

May 30, 1959

## THE MONOPOLY

The U.S. Dept. of Labor puts out a brochure BES No. F-146 published June 1957. This gives an abstract of the Migrant Labor Agreement of 1951 as amended, between Mexico and the United States. It also abstracts U.S. Public Law 78, 82nd Congress as amended which was passed to put into effect the Migrant Labor Agreement.

The Migrant Labor Agreement and U.S. Public Law 78 is therefore the law of the United States. On page 21 under the heading of Standard Work Contract, is given the method by which the group health and accident insurance is to be obtained.

Starting on line 31, it says "Such insurance may be obtained from any responsible and properly licensed insurance company which will furnish such insurance at competitive rates for the area of employment". There is only one way to get competitive rates and that is to put the insurance up for bid and get competition.

This is not done. The Continental Casualty Co. of Chicago for the last 8 years has had a monopoly on this insurance applying to approximately 500,000 workers brought in annually from ~~the~~ Mexico. These workers pay \$25,000,000.00 out of their own pay for this insurance. The employers contribute nothing. In the past 8 years, The Continental Casualty Co. of Chicago has collected 200 million dollars from these poor workers.

Continental Casualty Co. of Chicago besides not having any competition, is exploiting these poor workers so that they have a gold mine from the premiums collected from the laborers. The other insurance companies, like Aetna, Travelers and Occidental want to get in on this gold mine. California and Western States paid \$15,000.00 retainer to Ex-Mayor of New York, O'Dwyer, who is practicing law in Mexico City. But California and Western States has not been able to sell their insurance to the laborers.

Now it is the employer Associations who import these workers and make the master policy agreement with Continental Casualty Co. of Chicago for the group health insurance. Yet these employer Associations do not contribute one cent to the payment of this insurance, and are giving this insurance to Continental Casualty without any competitive bidding.

The word is out along the grapevine that the employer associations are forced to take Continental Casualty Co. of Chicago. What is the nature of this coercion? This is a proper matter for investigation by governmental agencies. Why do not U.S. Governmental agencies or state agencies like those of California, investigate this monopoly? How long are these naive ignorant workers going to pay exorbitant rates for their group health insurance? These workers earn a pittance. I have seen checks where after a week's work, the worker only received 75 cents, yet the Continental Casualty Co. of Chicago got it's \$1.00 premium out of the week's wages, and actually got more money then the worker got after all deductions had been made.