threatening the continued existence of several U.S. shipyards, the loss of U.S. shipyard jobs and the continued health of many allied industries.

- Recognition by the Administration that the Jones Act is a fundamental defense statute which has served as the backbone for the U.S. domestic fleet. The Administration must not only recognize the importance of the Jones Act, but must also bear in mind the millions of dollars that have been invested by domestic operators in reliance on its original principles and future existence. A maritime policy should also undertake to close existing loopholes in the Jones Act and expand its jurisdictional limits to reflect changing international attitudes.

- A well-balanced cargo policy. No merchant fleet can exist without assured cargoes to carry, thus the centerpiece of a truly effective maritime program must reserve a portion of U.S. bulk cargoes to U.S.-flag vessels. A comprehensive cargo policy must ensure that the Administration continues to monitor and enforce Federal agency compliance with existing cargo preference laws.

- Cargo preference laws should also be expanded in all areas. This would include entering into bilateral shipping agreements with America's trading partners so that the U.S. fleet can obtain an equitable share of cargo and ratification of the United Nations Conference on Trade and Development Code of Conduct for Liner Conferences (UNCTAD) since failure to ratify will reduce U.S.-flag access to many trade routes.

- Undertaking a program to strengthen U.S.-flag shipping on the Great Lakes and other inland waterways. America's ports and navigable waterways play a crucial role in the economic well-being of the country but a comprehensive approach to their operation and maintenance has yet to be formulated. Federal policies now in existence continue to disadvantage the private dredge fleet. Therefore, specific policies must be set forth to take the dredge and tugboat fleets out of the Federal realm and place them in the hands of the private sector.

- Renewed efforts to encourage the expansion and growth of the U.S. fishing and canning industries. Despite enactment of legislation extending the U.S. fishing zone and prohibiting foreign fishing fleets from operating in U.S. waters, the U.S. still imports nearly 69 percent of all fish consumed in this country.
- Development of a viable oceans policy. Legislation has been enacted requiring the use of U.S.-flag, U.S.-built and U.S.-crewed vessels in new ocean ventures such as ocean mining and ocean thermal energy conversion. These ventures, operating at full capacity, will provide thousands of new job opportunities in maritime and related industries. The United States must continue to support programs that guarantee full participation by American industry and labor in the development of new marine technology.

We are adamant about the critical importance of our merchant fleet. As the "fourth arm of defense," the U.S. merchant marine plays a key role in assisting the U.S. military in time of war or national emergency and U.S. shipbuilding capability is a key national defense asset. Furthermore, the maritime and shipbuilding industries constitute major industrial sectors of the U.S. economy, which generate billions of dollars in the Gross National Product a year and employ thousands of workers throughout the United States. Therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, affirms its commitment to a strong, effective and efficient U.S.-built, operated and crewed merchant fleet; and be it further

RESOLVED: That the Maritime Trades Department, AFL-CIO, will continue to oppose any governmental actions which in any way dilute or eliminate currently established maritime programs; and be it further

RESOLVED: That the Maritime Trades Department shall work to ensure the immediate development and adoption of a comprehensive, long-range maritime program designed to promote and encourage all segments of the maritime and shipbuilding industries; and be it further

RESOLVED: That upon adoption of this resolution, it be submitted to the 15th Constitutional Convention of the AFL-CIO for support and action.

Resolution #2

KOREAN AIRLINE TRAGEDY

The recent tragic loss of life resulting from the unprovoked, brutal Soviet response to an accidental violation of airspace, vividly illustrates the frailty of the international foundations of civilized behavior upon which world peace and security rest. The wanton use of destructive force

is the forum where the battle is being fought. During 1982 an Inter-Governmental Preparatory Group held two sessions on the subject of phasing out flags of convenience. Incredibly, but perhaps predictably the United States Government boycotted the meetings. As in the case of the UNCTAD Liner Code of Conduct, the world appears to be moving toward a specific objective but the United States, the true home of the world's largest flag of convenience fleet, sits on the sidelines.

Reflagging the U.S.-owned runaway-flag ships would bring enormous economic benefits to the United States and its citizens. Based on the ships flying flags of convenience in 1982, the active U.S.-flag, deep sea fleet would more than double from 459 ships (U.S.-flag fleet on May 1, 1983) to 1,294 ships with a more-than-quadrupled carrying capacity from 18.2 million DWT (capacity on May 1, 1983) to 76.8 million DWT.

With such a national-flag fleet the United States would be restored to its legitimate position as a world maritime power possessing the resources to end its dependence on other nations for the movement of its world trade. Now, therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, calls upon and urges the United States Government to cease and desist its counter-productive opposition to the UNCTAD efforts to phase out flag-of-convenience registries and to support the establishment of the principle of a genuine link between vessels and flag states; and, be it further

RESOLVED: That the Maritime Trades Department, AFL-CIO, pledges its full support to the efforts of the International Transport Workers Federation (ITF) in its campaign to phase out flag-of-convenience registries; and, be it further

RESOLVED: That upon adoption, this Resolution be forwarded to the AFL-CIO's 15th Constitutional Convention for favorable support and action; and, be it further

RESOLVED: That the National AFL-CIO forward this Resolution to the forthcoming International Transport Workers Federation World Congress for adoption.

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Resolution #4

THE COMPETITIVE SHIPPING AND SHIPBUILDING ACT OF 1983

Today the U.S.-flag, privately-owned merchant fleet and supportive shipyard-mobilization base continues on a steady and persistent course toward extinction.

As of June 1983, our active private-sector U.S.-flag merchant fleet consisted of 459 oceangoing vessels, employing approximately 15,552

skilled and knowledgeable seagoing personnel. This is certainly a far cry from the 1,023 vessels gainfully engaged in the nation's waterborne trade two decades ago, employing 47,017 merchant seamen.

Two decades ago, U.S.-flag, privately-owned vessels carried 11.1 percent of the nation's waterborne trade, approximately 28.6 percent of its liner trade, 6 percent of its liquid bulk and 7.7 percent of its dry-bulk imports and exports.

Today that percentage has been shamefully diminished to reflect a 4.5 percent national carriage of oceanborne foreign trade on American-flag vessels, consisting of approximately 27.6 percent of liner cargo, 3.9 percent liquified bulk and 1.3 percent of its dry-bulk imports and exports.

The situation in the nation's shipyards is just as bad, if not worse. While the dramatic increase in naval ship construction promises to help some yards, nevertheless it is estimated that 12 out of the existing 27 commercial shipyards, which make up the nation's shipyard mobilization base, are in danger of closing their gates while experienced and skilled manpower layoffs consistently persist.

The nation's history is replete with situations and emergencies which promptly required the strong presence of American commercial maritime might—both U.S.-flag vessels and shipyards capable of providing necessary sealift requirements.

Today, according to Navy Secretary John Lehman, "... the state of the merchant marine in our country casts doubt on our capability to supply our own needs in peace or war, if ever forced to go it alone."

Simply put, in the event of national emergency or war, the United States would find itself in a sad and grave predicament, severely lacking a merchant fleet capable of functioning as a naval auxiliary and a shipyard mobilization base sufficient to meet defense building requirements. The dire consequences facing the nation if this dangerous trend is permitted to continue are frightening. Therefore, restoration of both major logistical elements of the nation's defense security is crucial.

Enactment of the Competitive Shipping and Shipbuilding Act of 1983, H.R. 1242 and S. 1000, introduced respectively by Representative Lindy Boggs (D-La.) and Senator Paul Trible (R-Va.), provides the wherewithal to set the American maritime industry back on a true and steady course.

By incrementally reserving carriage of a modest percentage of the nation's bulk imports and exports to U.S.-flag vessels constructed in U.S. shipyards, beginning with 5 percent in the year following the bill's enactment and increasing one percent annually until a minimum 20 percent carriage is reached, H.R. 1242 and S. 1000 provide a welcome and necessary ingredient to the revitalization of the U.S.-flag merchant fleet and the preservation of U.S. commercial shipyards.

Cargo is still the name of the game. By assuring cargo for U.S.-flag bulk vessels, this landmark legislation will certainly stimulate the climate for investment in the construction and operation of new, technologically advanced and competitive American-built, American-registered and

American-manned vessels, the foundation of this nation's "fourth arm of defense."

The goals embodied in H.R. 1242 and S. 1000 are modest in scope compared to the immense national benefits that will be derived from their passage. Aside from the very important defense benefits accruing from the revitalization of the fleet and shipbuilding mobilization base, H.R. 1242 and S. 1000 will not only preserve approximately 200,000 existing jobs in maritime and related industries but will also create new employment opportunities. Dormant shipyards vital to our national defense will be renewed, adding 25,000 jobs to this labor force as well as 78,000 jobs to support and allied industries. U.S.-flag carriers would experience an expanded market creating a demand for approximately 9,000 additional seafaring personnel for 158 to 268 new U.S.-flag vessels. Mining, steel and many other industries would be stimulated by the need for materials to build the new ships, improving the nation's employment future. This economic upturn would have a significant ripple effect through the nation, creating approximately 112,000 jobs annually.

Additionally, enactment of H.R. 1242 and S. 1000 will lessen the nation's dependence on foreign-flag ships to move American cargoes—a continuing drain on America's balance of payments—and add revenues to the coffers of the U.S. Treasury by generating millions of dollars annually through corporate and individual taxes.

Without the guarantee of cargo in our foreign trade to increase utilization of U.S.-flag vessels built in U.S. commercial shipyards as set out in H.R. 1242 and S. 1000, the U.S.-flag merchant fleet and commercial shipyards face virtual extinction. Now, therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, pledges its unwavering commitment to promptly realize the enactment of the Competitive Shipping and Shipbuilding Act of 1983, a vital ingredient to the needed revitalization of America's seapower dominance; and be it further

RESOLVED: That the Maritime Trades Department call upon the legislative and executive branches of the United States government to work together to enact H.R. 1242 and S. 1000 in order to provide the benefits, both tangible and intangible, which will accrue to all Americans, now and in the decades to come.

Resolution #5

BUY UNION COMMUNICATIONS

*Submitted by the
United Telegraph Workers*

WHEREAS, the communications industry promises to be the most rapidly expanding industry in the 1980s, and

Resolution #62

WORLD WAR II MERCHANT MARINERS

*Submitted by the
International Brotherhood of Firemen & Oilers*

WHEREAS: Many citizens of the United States served their country during World War II as Merchant Mariners, and

WHEREAS: They performed duty in the service of their country extending the lifeline of our armed forces and allies, and

WHEREAS: These heroic men were never recognized by the U. S. Government as principles, and

WHEREAS: Because of this the Merchant Mariners were never granted any benefits veterans of World War II are entitled to. Now therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, do everything within its power to seek recognition for such Merchant Mariners whereby they would be entitled to veterans benefits, and be it further

RESOLVED: The Maritime Trades Department seek legislation for this purpose.

Resolution #63

SHIPBUILDING

The status of United States shipbuilding industry is one reliable standard by which we may measure our national security. In both world wars, management and labor in our nation's shipyards and allied industries worked closely with our government to meet the pressing maritime needs of global conflict. At the beginning of hostilities, the naval and merchant fleets, ship repair and construction facilities were woefully inadequate. By the end of each conflict, however, America had assembled the greatest fleets and yards history had ever known. As a result, the United States was the preeminent world power and our unparalleled maritime strength cast a long shadow on any attempt to challenge our national interests. It is a bitter irony that our success at playing catch up in two previous conflicts may doom us to failure in the next. Apparently, many of those in positions of responsibility have chosen to ignore the lessons of history.

Commercial shipyards are an endangered species in this country; rather than protecting them, current Administration proposals will insure their eradication. Legislative proposals such as H.R. 3156, currently before Congress, which would permit subsidized operators to use Capital

Construction Funds revenues to acquire foreign-built vessels, eliminate the ad valorem tax on foreign repair work and provide foreign-built vessels with immediate eligibility for the carriage of government-impelled cargoes, are the means to an end of a vital component of our defense industrial base.

Further damage will be done to the nation's economy and security if the government enacts the unwise proposal to allow operators who received Construction Differential Subsidy funds to repay the Treasury in return for entry into the domestic trade to carry Alaska North Slope oil. The need for carriage of crude and refined petroleum products has traditionally been a source of new buildings for American yards. Allowing previously subsidized operators into a market, which already suffers from overtonnage, will delay the replacement of Jones Act tankers for so long that there may be no domestic shipyard capacity to build them when they are needed. In addition, valuable sealift assets currently engaged in the Alaska trade will be scrapped and unavailable for military support whenever needed.

The facilities and personnel which we may one day need to construct and service our own and allied fleets, both naval and commercial, are being allowed to vanish at an alarming rate. The most dangerous trend is the wholesale abandonment of the human element in our shipbuilding base. The indispensable network of workers and skills which has supported and protected this country in peace and war is being forced to collapse under the weight of expedient policies which lack both vision and compassion. It has been predicted that the negative trends being accelerated by current government policies will lead to a shortfall of 40,000 shipyard workers when measured against existing mobilization needs for the 1980's and beyond.

Preventing such a serious deficiency in worker skills and availability requires a government-supported commercial building program expansive enough to engage 35 percent of private shipyard employment. Without such a program, no worker with a family to support will be able to maintain complex shipyard skills when economic currents sweep him into another occupation which offers the financial security the shipbuilding industry is increasingly unable to provide. When a crisis comes, these workers will have established themselves in new communities with new jobs requiring different skills, and will be unable to return to an industry which, because of the blindness of government policy, worked them hard during the good times and left them to their own devices during the bad.

There are viable, alternative programs which would enhance American maritime strength in the yards and on the seas. Pending cargo-reservation legislation, the Competitive Shipping and Shipbuilding Act of 1983, would provide a foundation upon which a vigorous U.S.-flag fleet would be built. The proposal requires that American bulk imports and exports be allocated in a logical fashion to American-built, American-crewed vessels. Beginning with a 5 percent minimum in the first year of enactment and

increasing one percent each year until a minimum of 20 percent is attained, the cargo thus allocated would require the building of approximately 268 dry and liquid bulk vessels in U.S. yards through the end of the century. The expanded employment opportunities for shipboard, shipyard and allied industries generated by this legislation would benefit every state and virtually every congressional district in this country. A total of 27,000 direct, and 112,000 indirect jobs would be created and, equally important, 200,000 maritime-related jobs would be preserved. Studies conducted by the Maritime Administration show that for every dollar spent on shipyard goods and services, at least another 70 cents of allied industrial activity is generated in the economy. These conclusions, arrived at by independent observers and confirmed time and time again, vividly illustrate the wisdom of pursuing this course of action.

In addition, H.R. 2692, The Government Impelled Cargo Act of 1983, would provide for efficient and fair enforcement of impelled cargo laws which, by insuring cargo availability, would enhance the prospects for new buildings in American yards.

Work for the nation's shipyards would be generated as well, if current legislative proposals providing the United States with a 200-mile economic zone was specifically designated as Jones Act jurisdiction within that zone. Now, therefore be it

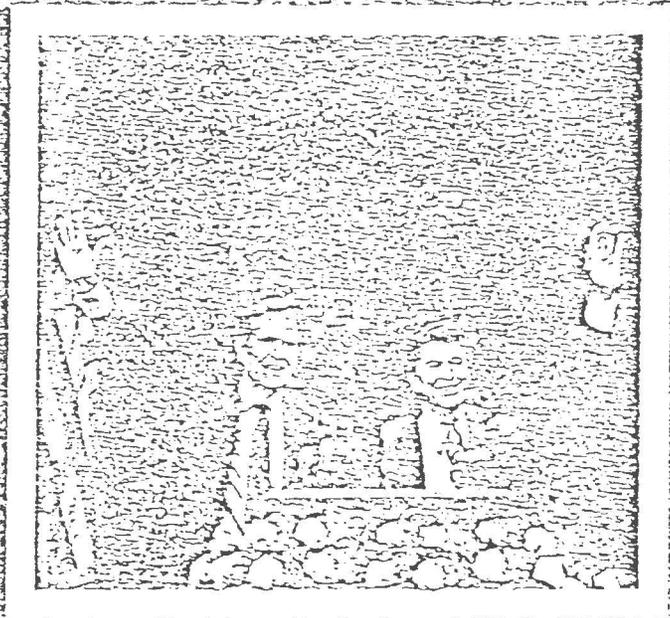
RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, urgently calls upon the United States Government to assume its responsibility to the American people, not as a benefactor but as a partner, in restoring an essential commercial shipbuilding base, in order to provide the jobs, ships and security upon which our nation's future depends. Fulfilling such a responsibility requires that essential shipyard facilities be not only maintained but expanded and improved and that the all-important human component in the nation's shipyards is not discarded because of shortsighted and illusory cost savings measures; and be it further

RESOLVED: That the Maritime Trades Department urges the Congress of the United States to quickly pass, and the President sign the Competitive Shipping and Shipbuilding Act of 1983 in order to insure survival of the United States shipbuilding industry; and be it further

RESOLVED: That the Maritime Trades Department urges the Congress of the United States to soundly reject current Administration maritime proposals as embodied in H.R. 3156 and the proposed rule permitting repayment of Construction Differential Subsidy in order to prevent the wholesale abandonment of the nation's shipbuilding mobilization base.

Reagan - Bush

A
New Beginning

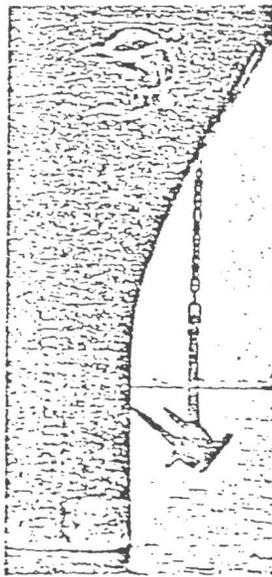


for America's
Maritime Industry

Why we need an effective maritime policy.

The United States is in trouble. We have watched the steady erosion of United States power and the decline of our influence during the past few years. We have watched the Soviet Union and several Third World nations take increasingly aggressive actions against the interests of the United States and our allies, and even against smaller neutral nations. We have lost our place as the logical focal point for Free World policy and action.

The cost to the United States has been a loss of prestige and influence, and these, in turn, have had a direct negative impact on our economy in terms of increased inflation and our relations with the rest of the world.



This adverse situation has occurred because of the lack of leadership within the White House and the subsequent loss of leadership by the United States as a nation. Nowhere is this loss of leadership more evident nor more dangerous than in the decline of both our naval forces and our maritime industry.

This decline occurs at a time when the United States is more dependent upon the use of the seas for our political, economic, and military well being than ever before in our history. Every day, major decisions affecting international relations are influenced by the capability or lack of capability of our naval forces.

The text of this booklet is based on statements made by candidate Ronald Reagan in Washington, D.C. on September 15 and in Saint Louis, Mo., on October 9, 1980, outlining his program for the development of an effective maritime strategy.

Why we need shipbuilding capability.

Our shipbuilding industry is vitally important to our nation. Shipyards provide the mobilization base for future buildups, employ people in every one of our fifty states, and are a proven technical training facility for our youth and minorities in a host of related industries.

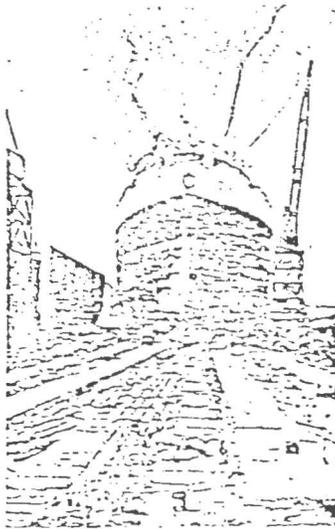
The crisis in our shipbuilding industry is ominous. Despite their already massive array of seapower, the Soviets continue to expand and improve their shipyards and related industries while America continues to decline. For example, 15 years ago the United States had seven shipyards building nuclear-powered ships and submarines. Today we have only two. In the same

period the Soviet Union nuclear shipyards have increased from two to six, with just one of those yards capable of building more nuclear submarines each year than the rest of the world's shipyards combined.

Should our shipbuilding capability continue to decline, America's mobilization potential will be seriously undermined because a large reduction in a skilled shipbuilding workforce today makes any increase tomorrow very difficult.

This is a dangerous threat to our national security, jobs and a key U. S. industry.

The United States is in dire need of a rational, reasonable and effective maritime policy.



Trade and our merchant fleet.

The world trades by sea and the United States is the world's greatest trading nation. We are heavily dependent upon ships to bring in foreign goods as well as petroleum and the raw materials for our industries; and we need ships to carry our manufactured products and our agricultural and raw material exports to the world's markets.

It is difficult for most Americans to conceive of the magnitude of our maritime decline. Three decades ago the U.S. was the most powerful maritime nation in the history of the world. Our Navy was over 1,000 ships strong and our merchant fleet carried 42% of the U.S. foreign trade.

Today, the Navy is down to less than 500 ships, many over-aged. As for commercial shipping, the 500-odd oceangoing vessels flying our flag currently carry less than 5% of our own commerce, while 95% of U.S. trade is carried by ships of other countries. The availability of these foreign ships in time of crisis is prob-

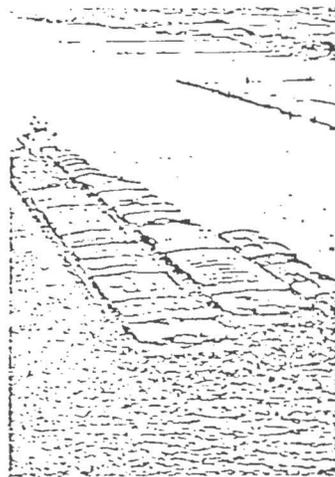
lematical at best.

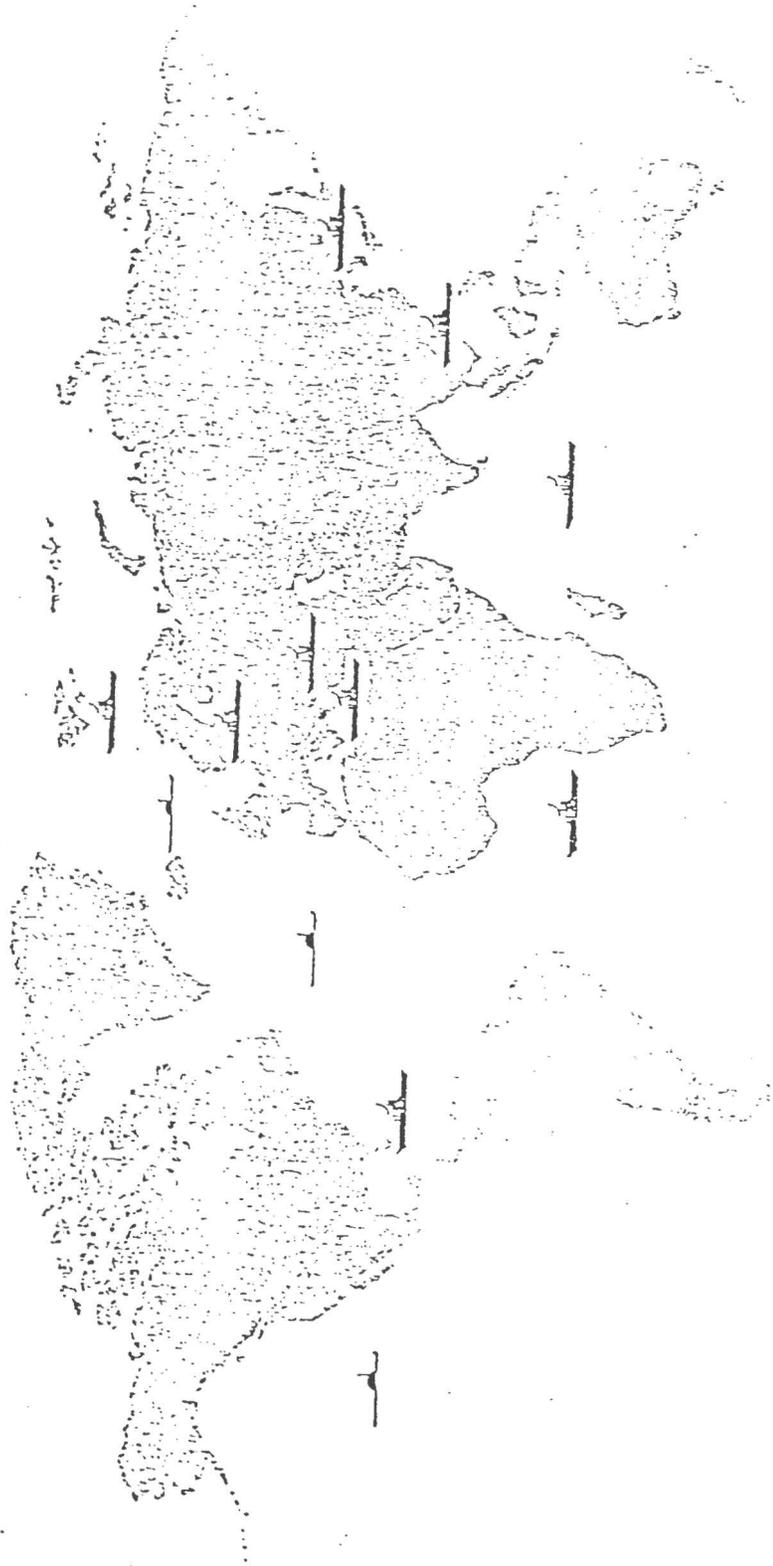
Even our once matchless inland water transportation system has been allowed to deteriorate so that today the movement of goods is limited by antiquated lock systems, silted rivers and inadequate harbors.

Although American innovation has been responsible for most of the major advances in shipboard productivity, our foreign competitors have now successfully mastered these advances and are able to take advantage of both the American innovation and the lower priced foreign wage structure.

Because of the failure of the maritime policy to adapt to significant changes in the international environment over the last ten years, we are in imminent danger of losing even the minimum level

of skilled manpower, engineering, management and component manufacturing capability needed to serve in a national emergency and to give us a base on which to expand in time of a protracted crisis or conflict.





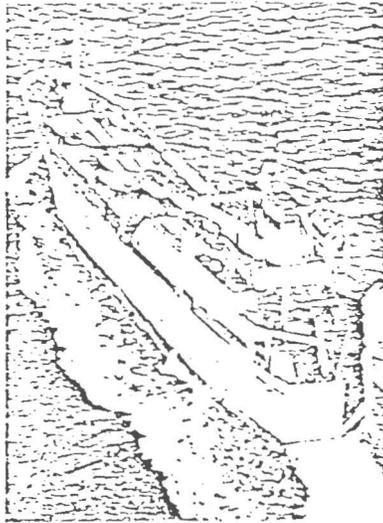
SOVIET NAVAL PRESENCE WORLDWIDE

Soviet maritime growth.

Today we see that the Soviet Union — primarily a land power — has the world's largest navy. The Soviet Union has more oceangoing surface warships than the U.S. Navy. And the Soviets are building new ships at a faster rate than we are. While the U.S. Navy will complete five major missile warships in the next three years . . . the Soviet Navy will add more than five times that number of major missile ships to their fleet, several of them nuclear powered.

In the submarine category the Soviets have about three times as many undersea craft as the U.S. Navy, and significantly more nuclear submarines.

This Soviet thrust to the sea is qualitative as well as quantitative. For example, the Soviet ALFA-class submarine, now in series production, has a titanium hull and can dive significantly deeper and travel



significantly faster than any American nuclear submarine.

Similarly, the Soviet merchant fleet is among the world's largest, with almost five times the number of ships at sea as fly the American flag.

Since 1950, the Russian merchant fleet has increased from 400 ships with under two-million tons of capacity to over 2,500 ships totaling almost 20-million tons, of which the vast majority are modern ships specifically designed to support military forces. This fleet carries over 65% of Soviet foreign commerce and, through freight rate

manipulation, an increasing share of the commerce of the free world.

The Soviet Union has the world's largest fishing and ocean research fleets as well, and they are deployed over the four corners of the world.

A specific
naval-maritime
program must be
developed that will:

1. Provide a unified direction for all government programs affecting maritime interests of the United States. We must insure that there is active cooperation between the Navy and the Merchant Marine and the governmental departments responsible for each. We must see that long-range building programs for naval and merchant ships are established and carried out.
2. Insure that our vital shipbuilding mobilization base is preserved. It is essential that sufficient naval and commercial shipbuilding be undertaken to maintain the irreplaceable shipbuilding mobilization base. Without this nucleus of trained workers and established production facilities, we can never hope to meet any future challenge to our security.
3. Improve utilization of our military resources by increasing commercial participation in limited functions. The Navy today is facing a critical shortage of trained personnel. With the commercial industry assuming increased responsibility for many auxiliary functions, substantial cost saving can be achieved and a large reserve of manpower can be released to provide crews for a growing naval fleet.
4. Recognize the challenges created by cargo policies of other nations. The cargo policies of other nations hold a challenge to the

United States. We have traditionally believed in free trade and freedom of the seas. Today, however, we are faced with a network of foreign governmental preferences and priorities designed to advance the interests of foreign shipping at the expense of our own. It is much the same as a country which subsidizes its steel industry to enable it to dump steel in the U.S. market at prices below actual production costs. That's not free trade. Thus, countries will have to be told they can't have it both ways—protection for their ships and competition for everybody else. As President, I intend to make that fact very clear to a number of people who apparently have not heard much from the current administration on this point.

In addition, we must encourage and support our maritime industry by negotiating bilateral agreements with some countries new—such as Brazil and Argentina. A major goal of my administration will be to assure that American



flag ships carry an equitable portion of our trade consistent with the legitimate aspirations and policies of our trading partners.

5. Restore the cost competitiveness of U.S.-flag operators in the international marketplace. It has been American policy since 1936 for the additional costs of building and operating U.S.-flag ships to be borne by a system of subsidies to help insure the competitiveness of American importers and exporters. But our parity system failed in the mid-1970's because most foreign governments moved to protect their own vital maritime interests after the shipping collapse of the mid-1970's. We must now take corrective action to make certain our merchant fleet and our shipbuilding industry survive and grow.

6. Revitalize our domestic water transportation system. The inland water transportation system provides an economic and energy efficient method of moving the goods and commodities of the nation between all parts of our country. It also provides a vital link in our international trading effort by tying the ports of all four seacoasts, which includes our Great Lakes, to the producing heartland of the Na-



tion. Again we are paying a high price for the absence of any coherent national policy.

7. Preservation of coastal trade. The principle that a nation's own ships should carry its coastal trade, presently embodied in the Jones Act, has been part of this country's maritime policies since the early days of the Nation. I can assure you that a Reagan Administration will not support legislation that would jeopardize this long-standing policy or the jobs dependant upon it.

8. Reduce the severe regulatory environment that inhibits American competitiveness. As foreign competition on the maritime scene has increased, so have the operational and regulatory restrictions on U.S. shipping and shipbuilding. Many of these restrictions increase costs and, in some cases, simply prevent our ships from competing with foreign ships. There is rarely, if ever, any commensurate benefit from these restrictions. Accordingly, we will carefully and rapidly review the effect of these restrictions and sponsor appropriate actions.

In carrying out these expansive programs, a coordinated effort will be undertaken to create new jobs for American seamen, shipyard workers, and the thousands of workers in related industries. These maritime industries which are vital to our national well being, in the past have had an outstanding record of providing not only employment but the training to enable minorities and the disadvantaged to obtain continued advancement.

DAVIS-BACON ACT

Congress enacted the Davis-Bacon Act in 1931 to ensure equity in Federally financed construction projects. Simply put, this law requires that employers pay the prevailing wage rate in a given locale when undertaking construction work that involves Federal funds. In addition, this law guarantees that local contractors who uphold community labor standards will not be undercut by out-of-state firms using cut-rate labor.

Throughout its existence, the Davis-Bacon Act has been the object of frequent attacks, especially during periods of Congressional approval of public works projects. Recently, for example, several anti-Davis-Bacon amendments were proposed for the highway repair jobs bill that was passed in 1982. While the proposed amendments were defeated, it is to be expected that the enemies of decent wages for American workers will continue their attacks.

These attacks are not confined to the legislative arena. The Reagan Administration, for instance, is attempting to weaken basic wage and job-security protections afforded workers in the construction industry under Davis-Bacon.

For example, the Department of Labor is proposing to eliminate the so-called 30 percent rule. Under this provision, a prevailing wage is set as the rate received by the largest number of workers in a job classification within a given geographical area, provided at least 30 percent of the workers in that classification receive that rate. Otherwise, a weighted average of local wages is used, meaning less money for the workers. Non-union contractors have complained that the 30 percent rule often results in union-scale wages setting the prevailing rate. It is in response to such complaints that the anti-labor Labor Department has proposed to increase the 30 percent ceiling to 50 percent.

As a result of AFL-CIO efforts, this and other proposed changes had been blocked until recently by a court injunction. That injunction was recently lifted by a higher court ruling, giving the Labor Department a green light to undermine these vital wage protections. Now, therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, reaffirms its unstinting commitment to the Davis-Bacon Act and its opposition to any legislative or administrative attempts to weaken or repeal this important law; and be it further

RESOLVED: That this Convention supports the AFL-CIO's current attempt through the judicial system to overturn the disastrous court decision supporting the Labor Department's rule changes.

ATTACHMENT A ²

Gov. Reagan addressing Ohio Conf. of Teamsters

RONALD REAGAN ON DEREGULATION OF THE TRUCKING INDUSTRY

"ALTHOUGH I have been long opposed to increased and unnecessary government regulations, the current policy of the Carter administration on deregulating of the trucking industry is ill-conceived and not in the best interest of the transportation requirements of the country.

"Any industry as vital to the national

economy and the national defense as trucking is, cannot be deregulated in one stroke without tremendous dislocation of individuals and organizations.

"Trucking deregulation should be phased in over a long period with consultation with the affected parties as each step is taken. I could proceed no further without such consultation."

the U.S. Government to refrain from entering any agreement that would be disadvantageous to U.S.-flag operators; and be it further

RESOLVED: That upon adoption this resolution be forwarded to the 15th Constitutional Convention of the AFL-CIO for favorable support and action.

Resolution #55

HOBBS ACT

In the early years of the American labor movement, legitimate strike activities of workers were often squelched by anti-union employers acting in concert with Federal, state and local authorities. One of the most valuable victories ever gained by the House of Labor was the Federal Government's eventual recognition of workers' rights to organize and picket in a lawful manner. There are those who have never accepted this right and who are constantly looking for ways to expand their union-busting activities.

One such attempt is the current move to expand the Hobbs Act to cover acts of threats of violence on the picket line. The Hobbs Act is legislation which provides Federal criminal penalties against certain types of racketeering. It has been the position of the Maritime Trades Department, the AFL-CIO, and the Supreme Court of the United States that the Hobbs Act was not intended to apply Federal penalties to wrongdoings during a legitimate labor dispute, whether those wrongdoings are by labor or management.

The Department deplors illegal violence in any circumstance and believes that such acts during a labor-management dispute—whether by management or labor—should be prosecuted with all deliberate speed. However, sufficient and appropriate legal remedies already exist in all states. Despite this fact, legislation has been introduced in the 98th Congress which would amend the Hobbs Act to classify picket-line violence as extortion. Enactment of this legislation would essentially make violence connected with a legitimate strike a Federal crime.

In effect, S. 242 and its companion bill H.R. 287, supported by right-wing, anti-union organizations led by the National Right to Work Committee, would expand the power of the Federal Government into the business of policing the orderly conduct of strikes, would impose the severe Federal penalties of the Hobbs Act on acts of threats initiated by the striking worker, and undermine the very core of America's collective bargaining system. At the same time, this legislation would not be applied to company agents who may provoke such violence.

Such grossly inequitable legal treatment would be contrary to the

guiding policy embodied in all other Federal labor laws, which assure government neutrality and even-handedness in their enforcement.

The last Congress wisely did not pass similar legislation after exhaustive hearings showed that the proposed amendment of the Hobbs Act would be an unnecessary infringement on state and local law enforcement authorities and a perversion of the national labor policy of government neutrality in collective bargaining proceedings.

Most importantly, passage of this legislation would arm the ever-increasing number of anti-union employers with one more weapon with which to deny workers their collective bargaining rights. Now, therefore be it

RESOLVED: That the 1983 Biennial Convention of the Maritime Trades Department, AFL-CIO, joins all union workers in opposing amendments to the Hobbs Act which would infringe upon labor's rights to engage in lawful picket line activity.

Resolution #56

MARITIME LABOR AGREEMENTS ✓

*Submitted by the
International Longshoremen's Association, AFL-CIO*

In August, 1980, the Maritime Labor Agreements Act was enacted into law. The express purpose of that statute was to remove collective bargaining agreements in the maritime and longshore industry from regulation by the Federal Maritime Commission under the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933. In other words, the 1980 Act intended to foster and preserve the established national policy of free and unfettered collective bargaining, as expressed in the National Labor Relations Act.

Unfortunately, the Federal Maritime Commission has not followed the intent of Congress and has continued its intervention into the labor relations and collective bargaining in the maritime and longshore industry. Effective collective bargaining in any industry cannot exist under the dual regulation under which the maritime industry now finds itself. The National Labor Relations Board has the clear statutory jurisdiction and expertise in this field. The Federal Maritime Commission does not. The FMC's record in this area speaks for itself. Its proceedings in dockets opened in 1973 and 1974 are still before the Commission. Under these circumstances, employees and employers are subjected to the frequently contradictory rulings of two Federal agencies with different mandates and interests, thus disturbing the equilibrium of an industry which handles 90 percent of our international trade.

WHEREAS airline management is effectively recycling airline labor from union to minimum pay nonunion employees by the process of spinoff airlines such as New York Air, and the newly proposed Frontier Horizon, and

WHEREAS the United States is negotiating charter flight agreements with foreign countries that effectively create international deregulation with an adverse effect to organized carriers;

NOW, THEREFORE BE IT RESOLVED, That the Maritime Trades Department, AFL-CIO

1. Calls upon Congress and the Administration to fulfill their commitment to airline employees and effect full implementation of all labor protection provisions included in the Airline Deregulation Act of 1978;

2. Calls upon Congress to establish statutory pricing guidelines for airline fares and tariffs to provide financial stability to the air transport industry;

3. Forward this resolution to the AFL-CIO Convention for ratification and for the support of the AFL-CIO Legislative Department in achieving its full implementation.

Submitted by,



J. F. Otero
International Vice-President, BRAC